City of Portland

Joint Economic Development Committee & Housing Committee Meeting
May 21, 2019, Tuesday
6:00 p.m. to 7:00 p.m.
Room 209

1. Public Hearing and vote

a. To recommend to the City Council Proposed Affordable Housing TIF District at 66 State Street.
See enclosed memorandum and backup material from Mary Davis.

NOTE: The Committee may enter into executive session to discuss the proprietary information of the Applicant pursuant to 1 M.R.S.A. Section 405(6)(F) and 5 M.R.S.A. 13119-A

2. Public Hearing and vote

a. To recommend to the City Council Proposed Affordable Housing TIF District on Front Street.
See enclosed memorandum and backup materials from Mary Davis

NOTE: The Committee may enter executive session to discuss the proprietary information of the Applicant pursuant to 1 M.R.S.A. Section 405(6)(F) and 5 M.R.S.A. 1119-A

3. Presentation and Discussion

a. On the following two Possible Public-Private Partnerships to support affordable housing projects on City-owned properties:
Avesta Project located a the Barron Center; and
Community Housing of Maine's Project located at the existing surface parking lot at Franklin and Middle Streets.
See enclosed memorandum and backup materials from Kristen Dow.
NOTE: The Committees may enter executive session to discuss real estate negotiations pursuant to 1 M.R.S.A. Section 405(6)C() and (F) and 5 M.R.S.A. 13119-A.

CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

Councilor Costa, Chair
Members of the Economic Development Committee

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

DATE: May 13, 2019

SUBJECT: Developers Collaborative – 66 State Street
Affordable Housing Tax Increment Financing Request

On May 21st, the Housing Committee and Economic Development Committee will hold a joint meeting to review and take action on a request from Developers Collaborative for an Affordable Housing Tax Increment Financing District for their project located at 66 State Street.

The development district will include two buildings. The existing building at 66 State Street will be converted into a women's housing community with 40 rooming units affordable to individuals with income not exceeding 50% of the area median income. Support services will be provided by Amistad and their community partners. As described by the developer:

"A Women's Healthy Housing Community…… would provide an affordable continuum of housing for women with histories of job loss, domestic violence, homelessness, and substance use and co-occurring disorders. The continuum includes supportive housing that provides peer-led, recovery-oriented single room occupancy (SRO) housing in one building as well as independent, affordable rental housing (efficiencies and one bedrooms) in an adjacent building as women's support and housing needs transition with recovery."

The second, adjacent building will be a new construction 30-unit rental housing development with 14 studio units and 16 1-bedroom units. The units will be affordable to individuals, as described above, with income not exceeding 60% of the area median income.

The developer intends to request $600,000 in funding through the 2019 Affordable Housing Development Application. The application was released on April 24 with a due date of May 31st.

The rental housing development will include:

	66 State Street Targeting					
Apartments				**Women's Housing Community (lodging house)**		
Unit Size	**Targeting**	**# of Units**		**Unit Size**	**Targeting**	**# of Units**
0BR Units	not exceeding 60% AMI	14		Rooming	not exceeding 50% AMI	40
1BR Units	not exceeding 60% AMI	16		Units		0
TOTAL		30		TOTAL		40

If approved, the AHTIF will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of $89,072.

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

When completed, this project's new assessed value is estimated at $3.75 million, which will yield the same amount in increased annual assessed property value as the property currently has a zero net taxable value.

Total development costs are estimated at a combined $11.7 million ($6 million for the new rental unit building and $5.7 million for the lodging house). At full build out, the development district is projected to pay an annual average of $118,763 in projected new taxes of which $89,072 will be returned to the developer and $29,691 will be non-captured general fund revenue.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	**Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)**	**Non -Captured General Fund Revenue (Tax Dollars in General Fund)**
30 Year TIF Total	$2,672,169	$0	$890,723
30 Year Average	$89,072	$0	$29,691

Tax Sheltering Benefits

In addition, with the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $23,942, or $718,246 over the life of the district.

	1. Sheltered Valuation (same as Captured Valuation	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	$84,375,000	$622,294	$49,365	$46,587	$718,246
30 Year Average	$2,812,500	$20,743	$1,645	$1,553	$23,942

Staff Analysis and Recommendation

The Housing and Community Development Division works with an independent consultant who performs third party underwriting reviews of all requests for City funding (local and federal resources), including Affordable Housing Tax Increment Financing requests. Last year, the review included both the TIF and HOME or HTF investments. Because of timing issues regarding the TIF application due date at Maine Housing, the TIF request is moving forward at a slightly different pace. A third party financial analysis will be available for the joint Housing Committee and Economic Development Committee meeting scheduled for May 21.

Public Benefits In reviewing this TIF request, staff notes the public benefit associated with the TIF District of 40 rooming units and 30 units of rental housing, all of which will be affordable to households at or below sixty percent (60%) of the area median income. Additionally, the TIF will create tax sheltering benefits estimated at an average $23,942 annually.

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

ATTACHMENTS

Project Description
TIF Projection Table
TIF District Map
Project Pro Forma
Third Party Financial Analysis (to be provided prior to the May 21 meeting)

A Women's Healthy Housing Community
66 State Street, Portland, Maine

A Women's Healthy Housing Community located at 66 State Street in Portland would provide an affordable continuum of housing for women with histories of job loss, domestic violence, homelessness, and substance use and co-occurring disorders. The continuum of housing would include supportive housing that provides peer-led, recovery-oriented single room occupancy (SRO) housing in one building as well as independent, affordable rental housing (efficiencies and one bedrooms targeted to households earning 60% or less) in an adjacent building as women's support and housing needs transition with recovery.

Tenants would be referred to the SROs in part from the existing shelter network, as their needs transition toward more permanent options, but also could find the SRO housing through other channels. As their situation stabilizes, the intent is to have the LIHTC housing next door, so, when they are ready for a more independent living situation, that option will be there even as the supportive services are right next door.

The ultimate intent of this program is to create a truly accessible healthy housing resource for women in the City of Portland, by engaging them in a way that requires structure and accountability from the women and from the engaged agencies.

The project aims to complete a continuum of housing options to help women get back on their feet. While this would be a residential project and not a shelter, Amistad and DC will provide the supportive housing component in partnership with shelter staff, with the hope of accepting women into this Women's Healthy Housing Community. Each floor of this building will house live-in peer support specialists who will be available to welcome and provide ongoing peer support to residents. Peers will work together to create progress plans based on the goals and intents of each individual woman. Outside referrals will be made for case management, health care, employment services and other needs through Amistad's preferred community partners including Northern Light Mercy Hospital, Discovery House, Portland Internal Medicine, Through These Doors and the City of Portland. Utilizing current agency programs, Amistad can facilitate rapid induction into MAT programs and primary care, as well as support women accessing services within Mercy ER or at Riverview to avoid discharge into homelessness. The community will also offer various recovery focused groups and meetings for the residents to attend, with a requirement to participate in at least three weekly meetings, all of which will be led by individuals with lived experience.

Residents will also be required to volunteer a minimum of ten hours per week in various capacities, such as supporting the community kitchen or clothes closet, learning valuable skills and giving back to their community. The community kitchen will serve three meals a day and will be open to both women and children in the greater community, as well as the residents.

66 STATE STREET AFFORDABLE HOUSING MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM

1. The District is located at 66 State Street in Portland (Tax Map/Lot 44-H-1). The site is approximately 0.5087 acres and includes an existing historic building. A municipal map showing district boundaries and a tax map showing district boundaries is attached.

2. 100% of District acreage is suitable for residential use, and in need of rehabilitation/redevelopment. The District is well-located for housing as it is located in downtown Portland, in close proximity to many businesses and services. The District includes an existing historic building and parking lot and is in need of redevelopment. The District is serviced by municipal sewer and water services and will include only residential use. The District is located in the R6 Zone, with a stated purpose "to set aside areas on the peninsula for housing characterized primarily by multifamily dwellings at a high density providing a wide range of housing for differing types of households; and to conserve the existing housing stock and residential character of neighborhoods by controlling the scale and external impacts of professional offices and other nonresidential uses." Multifamily residential and lodging house is a permitted use in the R6 Zone.

3. District acreage divided by total municipal acreage is not more than 2%. The district is 0.5087 acres out of a total ______ acres in Portland, representing _______%.

4. Total acreage of all existing and proposed development districts (affordable housing and DECD districts) in municipality divided by total municipal acreage is not more than 5%. Existing and proposed development districts are ______ acres out of a total ________ acres in Portland, representing ______%.

5. The original assessed value (OAV) of the District is $0 (Certificate of OAV is attached). The OAV of $0 equates to the taxable assessed value of the lot and building known of City tax maps as 44-H-1).

6. The OAV of all existing and proposed affordable housing development districts in the municipality divided by the aggregate taxable property value as of April 1, 2019 is not more than 5%. The aggregate OAV of existing and proposed districts is $_______, divided by the aggregate taxable property value of $________, represents ____%.

7. The Development Program will begin April 1, 2019 and end March 31, 2049. The municipal fiscal year is July 1 to June 30.

8. The Development Program meets an identified housing need in Portland. The proposed 66 State Street redevelopment will add 30 units of affordable family rental apartments and a lodging house ("Women's Housing Community") to the Portland housing stock. Approximately fourteen studio units and sixteen one-bedroom units

will all be targeted to households with incomes at or below 60% of area median income (AMI). The lodging house will be targeted to individuals with incomes at or below 50% of area median income (AMI).

9. The District will be a primarily residential development. Residential uses include both housing and uses related to residential uses, such as small-scale nonresidential uses that are intended to provide services primarily to the residents of the district.

10. 100% of the rental housing units (30) in the district will be affordable housing, and will be occupied by households with income not exceeding 60% of AMI. 100% of the lodging house (approximately 40 rooming units) will be affordable housing occupied by households with income not exceeding 50% of AMI.

11. The apartments will be developed with Low Income Housing Tax Credit equity and thus subject to an Extended Use Agreement with MaineHousing, which will be executed at loan closing and a copy recorded at the registry of deeds. The Extended Use Agreement will restrict occupancy of the units in the 66 State Street Apartments to households with income not exceeding 60% of AMI. The length of the affordability period will be 45 years. The lodging house will be subject to an Affordable Housing Agreement with the City of Portland, which will be executed at loan closing and a copy recorded at the registry of deeds. With 100% of the units designated as affordable, the minimum term of affordability is 10 years.

11. When completed, the Women's Housing Community will be managed by DC Management, an experienced manager of subsidized housing properties with extensive LIHTC training. Amistad and their preferred community partners will provide services to residents of the district.

The total annual cost of operations for the apartments is budgeted at $214,640. The breakdown by category is as follows: administrative 25.6%; utilities 19.6%; maintenance 28.3%; general expenses 20.3%; and reserves 6.3%. The financing for operating expenses is primarily through tenant rents (92.9%). TIF payments made to reimburse project costs (7.1%) make up the remainder. The project will have Resident Services available via an on site coordinator and will be managed as a smoke free building.

The total annual cost of operations for the lodging house is budgeted at $181,336. The breakdown by category is as follows: administrative 13.8%; utilities 27.2%; maintenance 24.2%; and general expenses 34.7%. The financing for operating expenses is primarily through tenant rents (91.4%). TIF payments made to reimburse project costs (8.6%) make up the remainder.

12. Table 1. Specific planned uses of tax increment revenues from the district.

Specific	Timing of	Amount ($)	Amount to be funded by	Location

improvements or activities to be funded with tax increment revenues	each planned improvement	to be funded with tax increment revenues	other sources Amount	Source	within or outside District?
Apartments Operating Costs (Administrative, Utilities, Maintenance, Insurance, Replacement Reserves)	Ongoing	Estimated $874,772 ($24,750 in 2022, increasing 2%/year until March 31, 2049)	Estimated $12,585,742 ($169,908 in year one, stabilized in year two at $339,816 with 2-3% annual increase until March 31, 2049)	Project Rents	Inside
Lodging House Operating Costs (Administrative, Utilities, Maintenance, Insurance)	Ongoing	Estimated $1,333,844 ($36,000 in 2021, increasing 2%/year until March 31, 2049)	Estimated $14,227,813 ($384, in year one, increasing 2%/year until March 31, 2049)	Project Rents	Inside
City's Use of Funds					

13. A valuation and revenue table is attached showing estimates of increased assessed values of the district, with 100% of the increased assessed values to be applied as captured assessed values and the resulting tax increments in each year of the program, and a tax shift table is attached showing a calculation of the tax shifts resulting from designation of the affordable housing development district. 75% of the captured assessed values would be allocated to the project owner and 25% of the captured assessed values would be allocated to the municipality. A copy of the Credit Enhancement Agreement is attached.

14. No relocation plan is necessary.

15. This project is committed to following all local and state laws and regulations. Locally, we anticipate commencing the planning board approval process in spring 2019. A Phase I environmental study will be conducted and any necessary corrective action will be taken. Any environmental issues will be fully remediated as part of the Project.

16. The Development Program is consistent with Portland's Comprehensive Plan, adopted by the City Council in June 2017, and complies with Maine law limiting growth-related capital investments (30-A M.R.S.A. §4349-A).

17. The District is not in conflict with Portland's municipal charter.

City of Portland - TIF Model
66 State Street
OAV a/o 3/31/2019: $0
3-May-19

Dev. Collaboratives 66 State St. Project - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	City Fiscal Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2019	2019/2020	$3,750,000	75.00%	$2,812,500	23.42	$65,869	$65,869	$0	$21,956
2	2020	2020/2021	$3,750,000	75.00%	$2,812,500	23.89	$67,186	$67,186	$0	$22,395
3	2021	2021/2022	$3,750,000	75.00%	$2,812,500	24.37	$68,530	$68,530	$0	$22,843
4	2022	2022/2023	$3,750,000	75.00%	$2,812,500	24.85	$69,900	$69,900	$0	$23,300
5	2023	2023/2024	$3,750,000	75.00%	$2,812,500	25.35	$71,298	$71,298	$0	$23,766
6	2024	2024/2025	$3,750,000	75.00%	$2,812,500	25.86	$72,724	$72,724	$0	$24,241
7	2025	2025/2026	$3,750,000	75.00%	$2,812,500	26.37	$74,179	$74,179	$0	$24,726
8	2026	2026/2027	$3,750,000	75.00%	$2,812,500	26.90	$75,662	$75,662	$0	$25,221
9	2027	2027/2028	$3,750,000	75.00%	$2,812,500	27.44	$77,176	$77,176	$0	$25,725
10	2028	2028/2029	$3,750,000	75.00%	$2,812,500	27.99	$78,719	$78,719	$0	$26,240
11	2029	2029/2030	$3,750,000	75.00%	$2,812,500	28.55	$80,294	$80,294	$0	$26,765
12	2030	2030/2031	$3,750,000	75.00%	$2,812,500	29.12	$81,900	$81,900	$0	$27,300
13	2031	2031/2032	$3,750,000	75.00%	$2,812,500	29.70	$83,538	$83,538	$0	$27,846
14	2032	2032/2033	$3,750,000	75.00%	$2,812,500	30.30	$85,208	$85,208	$0	$28,403
15	2033	2033/2034	$3,750,000	75.00%	$2,812,500	30.90	$86,912	$86,912	$0	$28,971
16	2034	2034/2035	$3,750,000	75.00%	$2,812,500	31.52	$88,651	$88,651	$0	$29,550
17	2035	2035/2036	$3,750,000	75.00%	$2,812,500	32.15	$90,424	$90,424	$0	$30,141
18	2036	2036/2037	$3,750,000	75.00%	$2,812,500	32.79	$92,232	$92,232	$0	$30,744
19	2037	2037/2038	$3,750,000	75.00%	$2,812,500	33.45	$94,077	$94,077	$0	$31,359
20	2038	2038/2039	$3,750,000	75.00%	$2,812,500	34.12	$95,958	$95,958	$0	$31,986
21	2039	2039/2040	$3,750,000	75.00%	$2,812,500	34.80	$97,877	$97,877	$0	$32,626
22	2040	2040/2041	$3,750,000	75.00%	$2,812,500	35.50	$99,835	$99,835	$0	$33,278
23	2041	2041/2042	$3,750,000	75.00%	$2,812,500	36.21	$101,832	$101,832	$0	$33,944
24	2042	2042/2043	$3,750,000	75.00%	$2,812,500	36.93	$103,868	$103,868	$0	$34,623
25	2043	2043/2044	$3,750,000	75.00%	$2,812,500	37.67	$105,946	$105,946	$0	$35,315
26	2044	2044/2045	$3,750,000	75.00%	$2,812,500	38.42	$108,065	$108,065	$0	$36,022
27	2045	2045/2046	$3,750,000	75.00%	$2,812,500	39.19	$110,226	$110,226	$0	$36,742
28	2046	2046/2047	$3,750,000	75.00%	$2,812,500	39.98	$112,430	$112,430	$0	$37,477
29	2047	2047/2048	$3,750,000	75.00%	$2,812,500	40.77	$114,679	$114,679	$0	$38,226
30	2048	2048/2049	$3,750,000	75.00%	$2,812,500	41.59	$116,973	$116,973	$0	$38,991
30 Year TIF Total			**$112,500,000**		**$84,375,000**		**$2,672,169**	**$2,672,169**	**$0**	**$890,723**
30-Year Average:							**$89,072**	**$89,072**		**$29,691**

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

Dev. Collaborative 66 State St. Project - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	City Fiscal Year	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation: Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	2019/2020	$3,750,000	$2,812,500	$0	$1,645	$1,553	$3,198
2	2020	2020/2021	$3,750,000	$2,812,500	$0	$1,645	$1,553	$3,198
3	2021	2021/2022	$3,750,000	$2,812,500	$0	$1,645	$1,553	$3,198
4	2022	2022/2023	$3,750,000	$2,812,500	$7,978	$1,645	$1,553	$11,177
5	2023	2023/2024	$3,750,000	$2,812,500	$15,956	$1,645	$1,553	$19,155
6	2024	2024/2025	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
7	2025	2025/2026	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
8	2026	2026/2027	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
9	2027	2027/2028	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
10	2028	2028/2029	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
11	2029	2029/2030	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
12	2030	2030/2031	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
13	2031	2031/2032	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
14	2032	2032/2033	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
15	2033	2033/2034	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
16	2034	2034/2035	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
17	2035	2035/2036	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
18	2036	2036/2037	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
19	2037	2037/2038	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
20	2038	2038/2039	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
21	2039	2039/2040	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
22	2040	2040/2041	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
23	2041	2041/2042	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
24	2042	2042/2043	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
25	2043	2043/2044	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
26	2044	2044/2045	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
27	2045	2045/2046	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
28	2046	2046/2047	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
29	2047	2047/2048	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
30	2048	2048/2049	$3,750,000	$2,812,500	$23,934	$1,645	$1,553	$27,133
30 Year TIF Total			**$112,500,000**	**$84,375,000**	**$622,294**	**$49,365**	**$46,587**	**$718,246**
30 Year Average			**$3,750,000**	**$2,812,500**	**$20,743**	**$1,645**	**$1,553**	**$23,942**

ArcGIS Web Map

4/18/2019, 12:20:30 PM

1:1,122

0 0.01 0.01 0.03 mi

0 0.01 0.03 0.06 km

City of Portland, DPS

Web AppBuilder for ArcGIS
City of Portland, Maine

April 1 2012 fy 2013

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

Index Number - D9NW

DEVELOPMENT BUDGET AND LOW INCOME HOUSING TAX CREDITS				
Development Budget	**Residential**	**Commercial**	**Total**	**4% Basis**
ACQUISITION/DEMOLITION		-		
Land	450,000			
Buildings			-	-
Demolition	-		-	-
Subtotal Acquisition/Demo	450,000		450,000	-
CONSTRUCTION			-	
Site Work			-	-
Gen'l Requirements			-	-
Structures	4,053,122		4,053,122	4,053,122
OH & P			-	-
Construction Contingency	405,312		405,312	405,312
Bond			-	-
Abatement			-	
	-		-	-
			-	
Subtotal Construction	4,458,434		4,458,434	4,458,434
SOFT COSTS			-	
Permits & fees	25,000		25,000	25,000
Engineer/Survey	45,000		45,000	45,000
Architect	222,922		222,922	222,922
Real Estate Attorney	45,000		45,000	45,000
Title Insurance & Recording	12,000		12,000	12,000
Accounting/ Cost Certification	7,000		7,000	7,000
Soft Cost Contingency	40,000		40,000	40,000
Utility Allowance	30,000		30,000	30,000
Const. Taxes & Insurance	50,000		50,000	50,000
Subtotal Soft Costs	476,922		476,922	476,922
FINANCING EXPENSES			-	
Constr. Loan Orig. Fee	6,000		6,000	6,000
Construction Legal & Inspection	35,000		35,000	35,000
Construction Interest	125,000		125,000	125,000
Other Financing Expenses	1,000		1,000	
Perm. Loan Orig. Fee	4,000		4,000	-
Subotal Financing	171,000		171,000	166,000
OTHER SOFT COSTS			-	
Market Study	5,500		5,500	5,500
Property Appraisals	6,000		6,000	6,000
Environmental Report & Testing	15,000		15,000	15,000
Construction Oversight	-		-	-
Historic Consultant	-		-	-
Tax Credit Fees	16,450		16,450	-
FFE	20,000		20,000	20,000
Organizational Legal	800		800	
Subtotal Other	63,750		63,750	46,500
DEVELOPER'S FEES			-	
Developer's Ovhd. & Profit	500,000		500,000	500,000
Consultant			-	-
Subtotal development fees	500,000		500,000	500,000
PROJECT RESERVES			-	
Rent Up & Marketing Reserve	30,000		30,000	-
Operating Reserve	166,165		166,165	-
Replacement Reserve	40,531		40,531	-
Prepaid Taxes & Insurance	43,500		43,500	-
Prepaid Monitoring			-	
Subtotal Reserves	280,196		280,196	-
TOTAL PROJECT COST	6,400,302		6,400,302	5,647,856
ELIGIBLE BASIS				5,647,856
LESS FEDHOME				-
LIHTC ELIGIBLE BASIS				5,647,856
APPLICABLE FRACTION	100%			less fed HTC
QUALIFIED BASIS		-		5,647,856.03
QUALIFIED CT ADJUSTMENT	130%			7,342,213
CREDIT PERCENTAGE				3.27%
ANNUAL LIHTC ELIGIBLE		-		240,090
				240,090
ANNUAL LIHTC ALLOCATED				240,090
NET PROCEEDS	86.00%	99.99%		2,064,571

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS	Permanent	Construction Period	Terms/Comments		
Amortizing Debt			Rate	Term	Paymnt
MSHA RLP	2,139,820		5.50%	30	$117,690
MSHA 15-year			6.00%	15	$0
Subtotal Amortizing Debt	2,139,820				$117,690
Soft Debt					
City of Portland	245,912	245,912	-	NPV	
MSHA RLP	1,950,000	975,000	0.0%	30	$0
MSHA Part E	-	-			
		-			
Subtotal Soft Debt	2,195,912	1,220,912			
Construction Loan		3,350,452			
Total Debt Financing	4,335,732	4,571,364			
City ED Grant		-			
LIHTC Syndication Proceeds	2,064,571	1,238,742			
Deferred Developer Fee		0		Total Fed	2,064,571
Historic Credit Proceeds	-	-	-	Total Hist	-
TOTAL SOURCES	6,400,303	5,810,106			

USES OF FUNDS	Total	Construction Period
Acquisition/Demo	450,000	450,000
Construction	4,458,434	4,458,434
Soft Costs	476,922	476,922
Financing Fees	171,000	171,000
Other Soft Costs	63,750	63,750
Development Fee	500,000	190,000
Reserves	280,196	-
TOTAL USES	6,400,302	5,810,106
DEVELOPMENT CONTINGENCY (GAP)	**0**	-

Affordability Analysis & Rent Schedule

Affordable Rents

Unit Type	HHLD Size	Fed Home	LIHTC Rent	UA	Max. Net Rent
0 BR @ 50%			788	33	$755
1 BR @ 50%	1.5		845	43	$802
0 BR @ 60%			946	33	$913
1 BR @ 60%	1.5		1,014	43	$971
0BR @ 120%			1,892		
1 BR@ 120%	1.5		2,028		

Rent Schedule

Unit Type	# Units	Net Rent	Utility Allow.	Gross Rent	Afford. @ % Med. Inc.
0 BR @ 50%		$755	33	$788	
1 BR @ 50%		$802	43	$845	
0 BR @ 60%	14	$913	33	$946	
1 BR @ 60%	16	$971	43	$1,014	
0 BR 120%		$1,250			
1 BR 120%		$1,600			
	0				
TOTAL	30				
Bedroom Mix	0 BR	1 BR	2 BR		Total
	14	16			30
Income Mix		50%AMI	60%AMI	Market	Total
Number		0	30	0	30
Percent		0.0%	100.0%	0.0%	
		0%			

Operating Income & Expense

Effective Gross Income		Monthly	Annual
Gross Potential Rental Income		28,318	339,816
Less Vacancy & Collection Loss	5.0%	(1,416)	(16,991)
TIF Income		2,063	24,750
Commercial			
Effective Gross Income		28,965	347,575

Annual Expenses	Per Unit	Total
ADMINISTRATIVE EXPENSES		
Management Fee	811	24,330
Legal	50	1,500
Audit	183	5,500
Marketing	50	1,500
Site Manager	233	7,000

Resident Services	303	9,100
Broadband Service	32	960
Other	167	5,000
Subtotal Administrative	1,830	54,890
OPERATING EXPENSES		
Water/Sewer	350	10,500
Electric	400	12,000
Heat/HW	650	19,500
Subtotal Operating	1,400	42,000
MAINTENANCE		
Building Maintenance	950	28,500
Janitorial	200	6,000
Supplies/Exterminating	150	4,500
Painting/Decorating	100	3,000
Grounds	225	6,750
Snow Removal	300	9,000
Trash Removal	100	3,000
Subtotal Maintenance	2,025	60,750
GENERAL EXPENSES		
Property taxes	1,100	33,000
Insurance	350	10,500
Management Broadband	-	
Subtotal General	1,450	43,500
REPLACEMENT RESERVE		
Housing	450	13,500
TOTAL RESERVES		13,500
TOTAL EXPENSES PLUS RESERVES	7,155	214,640
Net Income Calculation		**Annual**
Net Operating Income		132,935
Debt Service		$117,690
Cash Flow		15,245
Debt Service Coverage		1.13
Cash Flow as % of Expenses		7.1%
Cash Flow PUPA		508

30-YEAR PROFORMA OPERATING INCOME AND EXPENSE STATEMENT

	Trend Rate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
INCOME	(see														
Gross Rental Income	below)	169,908	339,816	346,612	353,545	360,615	367,828	377,023	386,449	396,110	406,013	416,163	428,648	441,508	454,753
Commercial	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy & Collection Loss	5.00%	(8,495)	(16,991)	(17,331)	(17,677)	(18,031)	(18,391)	(18,851)	(19,322)	(19,806)	(20,301)	(20,808)	(21,432)	(22,075)	(22,738)
TIF Income	2.00%	-	24,750	25,245	25,750	26,265	26,790	27,326	27,873	28,430	28,999	29,579	30,170	30,774	31,389
EFFECTIVE INCOME		161,413	347,575	354,527	361,617	368,850	376,227	385,498	394,999	404,735	414,711	424,934	437,386	450,206	463,404
EXPENSES															
Administrative	3.00%	38,423	54,890	56,537	58,233	59,980	61,779	63,633	65,542	67,508	69,533	71,619	73,768	75,981	78,260
Operating	3.00%	29,400	42,000	43,260	44,558	45,895	47,271	48,690	50,150	51,655	53,204	54,800	56,444	58,138	59,882
Maintenance	3.00%	42,525	60,750	62,573	64,450	66,383	68,375	70,426	72,539	74,715	76,956	79,265	81,643	84,092	86,615
General	3.00%	30,450	43,500	44,805	46,149	47,534	48,960	50,428	51,941	53,500	55,104	56,758	58,460	60,214	62,021
Replacement reserve	3.00%	9,450	13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614	18,143	18,687	19,248
TOTAL EXPENSES		150,248	214,640	221,079	227,712	234,543	241,580	248,827	256,292	263,980	271,900	280,057	288,459	297,112	306,026
NET OPERATING INCOME		11,164	132,935	133,447	133,905	134,306	134,647	136,671	138,707	140,754	142,811	144,877	148,927	153,094	157,379
DEBT SERVICE		58,845	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690
CASH FLOW		**(47,681)**	**15,245**	**15,757**	**16,215**	**16,616**	**16,957**	**18,981**	**21,017**	**23,064**	**25,121**	**27,187**	**31,237**	**35,403**	**39,688**

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
INCOME														
Gross Rental Income	468,396	482,447	496,921	511,828	527,183	542,999	559,289	576,067	593,349	611,150	629,484	648,369	667,820	687,855
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy & Collection Loss	(23,420)	(24,122)	(24,846)	(25,591)	(26,359)	(27,150)	(27,964)	(28,803)	(29,667)	(30,557)	(31,474)	(32,418)	(33,391)	(34,393)
TIF Income	32,017	32,657	33,310	33,976	34,656	35,349	36,056	36,777	37,513	38,263	39,028	39,809	40,605	41,417
EFFECTIVE INCOME	476,993	490,982	505,385	520,213	535,480	551,198	567,380	584,041	601,195	618,855	637,038	655,759	675,034	694,879
EXPENSES														
Administrative	80,608	83,026	85,517	88,083	90,725	93,447	96,250	99,138	102,112	105,175	108,331	111,581	114,928	118,376
Operating	61,678	63,529	65,435	67,398	69,420	71,502	73,647	75,857	78,132	80,476	82,891	85,377	87,939	90,577
Maintenance	89,213	91,890	94,647	97,486	100,410	103,423	106,525	109,721	113,013	116,403	119,895	123,492	127,197	131,013
General	63,881	65,798	67,772	69,805	71,899	74,056	76,278	78,566	80,923	83,350	85,851	88,427	91,079	93,812
Replacement reserve	19,825	20,420	21,033	21,664	22,313	22,983	23,672	24,383	25,114	25,867	26,643	27,443	28,266	29,114
TOTAL EXPENSES	315,206	324,663	334,403	344,435	354,768	365,411	376,373	387,664	399,294	411,273	423,611	436,319	449,409	462,891
NET OPERATING INCOME	161,786	166,319	170,982	175,779	180,712	185,787	191,007	196,377	201,901	207,582	213,427	219,440	225,625	231,988
DEBT SERVICE	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690	117,690
CASH FLOW	**44,096**	**48,629**	**53,292**	**58,089**	**63,022**	**68,097**	**73,317**	**78,687**	**84,210**	**89,892**	**95,737**	**101,750**	**107,935**	**114,298**

	Years	
Income Escalators	1-5	2.0%
	6-10	2.5%
	11-15	3.0%

66 State Capital Budget

	Total	Construction Period	Historic Basis	Predevelopment Period
Acquisition	1,200,000	1,200,000		
Hard costs				
Construction & Site Work	2,921,116	2,921,116	2,771,116	
Construction Contingency	292,112	292,112	292,112	
Abatement	-	-	-	
FF&E	40,000	40,000	-	
Soft costs				
Architect/Civil	160,661	160,661	160,661	128,529
Builder's Risk/ Liab./HTC Insurance	35,000	35,000	35,000	10,000
Historic Consultant	30,000	25,000	30,000	20,000
Landscape Architect	15,000	15,000	15,000	15,000
Testing/Special Inspections	12,000	12,000	12,000	
Geotech	7,000	7,000	7,000	
Survey	10,000	10,000	10,000	5,000
Accounting	7,000	10,000	7,000	2,500
CMP/Fairpoint	30,000	30,000	30,000	-
Permitting/Inspections - City	100,000	100,000	100,000	30,000
Legal	50,000	50,000	50,000	25,000
Construction Taxes	30,000	30,000	30,000	15,000
Miscellaneous/Overhead	-	-	-	5,000
Soft Cost Contingency	30,000	30,000	30,000	
Construction Lender Inspections	6,000	6,000	6,000	-
Loan Fees/Closing Costs	50,000	50,000	50,000	
Construction Interest	110,000	110,000	110,000	
Developer Fee		-		
Deferred Developer Fee	616,307	-	616,307	
Total	5,752,196	5,133,889	4,362,196	256,029

non-dev fee QREs	3,745,889
total allowable dev fee	749,178

66 State Operating Income & Expense

Effective Gross Income	Annual
Gross Potential Residential Rental Income	346,320
Less Vacancy & Collection Loss	(17,316)
Amistad Rental Income	55,000
TIF Income	36,000
Effective Gross Income	420,004

Annual Expenses	Annual
Administrative Expenses	
Management Fee	25,200
Legal	2,000
Marketing	-
Subtotal Administrative	27,200
Operating Expenses	
Water/Sewer/Stormwater	15,396
Electric	16,000
Heat/HW	18,000
Subtotal Operating	49,396
Maintenance	
Building Maintenance	20,000
Janitorial	10,400
Supplies/Exterminating	-
Painting/Decorating	-
Grounds	-
Snow Removal	12,000
Trash Removal	1,500
Subtotal Maintenance	43,900
General Expenses	
Property taxes	48,000
Insurance	15,000
Subtotal General	63,000
Total Expenses	183,496

Net Income Calculation	Annual
Net Operating Income	236,508
Debt Service	197,090
Cash Flow	39,418
Expense Ratio	44%

66 State DCFA

	Development period	1	2	3	4	5	6	7
Year	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Income & Expenses								
Residential Rental Income		346,320	352,381	358,547	364,822	371,206	377,702	384,312
Residential Vacancy		(17,316)	(17,619)	(17,927)	(18,241)	(18,560)	(18,885)	(19,216)
Commercial Rental Income		55,000	55,963	56,942	57,938	58,952	59,984	61,034
Commercial Vacancy			-	-	-	-	-	-
TIF Income		36,000	37,080	38,192	39,338	40,518	41,734	42,986
Operating Expenses		(183,496)	(189,001)	(194,671)	(200,511)	(206,527)	(212,722)	(219,104)
NOI		236,508	238,803	241,083	243,346	245,590	247,813	250,012
Debt Service								
Fixed		(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)
Debt Paydown								
Cash Flow		39,418	41,713	43,993	46,256	48,500	50,723	52,922
Deferred Developer Fee		(39,418)	(41,713)	(43,993)	(46,256)	(48,500)	(50,723)	(52,922)
Developer Fee Balance	(580,590)	(541,172)	(499,459)	(455,466)	(409,210)	(360,710)	(309,987)	(257,065)

						Operating period			
8	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
2028	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
391,038	397,881	404,844	411,928	419,137	426,472	433,935	441,529	449,256	457,118
(19,552)	(19,894)	(20,242)	(20,596)	(20,957)	(21,324)	(21,697)	(22,076)	(22,463)	(22,856)
62,102	63,188	64,294	65,419	66,564	67,729	68,914	70,120	71,348	72,596
-	-	-	-	-	-	-	-	-	-
44,275	45,604	46,972	48,381	49,832	51,327	52,867	54,453	56,087	57,769
(225,677)	(232,448)	(239,421)	(246,604)	(254,002)	(261,622)	(269,470)	(277,555)	(285,881)	(294,458)
252,186	254,331	256,447	258,529	260,575	262,583	264,550	266,472	268,346	270,170
(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)
55,096	57,242	59,357	61,439	63,485	65,493	67,460	69,382	71,257	73,080
(55,096)	(57,242)	(59,357)	(61,439)	(23,931)	-	-	-	-	-
(201,969)	(144,727)	(85,370)	(23,931)	-	-	-	-	-	-

18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044	25 2045	26 2046	27 2047	28 2048	29 2049	30 2050
465,117	473,257	481,539	489,966	498,540	507,265	516,142	525,174	534,365	543,716	553,231	562,913	572,764
(23,256)	(23,663)	(24,077)	(24,498)	(24,927)	(25,363)	(25,807)	(26,259)	(26,718)	(27,186)	(27,662)	(28,146)	(28,638)
73,867	75,159	76,474	77,813	79,175	80,560	81,970	83,404	84,864	86,349	87,860	89,398	90,962
-	-	-	-	-	-	-	-	-	-	-	-	-
59,503	61,288	63,126	65,020	66,971	68,980	71,049	73,181	75,376	77,637	79,966		
(303,291)	(312,390)	(321,762)	(331,415)	(341,357)	(351,598)	(362,146)	(373,010)	(384,200)	(395,726)	(407,598)	(419,826)	(432,421)
271,939	273,651	275,301	276,886	278,401	279,844	281,208	282,491	283,686	284,790	285,798	204,339	202,667
(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)	(197,090)					
74,850	76,561	78,211	79,796	81,312	82,754	84,118	85,401	283,686	284,790	285,798	204,339	202,667
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-

66 State Sources & Uses

Uses	Permanent	Construction Period
Acquisition	1,200,000	1,200,000
Hard Costs	3,213,228	3,213,228
Soft Costs	556,661	554,661
Financing Costs	166,000	166,000
Developer Fee	616,307	-
Total	5,752,196	5,133,889

Sources		
Federal Historic Tax Credit Equity	555,744	111,149
State Historic Tax Credit Equity	1,180,410	236,082
Cash Equity	492,293	492,293
Construction Loan		4,294,366
Perm Debt	2,643,749	
IZ	480,000	
HTF	400,000	
Total	5,752,196	5,133,889

To: Mary Davis
From: Anne Boynton
Re: State Street TIF Underwriting
Date: 5/20/19

Phase I – 30 Apartment Units:

Recommendation: I recommend a TIF of up to 75% for up to 30 years, based on a satisfactory set of operating projections, as needed to maintain a debt service coverage ratio on the "must pay debt" between 1.15 and 1.4.

Comments:

My recommendation is based on a review of both the developer's presentation of the necessity of a TIF and a review of the reasonableness of developer's operating projections.

The TIF is necessary for the project to proceed as presented by the developer. In year one, the annual value of the TIF is estimated at $24,750 and cashflow for the project is estimated at $15,245, with a debt service coverage of a very thin but adequate 1.13. If the value of the TIF were removed from the operating budget, the cashflow would be -$9,505. The developer would not be able to secure financing with negative cash flow.

The developer's projections must also be reviewed to ensure the anticipated income and expense is "reasonable and customary." The developer's operating expenses, as projected, are modest and solidly in the range of "reasonable and customary." Rental income is budgeted based on the maximum allowable rent for 60% LIHTC units using 2018 rent limits rents. 2019 maximum rents are $30 higher per unit. The magnitude of potential income adjustments, however, are relatively minor in comparison to the value of the TIF.

In this early stage of development, it is reasonable to conclude that a TIF is likely to be needed to move the project forward, while acknowledging that the development costs and operating budget are still quite fluid. Hence I recommend a TIF of up to 75% for up to 30 years, with the terms ultimately determined based on the demonstrated needs of the project when the development budget is set.

Phase II: 40 Bedroom Lodging House:

Recommendation: I recommend a TIF of up to 75% for up to 30 years, based on a satisfactory set of operating projections, as needed to maintain a debt service coverage ratio on the "must pay debt" between 1.15 and 1.4.

Analysis:

The TIF is necessary for the project to proceed as presented by the developer. In year one, the annual value of the TIF is estimated at $36,000 and cashflow for the project is estimated at $39,418, with a debt service coverage of 1.20. If the value of the TIF were removed from the operating budget, the cashflow in year one would be 1.02. The developer would not be able to secure financing given such a low debt service coverage ratio.

The developer's projections must also be reviewed to ensure the anticipated income and expense is "reasonable and customary." The developer's operating expenses, as projected, are approximately half the per unit expense typical for apartment units and are missing some critical items such as contributions to replacement reserves. While single room housing has some operating efficiencies over efficiency and 1 bedroom apartments (fewer individual kitchen appliances, for instance), care needs to be taken to adequately budget for this relatively unusual housing type. The administrative budget for this project is particularly thin, for a housing type where more administrative effort, along with coordination of services, is frequently necessary for success. The operating figures may need to be adjusted upward. Rental income is budgeted at $721.50 per person which is 76% of the efficiency unit rent.

In this early stage of development, it is reasonable to conclude that a TIF is likely to be needed to move the project forward, while acknowledging that the development costs and operating budget are still quite fluid. Hence I recommend a TIF of up to 75% for up to 30 years, with the terms ultimately determined based on the demonstrated needs of the project when the development budget is set.

CITY OF PORTLAND
Planning & Urban Development Department
Housing and Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

Councilor Costa, Chair
Members of the Economic Development Committee

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

DATE: May 13, 2019

SUBJECT: Portland Housing Development Corporation – 37 and 63 Front Street Affordable Housing Tax Increment Financing Request

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On May 21st, the Housing Committee and Economic Development Committee will hold a joint meeting to review and take action on a request from the Portland Housing Authority for an Affordable Housing Tax Increment Financing District for their project located at 37 and 63 Front Street.

As you know, the Portland Housing Authority (PHA), through its development entity, Portland Housing Development Corporation, is proposing to re-develop the Front Street public housing. Currently the property is a 50-unit public housing community built in 1971 to relocate residents of the Bayside neighborhood as part of Portland's Urban Renewal effort and the construction of Franklin Arterial. The property has been identified in PHA's Strategic Vision Plan as a priority for re-development. The current PHA proposal includes a two phase approach for the demolition of the existing 50 units and new construction of construct 105 units of rental housing along with 8 units of homeownership housing. The 8 homeownership units are not included in the Affordable Housing Tax Increment Financing (AHTIF) district.

In 2018, the PHA received funding allocations from the City of Portland of $925,000 in Housing Trust Funds, $510,174 in HOME funding and $250,000 in CDBG funding.

The development approach and financing plan for the development have shifted since last fall when the HOME and Housing Trust Funds were awarded. The new QAP to be released by Maine Housing in the Fall allows family projects with large numbers of bedrooms to compete in the 9% LIHTC. The project financing plan was revised to submit one 60-unit family project as a 9% LIHTC and one 45-unit project as a 4% LIHTC. With the rise in construction costs in Portland, the developer needed to maximize resources while staying within MaineHousing's cost cap of $230,000 per unit total development cost.

The rental housing development will include:

	Front Street Targeting							
Phase 1			Phase 2			Total	IZ Units (<100% AMI)	Market units
Unit Size	Targeting	# of Units	Unit Size	Targeting	# of Units			
0BR Units	50% AMI	2	0BR Units	50% AMI	0	2	2	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
1BR Units	50% AMI	3	1BR Units	50% AMI	24	27	27	
	60% AMI	0		60% AMI	8	8	8	
	Market Rate	9		Market Rate	7	16		16
2BR Units	50% AMI	5	2BR Units	50% AMI	4	9	9	
	60% AMI	4		60% AMI	0	4	4	
	Market Rate	3		Market Rate	2	5		5
3BR Units	50% AMI	22	3BR Units	50% AMI	0	22	22	
	60% AMI	0		60% AMI	0	0	0	
	Market Rate	0		Market Rate	0	0		
4BR Units	50% AMI	10	4BR Units	50% AMI	0	10	10	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
5BR Units	50% AMI	1	5BR Units	50% AMI	0	1	1	
	60% AMI	1		60% AMI	0	1	1	
	Market Rate	0		Market Rate	0	0		
TOTAL		60	TOTAL		45	105	84	21

If approved, the AHTIF will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of $237,539 (Phase 1 $145,318 + Phase 2 $92,221).

As mentioned above, the developer will submit applications for MaineHousing's 4% and 9% Low Income Housing Tax Credit programs contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

When completed, the project's new assessed value is estimated at $8.5 million (Phase 1 $5.2m + Phase 2 $3.3m), which will yield the same amount in increased annual assessed property value as the properties currently have a zero net taxable value.

Total development costs are estimated at $29.2 million (Phase 1 and 2). At full build out, the development is projected to pay an annual average of $316,718 in projected new taxes of which $237,539 will be returned to the developer and $79,179 will be non-captured general fund revenue.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)
PHASE 1			
30 Year TIF Total	$4,359,550	$0	$1,453,183
30 Year Average	$145,318	$0	$48,439
PHASE 2			
30 Year TIF Total	$2,766,637	$0	$922,212
30 Year Average	$92,221	$0	$30,740
TOTAL			
30 Year TIF Total	$7,126,187	$0	$2,375,395
30 Year Average	$237,539	$0	$79,179

Tax Sheltering Benefits

In addition, with the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $63,959, or $1,918,788 over the life of the district.

	1. Sheltered Valuation (Same as Captured Valuation)	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
PHASE 1					
30 Year TIF Total	$135,661,077	$1,019,601	$79,344	$74,901	$1,173,846
30 Year Average	$4,522,036	$33,987	$2,645	$2,497	$39,128
PHASE 2					
30 Year TIF Total	$86,092,607	$647,055	$50,353	$47,535	$744,942
30 Year Average	$2,869,754	$21,568	$1,678	$1,585	$24,831
TOTAL					
30 Year TIF Total	**$221,753,684**	**$1,666,656**	**$129,697**	**$122,436**	**$1,918,788**
30 Year Average	**$7,391,790.00**	**$55,555.00**	**$4,323.00**	**$4,082.00**	**$63,959.00**

Staff Analysis and Recommendation

The Housing and Community Development Division works with an independent consultant who performs third party underwriting reviews of all requests for City funding (local and federal resources), including Affordable Housing Tax Increment Financing requests. Last year, the review included both the TIF and HOME or HTF investments. Because of timing issues regarding the TIF application due date at Maine Housing, the TIF request is moving forward at a slightly different pace. A third party financial analysis will be available at the joint Housing Committee and Economic Development Committee meeting scheduled for May 21.

Public Benefits In reviewing this TIF request, staff notes the public benefit associated with the TIF District of 40 rooming units and 30 units of rental housing, all of which will be affordable to households at or below sixty percent (60%) of the area median income. Additionally, the TIF will create tax sheltering benefits estimated at an average $23,942 annually.

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

ATTACHMENTS

Project Description
TIF Projection Table
TIF District Map
Project Pro Forma(s)
Third Party Financial Analysis (to be provided prior to the May 21 meeting)

PORTLAND HOUSING DEVELOPMENT CORPORATION

14 Baxter Boulevard
Portland, ME 04101

Office: 207-773-4753
Fax: 207-761-5886

Application for Tax Increment Financing

Front Street Redevelopment

April 17, 2019

Location:
37 Front Street, Portland ME 04103 - Tax Map 166 B1 on map J9SE
63 Front Street, Portland ME 04103 - Tax Map 167 E1 on map J9NW

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

48 years later, this "temporary" housing was identified in Portland Housing Authority's 2015 Strategic Vision Plan as the top priority property for re-development due to deterioration of buildings, poor construction quality and structural issues with poor soils. A 2012 Physical Needs Assessment concluded that the buildings are at the end of their useful life, and PHA's Strategic Vision Plan made them a top priority among the 1,000 apartments owned by PHA. A 2016 Obsolescence Study determined that renovations would be costlier than demolition and new construction. Given the age of the property, there is some hazardous materials that will only affect demolition. This will need to be removed as part of the demolition.

PHA is applying to HUD under Section 18 Demolition and Disposition of the Housing Act of 1937 to re-develop the Front Street public housing. This will be the first time public housing will be demolished and redeveloped in Maine. Section 18 allows all residents the right to compensation for temporary relocation and PHA is striving for 100% return of current residents to the re-developed Front Street. Residents will be relocated with Tenant Protection Vouchers in private housing or will be able to move to other public housing owned by PHA. PHA has committed 50 Project-Based Vouchers in Phase 1 for returning residents, mostly with extremely low income. 20 overall units between Phase 1 and Phase 2 will be market rate with a goal of protecting existing Extremely-Low Income (ELI) families while diversifying incomes in the development and neighborhood. The balance of units will be at or below 50% and 60% of Area Median Income.

Below and attached is the affordability targeting table for the Front Street Redevelopment Project. There is a vacancy rate of less than 1% in Portland and rents increased 40% in the last five years according to the landmark report by the Portland Press Herald, *Welcome to Portland: No Vacancy*. The need for more affordable housing that is safe, decent, durable, sustainable, energy efficient and beautiful is clear.

Front Street Targeting

SEE REVISED TARGETING CHART ATTACHED

PHASE 1			PHASE 2			TOTAL		
Unit Size	Targeting	# Units	Unit Size	Targeting	# Units		IZ units (<100% AMI)	Market units
1BR units	50% AMI	8	1BR units	50% AMI	24	32	32	
	60% AMI	0		60% AMI	8	8	8	
	Market Rate	10		Market Rate	7	17		17
2BR units	50% AMI	9	2BR units	50% AMI	4	13	13	
	60% AMI	5		60% AMI	0	5	5	
	Market Rate	2		Market Rate	2	4		4
3BR units	50% AMI	15	3BR units	50% AMI	0	15	15	
	60% AMI	3		60% AMI	0	3	3	
	Market Rate	0		Market Rate	0	0		
4BR units	50% AMI	4	4BR units	50% AMI	0	4	4	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
5BR units	50% AMI	4	5BR units	50% AMI	0	4	4	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
TOTAL		60	TOTAL		45	105	84	21

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

We are asking for a 75% rebate of taxes for a period of 30 years under an Affordable Housing TIF District to reduce the operations cost burden on the proposed Front Street. Attached as Exhibit A is the TIF Projection Table provided by the Economic Development office at the City of Portland at the 75% captured value.

Physical Description of the District

Front Street redevelopment is a 171,600 square foot (3.94 acre) parcel of land adjacent to Payson Park in Portland's East Deering Neighborhood. The lot includes the following parcels:

- 37 Front Street, Tax Map 166 B1 on map J9SE 100,329SF, 2.3032 ACRES
- 63 Front Street, Tax Map 167 E1 on map J9NW 71,271 SF, 1.6362 ACRES

Municipal Map Showing District Boundaries

See attached Exhibit B

Percentage of acreage suitable for residential use

100% of the acreage is zoned for, and suitable for, residential use.

Percentage of acreage blighted

None of the acreage is blighted.

Percentage in need of rehabilitation/redevelopment

100%

Physical description of district to support above

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

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

PHA is proposing a two-phase approach to not only demolish and re-develop the existing 50 units of housing, but add an additional 55 units of mixed-income family rental housing that will be durable, beautiful and extremely energy efficient.

Zoning designation where district is located

R5 Planned Residential Unit Development (PRUD). This project is eligible for the affordable housing incentives, including density bonuses, in Division 30 of the Zoning Code.

Allowed uses in that zone

- Planned residential unit development (PRUD) consisting of horizontally or vertically attached dwelling units, or a series of such dwelling units.
- Parks, and other active and passive noncommercial recreation spaces;
- Accessory uses customarily incidental and subordinate to the location, function, and operation of principal uses
- Home Occupation

Description of municipal housing need and how it is being met by development

The rental housing crisis in Portland has been well documented by the City Planning and Housing staff. The Portland Press Herald's landmark special project, *Welcome to Portland: No Vacancy*, noted that the majority of Portland's renters cannot afford the median rent in Portland and the new supply of market-rate rental housing is not doing enough to reduce the affordability crisis in the City.

The following is from the Livable City section of the Comprehensive Plan adopted by the City in 2017:

> *"WHILE PORTLAND HAS WELCOMED much needed new housing construction in recent years, both the lack of sufficient housing supply and the affordability of that housing for a healthy socioeconomic cross-section of the population remain critical challenges."*

Also from the 2017 Comprehensive Plan housing section:

> *The City has a suite of existing tools and policies that remain important in supporting a more equitable and diverse housing supply. To supplement ongoing efforts in this area, the City Council has established a Housing Committee to recommend new housing policies, promote balanced development, and make recommendations regarding available development tools, **such as tax increment finance zones**, the Affordable Housing Revolving Loan Fund, Community Development Block Grants, HOME Program, and zoning and policy changes. The committee engaged in a robust public process throughout the spring and summer of 2016 not only to identify housing issues, but develop creative solutions. The Committee identified two main, interrelated themes: housing insecurity and lack of sufficient and suitable housing supply.*

Portland's Housing Trust Fund Plan has identified Front Street as a Priority Project.

Number of new rental units to be constructed

105

Number of existing rental units to be rehabilitated

Zero

Number of new single-family homes, including condominiums, to be constructed

Zero

Number of existing single-family homes, including condominiums, to be rehabilitated

Zero

Description of residential and non-residential uses in district and acreage of each

This 3.94 acre parcel will have residential uses and uses that are ancillary (or accessory) to affordable housing such as service providers within the Community buildings. 100% of the uses will be residential or accessory uses to the residential.

Description of accessory uses relating to residential use

In the family housing (60 units – Phase 1) There will be a community center and study center for community meeting, homework sessions, and summer lunch program for kids, shared laundry

facility, interior recycling and trash storage, and bicycle storage..
In the senior housing (45 units – Phase 2) there will also be a smaller community room, shared laundry facility, elevator, interior recycling and trash storage, and bicycle storage.

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

PHA is applying to HUD under Section 18 Demolition and Disposition of the Housing Act of 1937 to re-develop Front Street public housing. Section 18 allows all residents the right to compensation for temporary relocation and PHA is pledging 100% Right of Return. Residents will be relocated with Tenant Protection Vouchers in private housing or will be able to move to some of the other 1,000 units of public housing owned by PHA in Portland. We are anticipating at least half of the current families will choose to return to the re-developed Front Street. PHA is pledging 50 Project Based Vouchers to the new 105-unit project. These will ensure those returning after relocation will have a subsidized unit. 21 units (20%) will be market rate with a goal of protecting existing ELI families while diversifying incomes in the development and neighborhood. The balance of units will be at or below 50% and 60% of Area Median Income.

Number of affordable single-family owner-occupied homes, including condominiums, in district
There is an adjacent homeownership townhouse development at 35 West Presumpscot Street that PHDC is pursuing that is NOT part of the proposed Affordable Housing TIF District, but will provide more diversity of incomes and unit types in the neighborhood

Total number of housing units in district
There will be a total of 105 housing units in the district.

Description of how housing and facilities in the district will be operated after completion
Front Street apartments will be a mixed-income affordable apartment community for a minimum of 90 years, with use restrictions imposed by Federal HOME funds awarded by the City of Portland as well as other funding sources. The project will be regulated by MaineHousing, the City of Portland, a to-be-determined tax credit equity investment partner, Bath Savings Bank in partner with the Federal Home Loan Bank of Boston, and HUD.

Portland Housing Authority, PHDC's parent company, has considerable property management experience including income verification and tenant eligibility, including Low Income Housing Tax Credit (LIHTC) developments.

Entity responsible for operation
Portland Housing Authority and its developer affiliate Portland Housing Development Corporation will be responsible for the overall quality of operations. Avesta Housing Management will be responsible for the day-to-day operations of the building in the initial 3 years and then will be managed by PHA.

Source of operating funds

Rental income from tenants will be the primary source of operating income allowed under MaineHousing's LIHTC program. Portland Housing Authority has also committed up to 50 Project-Based Section 8 Vouchers that will allow 50 very low-income households to pay only 30% of their monthly income as rent, with HUD contributing the balance. This is a 20-year Housing Assistance Payment contract, renewable for more 20-year terms. The project will also receive a modest amount of income from resident laundry machines and parking for market-rate units.

Description of each improvement, facility, program, or other activity that will be funded in whole or in part with tax increment revenues.

We will be building 105 new mixed income rental units. This proposed TIF District will return 75% of the captured value to the project, reducing operating expenses, allowing the project to carry the necessary debt to finance construction.

All these improvements that are part of the Front Street Re-development will be within the TIF District.

Amount and Source of other funding for the development program

Front Street Re-Development Phase 1 (Family) - Sources and Uses

Sources		
Development Fee Loan	0	
MaineHousing Loan	5,837,324	
Bath AHP Loan	3,400,000	
FHLB Subsidy	500,000	
City Housing Trust Funds	555,000	
City HOME Funds	306,104	
Net Syndication	7,230,527	812,500 Credit Allocation
MSHA Subsidy	300,000	
Total	18,128,955	
Uses		
Construction	14,347,967	$188.48 /sf Construction
Soft Costs	1,273,499	
Finance Costs	609,250	
Miscellaneous	269,180	
Acquisition	64,124	
Reserves	814,936	
Developer Fee	750,000	
Total	18,128,955	302,149 Gross TDC / Unit
		282,926 Adj. TDC / unit

Front Street Re-Development Phase 2 (Older Adults) - Sources and Uses

Sources		
Development Fee Loan	0	
MaineHousing Loan	3,426,373	
Bath AHP Loan	0	
MSHA Subsidy	665,000	
City Housing Trust Funds	370,000	
City HOME Funds	204,070	
Net Syndication	6,407,359	720,000 Credit Allocation
Seller Note	0	
Total	11,072,802	
Uses		
Construction	7,943,250	$180.12 /sf Construction
Soft Costs	1,124,536	
Finance Costs	375,163	
Miscellaneous	217,280	
Acquisition	64,124	
Reserves	623,449	
Developer Fee	725,000	
Total	11,072,802	246,062 Gross TDC / Unit
		226,407 Adj. TDC / unit

Timing of each planned improvement

Phase 1 (60 units of family housing that will allow all 50 families from the current Front Street public housing to return to new units) will apply to MaineHousing for LIHTC in September 2019. If awarded, this Phase will likely close on its construction loan in September 2020 and complete construction in September 2021.

Phase 2 will apply to MaineHousing for LIHTC in September 2020. Upon award, and upon completion of Phase 1 the families relocated from the Phase 1 site, as well as all the Phase 2 site families, will be able to move to the newly developed 60-unit Phase 1 community. This will occur in September 2021. Upon moving all these families to their new homes, construction will commence on Phase 2 (45 units of older adult apartments). These apartments will be ready for occupancy in September 2022.

Relocation Plan

See the attached relocation plan approved by the PHA board in 2017. PHA has performed one-on-one interviews with all current Front Street residents. These residents provided PHA with information related to where they want to live, if they want to return to Front Street, if they would like to move to another PHA public housing development in Portland, if they want to ensure their children remain in the same school district while relocated, and what transportation needs they have.

PHA has a Right of Return Policy that ensures that residents will be able to come back to the newly developed Front Street. All moving expenses are paid when residents must move away from Front Street and when they want to come back. Those that do not want to return or want to move out of State, have Uniform Relocation Act limits on relocation financial assistance.

<u>Description of environmental controls to be applied</u>
Phase 1 Environmental Site Assessments (ESA) and Phase 2 ESAs have been completed for the site. Soil testing has determined there was contaminated soil on the site when the City conveyed this site to Portland Housing Authority during the Urban Renewal era in 1971. The site was a former City dump.

Maine DEP has been involved in the assessments and a Voluntary Response Action Program (VRAP) plan is in place. PHA has applied to EPA for a $500,000 grant to assist in the clean up of the soils.

The City of Portland has completed their environmental assessment and HUD has sent their approval letters to PHA for the use of Federal funds on the site. All environmental reports and other documents are available upon request.

Portland Maine Yes. Google's good here.

Mary Davis <mpd@portlandmaine.gov>

Re: Front Street TIF

1 message

Jay Waterman <jwaterman@porthouse.org> Wed, May 1, 2019 at 3:44 PM
To: Mary Davis <mpd@portlandmaine.gov>

Hi Mary,

Sorry for the delay. Here was the process:

1. MaineHousing revised their QAP to allow family projects with large numbers of bedrooms to compete in the 9% LIHTC. This happened in Spring 2019, after we were awarded $510,174 in HOME and $925,000 of City HTF funds in the Fall of 2018;

2. We revised our financing plan to submit one 60-unit family project as a 9% LIHTC and one 45-unit senior housing project as a 4% LIHTC. With construction costs rising rapidly in Portland in particular, we need to maximize our resources while still trying to stay within MaineHousing's absolute cost cap of $230,000 per unit Total Development Cost.

3. This necessitated that we shift the unit mix in each phase. The homeownership shifted from Illsely Street to the Kiley parcel on Presumpscot Street

    a. West side changed from 60 units to 45 units (with 8 homeownership units added)
    b. East Side changed from 51 units to 60 units (with 8 homeownership units removed)
    c. This total went from 111 to 105. A 6 unit difference.

4. Regarding related subsidy for this two-phase project, we would like to allocate a portion of the overall award of HOME and HTF to each project as follows:
    a. $306,104 of HOME funds (60%) and $555,000 of HTF funds (60%) to the 60 unit family project (Phase 1)
    b. $204,070 of HOME funds (40%) and $370,000 of HTF funds (40%) to the 60 unit family project (Phase 2)

Also, I apologize, but our unit mix at Front Street has changed again since I submitted the TIF application. This is based on our need to accommodate 100% Right of Return and any Fair Housing concerns.

I will send you the two new pro forma shortly.

Jay

Front Street Targeting

PHASE 1			PHASE 2			TOTAL		
Unit Size	Targeting	# Units	Unit Size	Targeting	# Units		IZ units (<100% AMI)	Market units
0BR units	50% AMI	2	0BR units	50% AMI	0	2	2	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
1BR units	50% AMI	3	1BR units	50% AMI	24	27	27	
	60% AMI	0		60% AMI	8	8	8	
	Market Rate	9		Market Rate	7	16		16
2BR units	50% AMI	5	2BR units	50% AMI	4	9	9	
	60% AMI	4		60% AMI	0	4	4	
	Market Rate	3		Market Rate	2	5		5
3BR units	50% AMI	22	3BR units	50% AMI	0	22	22	
	60% AMI	0		60% AMI	0	0	0	
	Market Rate	0		Market Rate	0	0		
4BR units	50% AMI	10	4BR units	50% AMI	0	10	10	
	60% AMI	0		60% AMI	0	0		
	Market Rate	0		Market Rate	0	0		
5BR units	50% AMI	1	5BR units	50% AMI	0	1	1	
	60% AMI	1		60% AMI	0	1		
	Market Rate	0		Market Rate	0	0		
TOTAL		**60**	**TOTAL**		**45**	**105**	**83**	**21**

City of Portland - TIF Model, PHA 60-Unit on Front Street
166-B-001
OAV a/o 3/31/2019: $0
16-Apr-19

PHA 60-UNIT FRONT STREET PROJECT - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund										
TIF Year	Tax Year-April 1	City Fiscal Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2019	2019/2020	$5,200,000	75.00%	$3,900,000	23.42	$91,338	$91,338	$0	$30,446
2	2020	2020/2021	$5,200,000	75.00%	$3,900,000	23.89	$93,165	$93,165	$0	$31,055
3	2021	2021/2022	$5,200,000	75.00%	$3,900,000	24.37	$95,028	$95,028	$0	$31,676
4	2022	2022/2023	$5,200,000	75.00%	$3,900,000	24.85	$96,929	$96,929	$0	$32,310
5	2023	2023/2024	$5,200,000	75.00%	$3,900,000	25.35	$98,867	$98,867	$0	$32,956
6	2024	2024/2025	$5,200,000	75.00%	$3,900,000	25.86	$100,845	$100,845	$0	$33,615
7	2025	2025/2026	$5,200,000	75.00%	$3,900,000	26.37	$102,861	$102,861	$0	$34,287
8	2026	2026/2027	$5,200,000	75.00%	$3,900,000	26.90	$104,919	$104,919	$0	$34,973
9	2027	2027/2028	$5,200,000	75.00%	$3,900,000	27.44	$107,017	$107,017	$0	$35,672
10	2028	2028/2029	$5,200,000	75.00%	$3,900,000	27.99	$109,157	$109,157	$0	$36,386
11	2029	2029/2030	$5,200,000	75.00%	$3,900,000	28.55	$111,341	$111,341	$0	$37,114
12	2030	2030/2031	$5,200,000	75.00%	$3,900,000	29.12	$113,567	$113,567	$0	$37,856
13	2031	2031/2032	$5,200,000	75.00%	$3,900,000	29.70	$115,839	$115,839	$0	$38,613
14	2032	2032/2033	$5,200,000	75.00%	$3,900,000	30.30	$118,155	$118,155	$0	$39,385
15	2033	2033/2034	$5,200,000	75.00%	$3,900,000	30.90	$120,519	$120,519	$0	$40,173
16	2034	2034/2035	$5,200,000	75.00%	$3,900,000	31.52	$122,929	$122,929	$0	$40,976
17	2035	2035/2036	$5,200,000	75.00%	$3,900,000	32.15	$125,388	$125,388	$0	$41,796
18	2036	2036/2037	$5,200,000	75.00%	$3,900,000	32.79	$127,895	$127,895	$0	$42,632
19	2037	2037/2038	$5,200,000	75.00%	$3,900,000	33.45	$130,453	$130,453	$0	$43,484
20	2038	2038/2039	$5,200,000	75.00%	$3,900,000	34.12	$133,062	$133,062	$0	$44,354
21	2039	2039/2040	$5,200,000	75.00%	$3,900,000	34.80	$135,723	$135,723	$0	$45,241
22	2040	2040/2041	$5,200,000	75.00%	$3,900,000	35.50	$138,438	$138,438	$0	$46,146
23	2041	2041/2042	$5,200,000	75.00%	$3,900,000	36.21	$141,207	$141,207	$0	$47,069
24	2042	2042/2043	$5,200,000	75.00%	$3,900,000	36.93	$144,031	$144,031	$0	$48,010
25	2043	2043/2044	$5,200,000	75.00%	$3,900,000	37.67	$146,911	$146,911	$0	$48,970
26	2044	2044/2045	$5,200,000	75.00%	$3,900,000	38.42	$149,850	$149,850	$0	$49,950
27	2045	2045/2046	$5,200,000	75.00%	$3,900,000	39.19	$152,847	$152,847	$0	$50,949
28	2046	2046/2047	$5,200,000	75.00%	$3,900,000	39.98	$155,904	$155,904	$0	$51,968
29	2047	2047/2048	$5,200,000	75.00%	$3,900,000	40.77	$159,022	$159,022	$0	$53,007
30	2048	2048/2049	$5,200,000	75.00%	$3,900,000	41.59	$162,202	$162,202	$0	$54,067
30 Year TIF Total			$156,000,000		$117,000,000		$3,705,407	$3,705,407	$0	$1,235,136
30-Year Average:							$123,514	$123,514		$41,171

I:\Team Drives\Economic Development\TIF\Affordable Housing TIFs\PHA - Front Street Project - 60-Unit Project\Portland TIF Model - 2018 Spring Update - PHA 60-Unit.xls

City of Portland - TIF Model
Portland Housing Authority - 60-Unit Front Street Project
166-B-001; $0 OAV ao 3/31/2019
16-Apr-19

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

PHA 60-UNIT FRONT STREET PROJECT - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

					Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year- April 1	City Fiscal Year	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	2019/2020	$5,200,000	$3,900,000	$0	$2,282	$2,153	$4,435
2	2020	2020/2021	$5,200,000	$3,900,000	$0	$2,282	$2,153	$4,435
3	2021	2021/2022	$5,200,000	$3,900,000	$0	$2,282	$2,153	$4,435
4	2022	2022/2023	$5,200,000	$3,900,000	$11,063	$2,282	$2,153	$15,498
5	2023	2023/2024	$5,200,000	$3,900,000	$22,126	$2,282	$2,153	$26,561
6	2024	2024/2025	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
7	2025	2025/2026	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
8	2026	2026/2027	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
9	2027	2027/2028	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
10	2028	2028/2029	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
11	2029	2029/2030	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
12	2030	2030/2031	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
13	2031	2031/2032	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
14	2032	2032/2033	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
15	2033	2033/2034	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
16	2034	2034/2035	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
17	2035	2035/2036	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
18	2036	2036/2037	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
19	2037	2037/2038	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
20	2038	2038/2039	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
21	2039	2039/2040	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
22	2040	2040/2041	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
23	2041	2041/2042	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
24	2042	2042/2043	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
25	2043	2043/2044	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
26	2044	2044/2045	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
27	2045	2045/2046	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
28	2046	2046/2047	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
29	2047	2047/2048	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
30	2048	2048/2049	$5,200,000	$3,900,000	$33,189	$2,282	$2,153	$37,624
30 Year TIF Total			**$156,000,000**	**$117,000,000**	**$862,914**	**$68,453**	**$64,599**	**$995,966**
30 Year Average			**$5,200,000**	**$3,900,000**	**$28,764**	**$2,282**	**$2,153**	**$33,199**

City of Portland - TIF Model
167-E-001
OAV a/o 3/31/2019: $0
16-Apr-19

PHA 45-UNIT FRONT STREET PROJECT - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

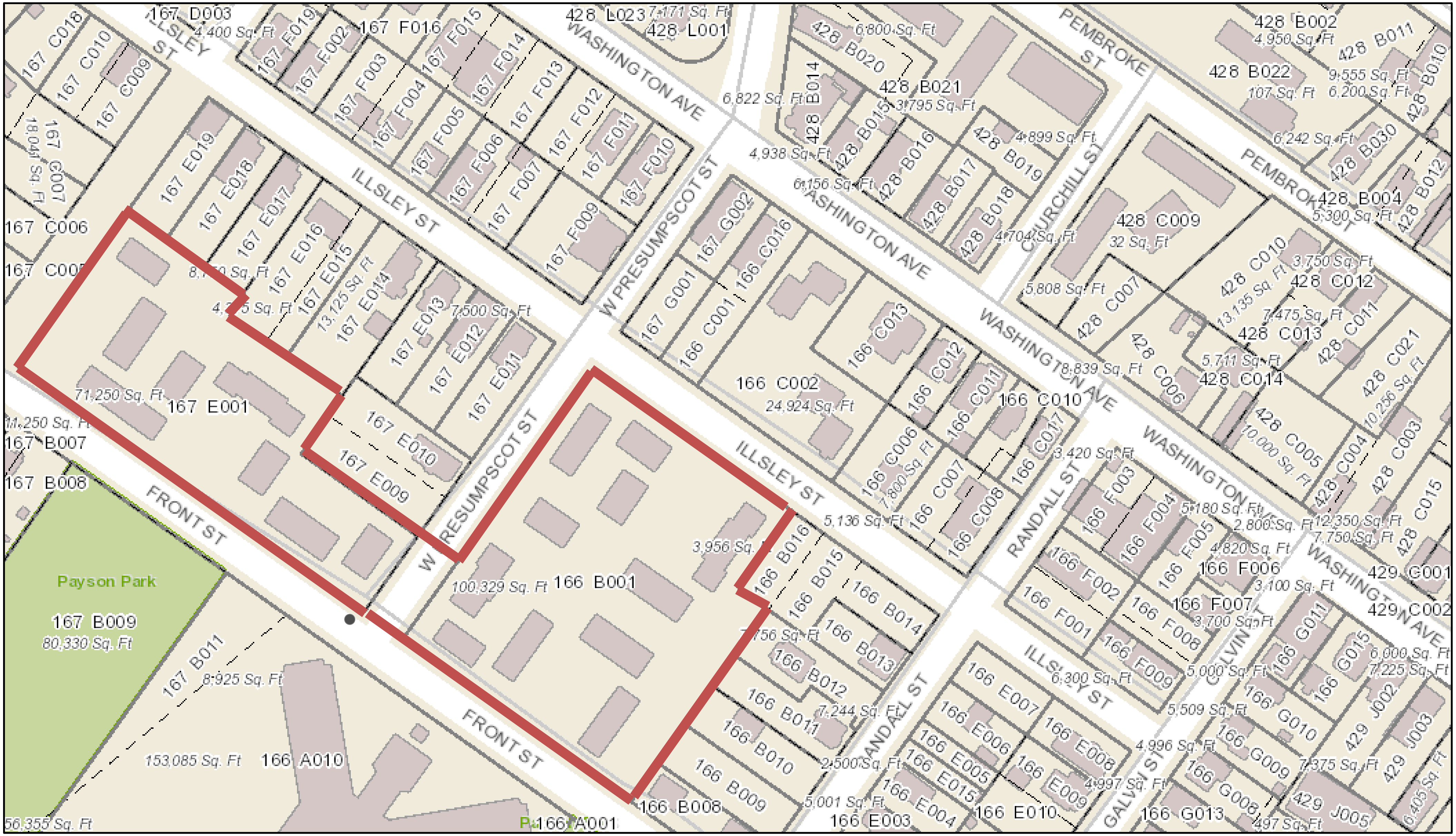
TIF Year	Tax Year-April 1	City Fiscal Year	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2019	2019/2020	$3,300,000	75.00%	$2,475,000	23.42	$57,965	$57,965	$0	$19,322
2	2020	2020/2021	$3,300,000	75.00%	$2,475,000	23.89	$59,124	$59,124	$0	$19,708
3	2021	2021/2022	$3,300,000	75.00%	$2,475,000	24.37	$60,306	$60,306	$0	$20,102
4	2022	2022/2023	$3,300,000	75.00%	$2,475,000	24.85	$61,512	$61,512	$0	$20,504
5	2023	2023/2024	$3,300,000	75.00%	$2,475,000	25.35	$62,743	$62,743	$0	$20,914
6	2024	2024/2025	$3,300,000	75.00%	$2,475,000	25.86	$63,997	$63,997	$0	$21,332
7	2025	2025/2026	$3,300,000	75.00%	$2,475,000	26.37	$65,277	$65,277	$0	$21,759
8	2026	2026/2027	$3,300,000	75.00%	$2,475,000	26.90	$66,583	$66,583	$0	$22,194
9	2027	2027/2028	$3,300,000	75.00%	$2,475,000	27.44	$67,915	$67,915	$0	$22,638
10	2028	2028/2029	$3,300,000	75.00%	$2,475,000	27.99	$69,273	$69,273	$0	$23,091
11	2029	2029/2030	$3,300,000	75.00%	$2,475,000	28.55	$70,658	$70,658	$0	$23,553
12	2030	2030/2031	$3,300,000	75.00%	$2,475,000	29.12	$72,072	$72,072	$0	$24,024
13	2031	2031/2032	$3,300,000	75.00%	$2,475,000	29.70	$73,513	$73,513	$0	$24,504
14	2032	2032/2033	$3,300,000	75.00%	$2,475,000	30.30	$74,983	$74,983	$0	$24,994
15	2033	2033/2034	$3,300,000	75.00%	$2,475,000	30.90	$76,483	$76,483	$0	$25,494
16	2034	2034/2035	$3,300,000	75.00%	$2,475,000	31.52	$78,013	$78,013	$0	$26,004
17	2035	2035/2036	$3,300,000	75.00%	$2,475,000	32.15	$79,573	$79,573	$0	$26,524
18	2036	2036/2037	$3,300,000	75.00%	$2,475,000	32.79	$81,164	$81,164	$0	$27,055
19	2037	2037/2038	$3,300,000	75.00%	$2,475,000	33.45	$82,788	$82,788	$0	$27,596
20	2038	2038/2039	$3,300,000	75.00%	$2,475,000	34.12	$84,443	$84,443	$0	$28,148
21	2039	2039/2040	$3,300,000	75.00%	$2,475,000	34.80	$86,132	$86,132	$0	$28,711
22	2040	2040/2041	$3,300,000	75.00%	$2,475,000	35.50	$87,855	$87,855	$0	$29,285
23	2041	2041/2042	$3,300,000	75.00%	$2,475,000	36.21	$89,612	$89,612	$0	$29,871
24	2042	2042/2043	$3,300,000	75.00%	$2,475,000	36.93	$91,404	$91,404	$0	$30,468
25	2043	2043/2044	$3,300,000	75.00%	$2,475,000	37.67	$93,232	$93,232	$0	$31,077
26	2044	2044/2045	$3,300,000	75.00%	$2,475,000	38.42	$95,097	$95,097	$0	$31,699
27	2045	2045/2046	$3,300,000	75.00%	$2,475,000	39.19	$96,999	$96,999	$0	$32,333
28	2046	2046/2047	$3,300,000	75.00%	$2,475,000	39.98	$98,939	$98,939	$0	$32,980
29	2047	2047/2048	$3,300,000	75.00%	$2,475,000	40.77	$100,918	$100,918	$0	$33,639
30	2048	2048/2049	$3,300,000	75.00%	$2,475,000	41.59	$102,936	$102,936	$0	$34,312
30 Year TIF Total			**$99,000,000**		**$74,250,000**		**$2,351,508**	**$2,351,508**	**$0**	**$783,836**
30-Year Average:							**$78,384**	**$78,384**		**$26,128**

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

PHA 45-UNIT FRONT STREET PROJECT - 75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	City Fiscal Year	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
					Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2019	2019/2020	$3,300,000	$2,475,000	$0	$1,448	$1,367	$2,815
2	2020	2020/2021	$3,300,000	$2,475,000	$0	$1,448	$1,367	$2,815
3	2021	2021/2022	$3,300,000	$2,475,000	$0	$1,448	$1,367	$2,815
4	2022	2022/2023	$3,300,000	$2,475,000	$7,021	$1,448	$1,367	$9,835
5	2023	2023/2024	$3,300,000	$2,475,000	$14,042	$1,448	$1,367	$16,856
6	2024	2024/2025	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
7	2025	2025/2026	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
8	2026	2026/2027	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
9	2027	2027/2028	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
10	2028	2028/2029	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
11	2029	2029/2030	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
12	2030	2030/2031	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
13	2031	2031/2032	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
14	2032	2032/2033	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
15	2033	2033/2034	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
16	2034	2034/2035	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
17	2035	2035/2036	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
18	2036	2036/2037	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
19	2037	2037/2038	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
20	2038	2038/2039	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
21	2039	2039/2040	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
22	2040	2040/2041	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
23	2041	2041/2042	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
24	2042	2042/2043	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
25	2043	2043/2044	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
26	2044	2044/2045	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
27	2045	2045/2046	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
28	2046	2046/2047	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
29	2047	2047/2048	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
30	2048	2048/2049	$3,300,000	$2,475,000	$21,062	$1,448	$1,367	$23,877
30 Year TIF Total			**$99,000,000**	**$74,250,000**	**$547,619**	**$43,441**	**$40,997**	**$632,056**
30 Year Average			**$3,300,000**	**$2,475,000**	**$18,254**	**$1,448**	**$1,367**	**$21,069**

ArcGIS Web Map



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Override 1

Front Street TIF District Map

1:1,685

0 0.01 0.03 0.05 mi

0 0.02 0.04 0.09 km

City of Portland, DPS

Web AppBuilder for ArcGIS

City of Portland, Maine


K8SE
K9SW
K9SE
J8NE
J9NE
J9NW
J8SE
J9SW
J9SE
KIDDER ST
HANSON ST
ALTON ST
OAKLEY ST
SAVOY ST
WASHINGTON AVE
JOHANSEN ST
CUMMINGS ST
ILLSLEY ST
FRONT ST
PRESUMPSCOT ST
PAYSON PARK
PAYSON PARK
PARKSIDE CONDO
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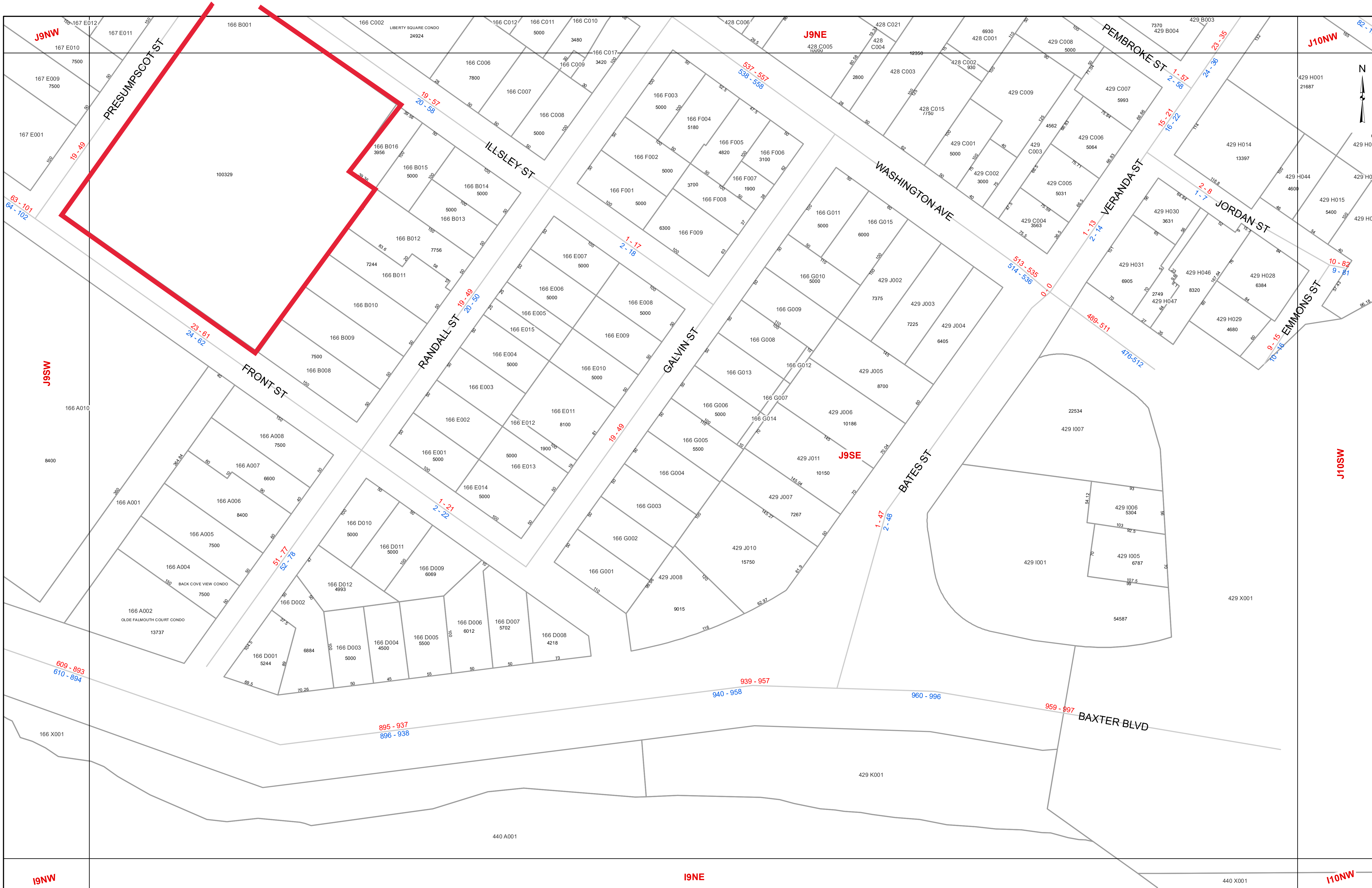

April 2016, fy 2017

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

Index Number - **J9SE**

PROJECT NAME: **Front Street Re-Development Family** Date: 05/03/19
LOCATION: **Portland ME**

DEVELOPMENT ASSUMPTIONS						
Total Units		60	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 40% AMI	0.0%	0	Rent	2.00%	2.00%	2.00%
# @ 50% AMI (PBV Low HOME)	66.7%	40	Operating Expense	3.00%	3.00%	3.00%
# @ 50% AMI (LIHTC)	1.7%	1	Other Income	2.00%	2.00%	2.00%
# @ 60% AMI (High HOME)	0.0%	0	Debt Coverage Ratio	1.15		
# @ 60% AMI (LIHTC)	8.3%	5	Vacancy	5%		
# @ Market	20.0%	12				
Appraised Market Value	96.7%	14,125,910	Market Value/Unit	$235,432		

LIHTC Alloc.	812,500
Equity yield	0.89
Synd. %	99.99%
Equity Raise	7,230,527

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

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

Total Equity:	7,230,527

Gross Square Footage	75,000
Construction Cost/Sq ft.	$182.20

Pro Forma Development Budget		Residential	Per Unit	Commercial	Total
Site Improvements		1,177,030	19,617		1,177,030
Construction		11,800,000	196,667		11,800,000
Demolition		0	0		0
Builder Overhead		495,000	8,250		495,000
Builder Profit		0	0		0
Bond Premium		192,700	3,212		192,700
Construction Contingency	5%	683,237	11,387		683,237
Subtotal Construction Costs		**14,347,967**	**239,133**	**0**	**14,347,967**
Building Permits and Fees		249,599	4,160		249,599
Survey & Engineering		103,900	1,732		103,900
Architectural & Design		745,000	12,417		745,000
Legal		78,000	1,300		78,000
Title & Recording		15,000	250		15,000
Accounting		8,000	133		8,000
Construction Period Tax		6,000	100		6,000
Construction Period Insurance		30,000	500		30,000
Soft Cost Contingency		38,000	633		38,000
Subtotal Soft Costs		**1,273,499**	**21,225**	**0**	**1,273,499**
Construction Loan Origination Fees		8,500	142		8,500
Construction Loan Interest		455,000	7,583		455,000
Constr Partic. Fee/Perm Loan Fee		117,000	1,950		117,000
Lend Inspec, Const legal, Letter of Credit		28,750	479		28,750
Subtotal Finance Costs		**609,250**	**10,154**	**0**	**609,250**
Market Survey		5,200	87		5,200
Appraisal		6,000	100		6,000
Environmental Study		13,500	225		13,500
LIHTC Fees/ prepd monitor		111,400	1,857		111,400
Commissioning		47,080	785		47,080
FF&E		84,000	1,400		84,000
Subtotal Miscellaneous		**267,180**	**4,453**	**0**	**267,180**
Acquisition: Buildings		0	0		0
Acquisition: Land		64,124	1,069		64,124
Acquisition: Legal		0	0		0
Subtotal Acquisition		**64,124**	**1,069**	**0**	**64,124**
Operating Deficit Escrow		550,000	9,167		550,000
Pre-funded Replacements		124,877	2,081		124,877
Tax & Insurance Escrow		90,059	1,501		90,059
Working Capital / Relocation		0	0		0
GP Contribution		0	0		0
Developer Overhead		500,000	8,333		500,000
Developer Profit		250,000	4,167		250,000
Rent-up & Marketing		50,000	833		50,000
Subtotal Fee and Reserves		**1,564,936**	**26,082**	**0**	**1,564,936**
Total Project Costs		**18,126,955**	**302,116**	**0**	**18,126,955**
Total Development Costs (MSHA)		**16,975,555**	**282,926**		
Total Development Cost (MSHA) Index			**225,361**		

Front Street Re-Development - Sources and Uses

Sources		
Development Fee Loan	**0**	
MaineHousing Loan	**5,835,324**	
Bath AHP Loan	**3,400,000**	
FHLB Subsidy	**500,000**	
City Housing Trust Funds	**555,000**	
City HOME Funds	**306,104**	
Net Syndication	**7,230,527**	812,500 Credit Allocation
MSHA Subsidy	**300,000**	
Total	**18,126,955**	
Uses		
Construction	**14,347,967**	$182.20 /sf Construction
Soft Costs	**1,273,499**	
Finance Costs	**609,250**	
Miscellaneous	**267,180**	
Acquisition	**64,124**	
Reserves	**814,936**	
Developer Fee	**750,000**	
Total	**18,126,955**	302,116 Gross TDC / Unit
		282,926 Adj. TDC / unit

Changes to this pro forma version

used 4/26/19 new unit mix based on PM input and fair housing
up to 60 units

Used assessor values for taxes and TIF

MAXIMUM DEVELOPER FEE AVAILABLE	2,603,337
ACTUAL DEVELOPER FEE	750,000
% OF MAXIMUM DEVELOPER FEE	28.8%
NET DEVELOPER FEE COLLECTED	**750,000**
% OF MAXIMUM DEVELOPER FEE	28.8%

FLOW OF FUNDS

Sources	CLC 10/15/19	1/13/20	During Construction 4/12/20	7/11/20	10/9/20	PLC 12/13/20	2019	2020	Total		
Beginning Cash	0	0	300,000	0	0	0	0	0	0		
Capital Contribution	723,053		723,053	1,807,632		3,615,263	180,763	180,763	7,230,527		
Construction Loan	736,949	3,230,366	2,707,313	1,922,734	3,780,366				12,377,730	Total loan $13MM incl. $600k City LC	
GP Bridge Loan									0		
MaineHousing Subsidy		300,000							300,000		
Other AHP Loan	0					0			0		
MaineHousing Loan						5,835,324			5,835,324		
Conventional First Mortgage									0		
Bath AHP Loan						3,400,000			3,400,000		
PHDC Loan									0		
City Housing Trust Fund	277,500					277,500			555,000		
City FedHOME	153,052		0			153,052			306,104		
Bath AHP Subsidy	0	500,000							500,000		
Development Fee Loan						0			0		
TOTAL SOURCES	1,890,554	4,030,366	3,730,366	3,730,366	3,780,366	13,281,139	180,763	180,763	30,504,685		
Uses											
Acquisition	64,124								64,124		
Construction		3,586,992	3,586,992	3,586,992	3,586,992				14,347,967		
Soft Costs	700,000	143,375	143,375	143,375	143,375	0			1,273,499		
Financing Costs	609,250					0			609,250		CLC
Miscellaneous	267,180					0			267,180		PLC
Dev Fee	250,000					138,474	180,763	180,763	750,000		8609
Reserves					50,000	764,936			814,936		Stabilized
TOTAL DEV. COSTS	1,890,554	3,730,366	3,730,366	3,730,366	3,780,366	903,410	180,763	180,763	18,126,955		
Repay GP Bridge Loan						0			0		
Repay Construction Loan						12,377,730			12,377,730		
Other Syndication Costs	0								0		
SUBTOTAL OTHER ITEMS	0	0	0	0	0	12,377,730	0	0	12,377,730		
TOTAL USES OF FUNDS	1,890,554	3,730,366	3,730,366	3,730,366	3,780,366	13,281,139	180,763	180,763	30,504,685		
Ending Cash	0	300,000	0	0	0	0	0	0	0		

PROJECT FINANCING

Source		Amount	Rate	Term	Lien	Annual D/S Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1	Other AHP Loan	0	0.00%	30	First	0	0	0
Source 2	MaineHousing Loan	5,835,324	6.00%	40	First	350,119	350,119	350,119
Source 3	Bath AHP Loan	3,400,000	5.00%	30	First	219,023	219,023	219,023
Source 4	PHDC Loan	0	0.00%	30		0	0	0
Source 5	City Housing Trust Fund	555,000	0.00%	30		0		
Source 6	MaineHousing Subsidy	300,000	0.00%	30		0		
Source 7	City FedHOME	306,104	0.00%	30	Third	0	0	
Source 8	Bath AHP Subsidy	500,000	0.00%	30	Third		0	
Source 9	Development Fee Loan	0	0.00%		cash flow	0	0	0
Source 10	Net Syndication	7,230,527	$0.89					
	Capitalization Gap	0						
	Total	18,126,955						

COLLATERAL COVERAGE

	Total	Per Unit
Projected Mortgage	5,835,324	97,255
Appraised Market Value	14,125,910	235,432
Loan to Value Ratio	41%	
Market Rent Differential	413,436	574
Subsidy per Low Income Unit		0

[LIHTC rents as of Sept 2018 NOVOCO; PBVs 110% 5/1/2018 FMRs; Mkt rents Per TSG Market Study Jan. 2019 (95% of Mkt used)]

PROPOSED RENT SCHEDULE

Type	AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent	PBV Overhang
0BR	40% LIHTC	0				$1,000	0	0	0
	50% LIHTC PBV	0	788	788	788	$1,000	0	0	0
	50% LIHTC	2	788	788	788	$1,000	0	18,912	9360
	60% HOME	0				$1,000	0	0	0
	60% LIHTC	0	946	946	946	$1,000	0	0	0
2	Market	0	$900	$900	900	$1,000	0	0	0
1BR	40% LIHTC	0				$1,430	0	0	0
	50% LIHTC PBV	2	845	845	845	$1,430	0	20,280	7992
	50% LIHTC	1	845	845	845	$1,430	0	10,140	
	60% HOME	0				$1,430	0	0	
	60% LIHTC	0	1014	1014	1,014	$1,430	0	0	
12	Market	9	$1,359	$1,359	1,359	$1,430	0	146,718	
2BR	40% LIHTC	0				$1,830	0	0	
	50% HOME	0				$1,830	0		
	50% LIHTC PBV	5	1013	1013	1013	$1,830	0	60,780	30,720
	50% LIHTC	0	1013	1013	1,013	$1,830	0	0	
	60% LIHTC	4	1216	1216	1216	$1,830	0	58,368	
12	Market	3	$1,739	$1,739	1,739	$1,830	0	62,586	
3BR	40% LIHTC	0				$2,025	0	0	
	50% LIHTC	0	1171	1171	1,171	$2,025	0	0	
	50% LIHTC PBV	22	1171	1171	1171	$2,025	0	309,144	198,726
	High HOME	0				$2,025	0	0	
	60% LIHTC	0	1,406	1,406	1,406	$2,025	0	0	
22	Market	0	$1,924	$1,924	1,924	$2,025	0	0	
4BR	50% LIHTC	0	1307	1307	1,307	$2,220	0	0	
	50% LIHTC PBV	10	1307	1307	1,307	$2,220	0	156,840	96,240
	60% HOME	0				$2,220	0	0	
	60% LIHTC	0	1569	1569	1,569	$2,220	0	0	
10	Market	0	$2,109	$2,109	2,109	$2,220	0	0	
5BR	50% LIHTC	0	$1,442	$1,442	$1,442	$2,465	0	0	
	50% LIHTC PBV	1	$1,442	$1,442	$1,442	$2,465	0	17,304	10797
	60% HOME	0				$2,465	0	0	344475
	60% LIHTC	1	$1,731	$1,731	$1,731	$2,465	0	20,772	
2	Market	0	$2,342	$2,342	$2,342			0	
Other:								0	
								0	
Subtotals		60						881,844	
			Vacancy Rate		5%			-61,316	
# PBVs	40		Other Income		PBV-HAP Diff.			344,475	
			Other Income		Laundry			3,000	
			Other Income		Parking			10,080	
			Other Income		75% TIF			91,338	
			Effective Gross Income					1,269,421	

AFFORDABLE MORTGAGE CALCULATION

Effective Gross Income		1,269,421	
Annual Operating Expense		552,784	
Stabilized NOI		716,637	
DSC	**1.15**	93,474	
$ Avail for D/S		623,162	
Other DS		350,119	
Balance		273,043	
Affordable Mortgage	6.00%	4,135,409	

10% of Gross Income $88,184

BREAKEVEN ANALYSIS:	RENT SENSITIVITY	OCCUPANCY	
	Total		Annual
Operating Expense	552,784	Gross Revenues	1,229,319
Debt Service	569,143		
Breakeven Rent	1,558	Breakeven Occupancy	91%

OPERATING EXPENSES

Expense	Residential Annual	Annual Per Unit
Administrative Expenses:		
Management Fees	58,250	971
Management Charges	58,250	971
Marketing Expenses	500	8
Legal Expenses	4,000	67
Auditing Expenses	7,500	125
Other Administrative Expenses	0	0
Administrative Expenses	128,500	2,142
Operating Expenses:		
Janitorial Payroll	0	0
Janitorial Supplies and Equipment	0	0
Janitorial Contractual Services	19,000	317
Natural Gas Heat & HW	35,000	583
Electricity	30,000	500
Water and Sewer	37,000	617
Garbage and Trash Removal	12,000	200
Vehicle and Equipment Expenses	0	0
Other Operating Expenses	0	0
Operating Expenses	133,000	2,217
Maintenance Expenses:		
Grounds Maintenance Payroll	0	0
Grounds Tools and Supplies	0	0
Grounds Contractual Services	14,000	233
Miscellaneous Ground Maintenance	0	0
Tenant Damage Charges - Grounds	0	0
Building Maintenance Payroll	0	0
Building Tools and Supplies	7,500	125
Building Contractual Services	35,000	583
Building Systems Maintenance	40,000	667
Miscellaneous Building Maintenance	500	8
Tenant Damage Charges - Building	0	0
Maintenance Expenses	97,000	1,617
General Expenses:		
Property Taxes	121,784	2,030
Property and Liability Insurance	25,000	417
Tenant Computer Network Expense	2,500	42
Tenant Service Expenses	18,000	300
General Expenses	167,284	2,788
Replacement Reserve Funding	27,000	450
Commercial Expenses (if applicable)	0	0
Total	552,784	9,213
Operating Cost per unit without Replacement Reserve		8,763
Social Service Multi-Use Space portion of rent	0	

0 check versus OPEX;

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT													
		0 Months											
			0	12	24	36	48	60	72	84	96	108	120
	PLC	12/13/20	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Effective Gross Income			0	1,294,809	1,320,706	1,347,120	1,374,062	1,401,543	1,429,574	1,458,166	1,487,329	1,517,075	1,547,417
Less Operating Expense			0	569,368	586,449	604,042	622,163	640,828	660,053	679,855	700,250	721,258	742,896
Net Operating Income			0	725,442	734,257	743,077	751,899	760,715	769,521	778,311	787,079	795,818	804,521
Less RLP Repay			0	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119
Less Other Repay			0	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023
Cash Flow			0	156,299	165,114	173,935	182,756	191,572	200,378	209,168	217,936	226,675	235,379
Cash Flow per Unit			#DIV/0!	2,605	2,752	2,899	3,046	3,193	3,340	3,486	3,632	3,778	3,923
Debt Coverage Ratio(RLP)			0.00	1.27	1.29	1.31	1.32	1.34	1.35	1.37	1.38	1.40	1.41
Other AHP Loan		0	0	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan		5,835,324	#NUM!	5,799,179	5,760,805	5,720,064	5,676,810	5,630,889	5,582,135	5,530,374	5,475,421	5,417,078	5,355,136
Principal Balance(RLP)		5,835,324	#NUM!	5,799,179	5,760,805	5,720,064	5,676,810	5,630,889	5,582,135	5,530,374	5,475,421	5,417,078	5,355,136
Operating Reserve Balance		550,000	577,500	606,375	636,694	668,528	701,955	737,053	773,905	812,600	853,231	895,892	940,687

Total Cash Flow
Projected over 12 Yea

2,455,905

						Yr 15						
		12/31/31	12/31/32	12/31/33	12/31/34	12/31/35	12/31/36	12/31/37	12/31/38	12/31/39	12/31/40	12/31/41
Effective Gross Income		1,578,365	1,609,933	1,642,131	1,674,974	1,708,473	1,742,643	1,777,496	1,813,046	1,849,307	1,886,293	1,924,019
Less Operating Expense		765,182	788,138	811,782	836,136	861,220	887,056	913,668	941,078	969,310	998,390	1,028,341
Net Operating Income		813,183	821,795	830,349	838,838	847,254	855,587	863,828	871,968	879,996	887,903	895,677
Less RLP Repay		350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119
Less Other Repay		219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023
Cash Flow		244,040	252,652	261,207	269,696	278,111	286,444	294,685	302,825	310,854	318,760	326,535
Cash Flow per Unit		4,067	4,211	4,353	4,495	4,635	4,774	4,911	5,047	5,181	5,313	5,442
Debt Coverage Ratio(RLP)		1.43	1.44	1.46	1.47	1.49	1.50	1.52	1.53	1.55	1.56	1.57
Other AHP Loan	0	0	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan	5,355,136	5,289,375	5,219,557	5,145,433	5,066,737	4,983,188	4,894,485	4,800,311	4,700,329	4,594,181	4,481,485	4,361,838
Principal Balance(RLP)	5,355,136	5,289,375	5,219,557	5,145,433	5,066,737	4,983,188	4,894,485	4,800,311	4,700,329	4,594,181	4,481,485	4,361,838
Operating Reserve Balance	940,687	987,721	1,037,107	1,088,962	1,143,410	1,200,581	1,260,610	1,323,641	1,389,823	1,459,314	1,532,279	1,608,893

		12/31/42	12/31/43	12/31/44	12/31/45	12/31/46	12/31/47	12/31/48	12/31/49	12/30/50
Effective Gross Income		1,962,499	2,001,749	2,041,784	2,082,620	2,124,272	2,166,757	2,210,093	2,254,294	2,299,380
Less Operating Expense		1,059,192	1,090,967	1,123,696	1,157,407	1,192,129	1,227,893	1,264,730	1,302,672	1,341,752
Net Operating Income		903,307	910,782	918,088	925,212	932,143	938,864	945,362	951,622	957,628
Less RLP Repay		350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119	350,119
Less Other Repay		219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023	219,023
Cash Flow		334,165	341,639	348,945	356,070	363,000	369,721	376,220	382,480	388,485
Cash Flow per Unit		5,569	5,694	5,816	5,934	6,050	6,162	6,270	6,375	6,475
Debt Coverage Ratio(RLP)		1.59	1.60	1.61	1.63	1.64	1.65	1.66	1.67	1.68
Other AHP Loan	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan	4,361,838	4,234,812	4,099,951	3,956,772	3,804,763	3,643,377	3,472,038	3,290,131	3,097,004	2,891,966
Principal Balance(RLP)	4,361,838	4,234,812	4,099,951	3,956,772	3,804,763	3,643,377	3,472,038	3,290,131	3,097,004	2,891,966
Operating Reserve Balance	1,608,893	1,689,338	1,773,805	1,862,495	1,955,620	2,053,401	2,156,071	2,263,875	2,377,068	2,495,922

PROJECT NAME:	Front Street Re-Development Family	Date:	05/03/19
LOCATION:	Portland ME		

DEVELOPMENT ASSUMPTIONS						
Total Units		45	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 40% AMI	0.0%	0	Rent	2.00%	2.00%	2.00%
# @ 50% AMI (PBV Low HOME)	22.2%	10	Operating Expense	3.00%	3.00%	3.00%
# @ 50% AMI (LIHTC)	40.0%	18	Other Income	2.00%	2.00%	2.00%
# @ 60% AMI (High HOME)	0.0%	0	Debt Coverage Ratio	1.15		
# @ 60% AMI (LIHTC)	17.8%	8	Vacancy	5%		
# @ Market	20.0%	9				
Appraised Market Value	100.0%	4,457,182	Market Value/Unit	$99,048		

LIHTC Alloc.	720,000
Equity yield	0.89
Synd. %	99.99%
Equity Raise	6,407,359

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

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

Total Equity:	6,407,359

Gross Square Footage	42,000
Construction Cost/Sq ft.	$180.12

Pro Forma Development Budget		Residential	Per Unit	Commercial	Total
Site Improvements		1,000,000	22,222		1,000,000
Construction		5,985,000	133,000		5,985,000
Demolition		0	0		0
Builder Overhead		400,000	8,889		400,000
Builder Profit		130,000	2,889		130,000
Bond Premium		50,000	1,111		50,000
Construction Contingency	5%	378,250	8,406		378,250
Subtotal Construction Costs		**7,943,250**	**176,517**	**0**	**7,943,250**
Building Permits and Fees		178,236	3,961		178,236
Survey & Engineering		94,300	2,096		94,300
Architectural & Design		695,000	15,444		695,000
Legal		68,000	1,511		68,000
Title & Recording		15,000	333		15,000
Accounting		8,000	178		8,000
Construction Period Tax		6,000	133		6,000
Construction Period Insurance		30,000	667		30,000
Soft Cost Contingency		30,000	667		30,000
Subtotal Soft Costs		**1,124,536**	**24,990**	**0**	**1,124,536**
Construction Loan Origination Fees		8,500	189		8,500
Construction Loan Interest		269,500	5,989		269,500
Constr Partic. Fee/Perm Loan Fee		68,413	1,520		68,413
Lend Inspec, Const legal, Letter of Credit		28,750	639		28,750
Subtotal Finance Costs		**375,163**	**8,337**	**0**	**375,163**
Market Survey		5,200	116		5,200
Appraisal		6,000	133		6,000
Environmental Study		13,500	300		13,500
LIHTC Fees/ prepd monitor		94,500	2,100		94,500
Commissioning		47,080	1,046		47,080
FF&E		51,000	1,133		51,000
Subtotal Miscellaneous		**217,280**	**4,828**	**0**	**217,280**
Acquisition: Buildings		0	0		0
Acquisition: Land		30,000	667		30,000
Acquisition: Legal		0	0		0
Subtotal Acquisition		**30,000**	**667**	**0**	**30,000**
Operating Deficit Escrow		300,000	6,667		300,000
Pre-funded Replacements		65,650	1,459		65,650
Tax & Insurance Escrow		67,799	1,507		67,799
Working Capital / Relocation		140,000	3,111		140,000
GP Contribution		0	0		0
Developer Overhead		500,000	11,111		500,000
Developer Profit		225,000	5,000		225,000
Rent-up & Marketing		50,000	1,111		50,000
Subtotal Fee and Reserves		**1,348,449**	**29,966**	**0**	**1,348,449**
Total Project Costs		**11,038,678**	**245,304**	**0**	**11,038,678**
Total Development Costs (MSHA)		**10,154,178**	**225,648**		
Total Development Cost (MSHA) Index			**216,799**		

Front Street Re-Development - Sources and Uses

Sources		
Development Fee Loan	**0**	
MaineHousing Loan	**3,392,249**	
Bath AHP Loan	**0**	
MSHA Subsidy	**665,000**	
City Housing Trust Funds	**370,000**	
City HOME Funds	**204,070**	
Net Syndication	**6,407,359**	720,000 Credit Allocation
Seller Note	**0**	
Total	**11,038,678**	
Uses		
Construction	**7,943,250**	$180.12 /sf Construction
Soft Costs	**1,124,536**	
Finance Costs	**375,163**	
Miscellaneous	**217,280**	
Acquisition	**30,000**	
Reserves	**623,449**	
Developer Fee	**725,000**	
Total	**11,038,678**	245,304 Gross TDC / Unit
		225,648 Adj. TDC / unit

Changes to this pro forma version

Max Credit based on max credit per LI unit
Used assessor values for taxes and TIF
Split EPC debt of $64,124 between pH 1 and 2 ($30k to this one)

MAXIMUM DEVELOPER FEE AVAILABLE	1,545,552
ACTUAL DEVELOPER FEE	725,000
% OF MAXIMUM DEVELOPER FEE	46.9%
NET DEVELOPER FEE COLLECTED	**725,000**
% OF MAXIMUM DEVELOPER FEE	46.9%

FLOW OF FUNDS		
CLC	**During Construction**	**PLC**

Sources	10/15/19	1/13/20	4/12/20	7/11/20	10/9/20	12/13/20	2019	2020	Total		
Beginning Cash	0	0	0	0	0	0	224,909	204,330	0		
Capital Contribution	640,736		640,736	1,601,840		3,203,680	160,184	160,183	6,407,359		
Construction Loan	575,922	1,426,947	1,451,211	490,107	2,141,947				6,086,132	Total loan $7MM incl. $600k City LO	
GP Bridge Loan									0		
MaineHousing Subsidy		665,000							665,000		
Other AHP Loan	0					0			0		
MaineHousing Loan						3,392,249			3,392,249		
Conventional First Mortgage									0		
Bath AHP Loan						0			0		
PHDC Loan									0		
City Housing Trust Fund	185,000					185,000			370,000		
City FedHOME	102,035		0			102,035			204,070		
Bath AHP Subsidy	0	0							0		
Development Fee Loan						0			0		
TOTAL SOURCES	1,503,693	2,091,947	2,091,947	2,091,947	2,141,947	6,882,964	385,093	364,513	17,124,810		
Uses											
Acquisition	30,000								30,000		
Construction		1,985,813	1,985,813	1,985,813	1,985,813				7,943,250		
Soft Costs	700,000	106,134	106,134	106,134	106,134	0			1,124,536		
Financing Costs	375,163					0			375,163		CLC
Miscellaneous	217,280					0			217,280		PLC
Dev Fee	181,250					138,474	180,763	224,513	725,000		8609
Reserves					50,000	433,449			483,449		Stabilized
TOTAL DEV. COSTS	1,503,693	2,091,947	2,091,947	2,091,947	2,141,947	571,923	180,763	224,513	10,898,678		
Repay GP Bridge Loan						0			0		
Repay Construction Loan						6,086,132			6,086,132		
Other Syndication Costs	0								0		
SUBTOTAL OTHER ITEMS	0	0	0	0	0	6,086,132	0	0	6,086,132		
TOTAL USES OF FUNDS	1,503,693	2,091,947	2,091,947	2,091,947	2,141,947	6,658,055	180,763	224,513	16,984,811		
Ending Cash	0	0	0	0	0	224,909	204,330	140,000	140,000		

PROJECT FINANCING

Source		Amount	Rate	Term	Lien	Annual D/S Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1	Other AHP Loan	0	0.00%	30	First	0	0	0
Source 2	MaineHousing Loan	3,392,249	6.00%	40	First	203,535	203,535	203,535
Source 3	Bath AHP Loan	0	5.00%	30	First	0	0	0
Source 4	PHDC Loan	0	0.00%	30		0	0	0
Source 5	City Housing Trust Fund	370,000	0.00%	30		0		
Source 6	MaineHousing Subsidy	665,000	0.00%	30		0		
Source 7	City FedHOME	204,070	0.00%	30	Third	0	0	
Source 8	Bath AHP Subsidy	0	0.00%	30	Third		0	
Source 9	Development Fee Loan	0	0.00%		cash flow	0	0	0
Source 10	Net Syndication	6,407,359	$0.89					
	Capitalization Gap	0						
	Total	11,038,678						

COLLATERAL COVERAGE

	Total	Per Unit
Projected Mortgage	3,392,249	75,383
Appraised Market Value	4,457,182	99,048
Loan to Value Ratio	76%	
Market Rent Differential	118,554	220
Subsidy per Low Income Unit		0

[LIHTC rents as of Sept 2018 NOVOCO; PBVs 110% 5/1/2018 FMRs; Mkt rents Per TSG Market Study Jan. 2019 (95% of Mkt used)]

PROPOSED RENT SCHEDULE

Type		AMI	# Units	Rents from Applicant	Program Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent	
0BR		40% LIHTC	0				$1,000	0	0	
		50% LIHTC PBV	0	788	788	788	$1,000	0	0	
		50% LIHTC	0	788	788	788	$1,000	0	0	
		60% HOME	0				$1,000	0	0	
		60% LIHTC	0	946	946	946	$1,000	0	0	
	0	Market	0	$900	$900	900	$1,000	0	0	
1BR		40% LIHTC	0				$1,430	0	0	PBV Overhang
		50% LIHTC PBV	8	845	845	845	$1,430	0	81,120	31968
		50% LIHTC	16	845	845	845	$1,430	0	162,240	
		60% HOME	0				$1,430	0	0	
		60% LIHTC	8	1014	1014	1,014	$1,430	0	97,344	
	39	Market	7	$1,359	$1,359	1,359	$1,430	0	114,114	
2BR		40% LIHTC	0				$1,830	0	0	
		50% HOME	0				$1,830	0		
		50% LIHTC PBV	2	1013	1013	1013	$1,830	0	24,312	12,288
		50% LIHTC	2	1013	1013	1,013	$1,830	0	24,312	
		60% LIHTC	0	1216	1216	1216	$1,830	0	0	
	6	Market	2	$1,739	$1,739	1,739	$1,830	0	41,724	
3BR		40% LIHTC	0				$2,025	0	0	
		50% LIHTC	0	1171	1171	1,171	$2,025	0	0	
		50% LIHTC PBV	0	1171	1171	1171	$2,025	0	0	0
		High HOME	0				$2,025	0	0	
		60% LIHTC	0	1,406	1,406	1,406	$2,025	0	0	
	0	Market	0	$1,924	$1,924	1,924	$2,025	0	0	
4BR		50% LIHTC	0	1307	1307	1,307	$2,220	0	0	
		50% LIHTC PBV	0	1307	1307	1,307	$2,220	0	0	0
		60% HOME	0				$2,220	0	0	
		60% LIHTC	0	1569	1569	1,569	$2,220	0	0	
	0	Market	0	$2,109	$2,109	2,109	$2,220	0	0	
5BR		50% LIHTC	0	$1,442	$1,442	$1,442	$2,465	0	0	
		50% LIHTC PBV	0	$1,442	$1,442	$1,442	$2,465	0	0	0
		60% HOME	0				$2,465	0	0	44256
		60% LIHTC	0	$1,731	$1,731	$1,731	$2,465	0	0	
	0	Market	0	$2,342	$2,342	$2,342			0	
Other:									0	
									0	
Subtotals			45						545,166	
				Vacancy Rate		5%			-29,471	
# PBVs	10			Other Income		PBV-HAP Diff.			44,256	
				Other Income		Laundry			2,250	
				Other Income		Parking			10,080	
				Other Income		75% TIF			57,949	
				Effective Gross Income					630,230	

AFFORDABLE MORTGAGE CALCULATION

Effective Gross Income		630,230		10% of Gross Income	$54,517
Annual Operating Expense		392,209			
Stabilized NOI		238,021			
DSC	**1.15**	31,046			
$ Avail for D/S		206,974			
Other DS		203,535			
Balance		3,439			
Affordable Mortgage	6.00%	52,093			

BREAKEVEN ANALYSIS:	RENT SENSITIVITY	OCCUPANCY	
	Total		Annual
Operating Expense	392,209	Gross Revenues	591,672
Debt Service	203,535		
Breakeven Rent	1,103	Breakeven Occupancy	101%

OPERATING EXPENSES

Expense	Residential Annual	Annual Per Unit
Administrative Expenses:		
Management Fees	33,597	747
Management Charges	33,597	747
Marketing Expenses	500	11
Legal Expenses	4,000	89
Auditing Expenses	7,500	167
Other Administrative Expenses	0	0
Administrative Expenses	79,194	1,760
Operating Expenses:		
Janitorial Payroll	0	0
Janitorial Supplies and Equipment	0	0
Janitorial Contractual Services	17,500	389
Natural Gas Heat & HW	15,000	333
Electricity	37,000	822
Water and Sewer	17,000	378
Garbage and Trash Removal	8,500	189
Vehicle and Equipment Expenses	0	0
Other Operating Expenses	0	0
Operating Expenses	95,000	2,111
Maintenance Expenses:		
Grounds Maintenance Payroll	0	0
Grounds Tools and Supplies	0	0
Grounds Contractual Services	14,000	311
Miscellaneous Ground Maintenance	0	0
Tenant Damage Charges - Grounds	0	0
Building Maintenance Payroll	0	0
Building Tools and Supplies	5,500	122
Building Contractual Services	30,000	667
Building Systems Maintenance	30,000	667
Miscellaneous Building Maintenance	500	11
Tenant Damage Charges - Building	0	0
Maintenance Expenses	80,000	1,778
General Expenses:		
Property Taxes	77,265	1,717
Property and Liability Insurance	25,000	556
Tenant Computer Network Expense	2,500	56
Tenant Service Expenses	13,000	289
General Expenses	117,765	2,617
Replacement Reserve Funding	20,250	450
Commercial Expenses (if applicable)	0	0
Total	392,209	8,716
Operating Cost per unit without Replacement Reserve		8,266
Social Service Multi-Use Space portion of rent	0	

0 check versus OPEX;

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT

	PLC												
		0 Months											
			0	12	24	36	48	60	72	84	96	108	120
	PLC	12/13/20	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Effective Gross Income			0	642,834	655,691	668,805	682,181	695,824	709,741	723,936	738,414	753,183	768,246
Less Operating Expense			0	403,975	416,095	428,577	441,435	454,678	468,318	482,368	496,839	511,744	527,096
Net Operating Income			0	238,859	239,596	240,227	240,746	241,147	241,423	241,568	241,576	241,439	241,150
Less RLP Repay			0	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535
Less Other Repay			0	0	0	0	0	0	0	0	0	0	0
Cash Flow			0	35,324	36,061	36,692	37,211	37,612	37,888	38,033	38,041	37,904	37,615
Cash Flow per Unit			#DIV/0!	785	801	815	827	836	842	845	845	842	836
Debt Coverage Ratio(RLP)			0.00	1.17	1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.19	1.18
Other AHP Loan		0	0	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan		3,392,249	#NUM!	3,371,237	3,348,929	3,325,245	3,300,100	3,273,405	3,245,063	3,214,972	3,183,026	3,149,110	3,113,102
Principal Balance(RLP)		3,392,249	#NUM!	3,371,237	3,348,929	3,325,245	3,300,100	3,273,405	3,245,063	3,214,972	3,183,026	3,149,110	3,113,102
Operating Reserve Balance		300,000	315,000	330,750	347,288	364,652	382,884	402,029	422,130	443,237	465,398	488,668	513,102

Total Cash Flow
Projected over 12 Yea

446,101

						Yr 15						
		12/31/31	12/31/32	12/31/33	12/31/34	12/31/35	12/31/36	12/31/37	12/31/38	12/31/39	12/31/40	12/31/41
Effective Gross Income		783,611	799,284	815,269	831,575	848,206	865,170	882,474	900,123	918,126	936,488	955,218
Less Operating Expense		542,909	559,196	575,972	593,251	611,049	629,380	648,262	667,710	687,741	708,373	729,624
Net Operating Income		240,702	240,087	239,297	238,323	237,157	235,790	234,212	232,413	230,385	228,115	225,593
Less RLP Repay		203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535
Less Other Repay		0	0	0	0	0	0	0	0	0	0	0
Cash Flow		37,167	36,552	35,762	34,788	33,622	32,255	30,677	28,878	26,850	24,580	22,058
Cash Flow per Unit		826	812	795	773	747	717	682	642	597	546	490
Debt Coverage Ratio(RLP)		1.18	1.18	1.18	1.17	1.17	1.16	1.15	1.14	1.13	1.12	1.11
Other AHP Loan	0	0	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan	3,113,102	3,074,872	3,034,285	2,991,195	2,945,446	2,896,877	2,845,311	2,790,565	2,732,443	2,670,735	2,605,222	2,535,667
Principal Balance(RLP)	3,113,102	3,074,872	3,034,285	2,991,195	2,945,446	2,896,877	2,845,311	2,790,565	2,732,443	2,670,735	2,605,222	2,535,667
Operating Reserve Balance	513,102	538,757	565,695	593,979	623,678	654,862	687,605	721,986	758,085	795,989	835,789	877,578

		12/31/42	12/31/43	12/31/44	12/31/45	12/31/46	12/31/47	12/31/48	12/31/49	12/30/50
Effective Gross Income		974,322	993,809	1,013,685	1,033,959	1,054,638	1,075,730	1,097,245	1,119,190	1,141,574
Less Operating Expense		751,513	774,059	797,280	821,199	845,835	871,210	897,346	924,266	951,994
Net Operating Income		222,809	219,750	216,404	212,760	208,803	204,521	199,899	194,924	189,579
Less RLP Repay		203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535	203,535
Less Other Repay		0	0	0	0	0	0	0	0	0
Cash Flow		19,274	16,215	12,870	9,225	5,268	986	-3,636	-8,611	-13,956
Cash Flow per Unit		428	360	286	205	117	22	-81	-191	-310
Debt Coverage Ratio(RLP)		1.09	1.08	1.06	1.05	1.03	1.00	0.98	0.96	0.93
Other AHP Loan	0	0	0	0	0	0	0	0	0	0
MaineHousing Loan	2,535,667	2,461,823	2,383,425	2,300,191	2,211,823	2,118,005	2,018,400	1,912,652	1,800,381	1,681,186
Principal Balance(RLP)	2,535,667	2,461,823	2,383,425	2,300,191	2,211,823	2,118,005	2,018,400	1,912,652	1,800,381	1,681,186
Operating Reserve Balance	877,578	921,457	967,530	1,015,906	1,066,702	1,120,037	1,176,039	1,231,205	1,284,154	1,334,406

To: Mary Davis
From: Anne Boynton
Re: Front Street TIF Underwriting
Date: 5/20/19

Phase I – 60 units Family Housing:

Recommendation: I recommend a TIF of 75% for 30 years.

Comments:

My recommendation is based on a review of both the developer's presentation of the necessity of a TIF and a review of the reasonableness of developer's operating projections.

The TIF is necessary for the project to proceed as presented by the developer. In year one, the annual value of the TIF is estimated at $91,338 and cashflow for the project is estimated at $100,671, with a debt service coverage of a thin but adequate 1.16. If the value of the TIF were removed from the operating budget, the debt service coverage ratio would be 1.01. The developer would not be able to secure financing with such a low debt service coverage ratio.

The developer's projections must also be reviewed to ensure the anticipated income and expense is "reasonable and customary." The developer's operating expenses, as projected, are $525 per unit higher than the next highest recent applicant to the City, so there may be some room for operating expense savings. However, some of that differential is attributable to the higher per unit real estate taxes which are budgeted based on the information provided by the assessor's office. In addition, these are larger units (57% of units are 3, 4 or 5 bedroom units) housing large families. Higher than average utilities and maintenance is reasonable. Rental income may also have some room to move, as for 48 of the 60 units, the income projections are based on 2018 50% LIHTC rents. However, the magnitude of any potential income and expense adjustments are minor in comparison to the value, and necessity, of the TIF.

In this stage of development, it is reasonable to conclude that a TIF will be needed to move the project forward. Hence I recommend a TIF of 75% for 30 years.

Phase II: 45 units Senior Housing:

Recommendation: I recommend a TIF of 75% for 30 years.

Analysis:

The TIF is necessary for the project to proceed as presented by the developer. In year one, the annual value of the TIF is estimated at $57,949 and cashflow for the project is estimated at $35,324, with a debt service coverage of a thin but adequate 1.17. If the value of the TIF were removed from the operating budget, the cashflow in year one would be -$22,625. The developer would not be able to secure financing give the negative cashflow.

The developer's projections must also be reviewed to ensure the anticipated income and expense is "reasonable and customary." The developer's operating expenses, as projected, are $262 per unit higher than the next highest recent applicant to the City (which was a senior project of comparable scale) so there may be some room for operating expense savings. Rental income may also have some room to move, as for 36 of the 45 units, the income projections are based on 2018 50% LIHTC rents. However, the magnitude of any potential income and expense adjustments are minor in comparison to the value, and necessity, of the TIF.

In this stage of development, it is reasonable to conclude that a TIF will be needed to move the project forward. Hence I recommend a TIF of 75% for 30 years.

CITY OF PORTLAND
Health and Human Services Department

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

Councilor Costa, Chair
Members of the Economic Development Committee

FROM: Kristen Dow, Interim Director
Health and Human Services Department

DATE: May 16, 2019

SUBJECT: Avesta Housing Concepts for Addressing Senior Homelessness in Portland

Avesta Housing is proposing the development of the vacant land on the back portion of the Barron Center Campus with three programs that would serve homeless persons who are 55 or older. The plan consists of an assisted living facility, a housing first development and an assessment center. The following is a description of each program from Avesta:

> **36 Unit Assisted Living Facility:** This would be a traditional Assisted Living Facility where residents receive assistance with Activities of Daily Living (ADL's) including dressing, bathing, ambulation, medication management, etc. Assisted Living, sometimes referred to as Residential Care, is a Maine DHHS licensing designation and in simple terms is a level of care less than Long-Term Care/Nursing Home and greater than home health service provided to independent living residents. This type of licensure mandates minimum staffing levels to ensure the care needs of all residents are met and to provide adequate supervision 24 hours per day, 7 days per week. Traditionally, residents either pay for their room, board and care with private funds or the cost of providing these services is paid for by MaineCare (Maine's Medicaid Program). In Maine, Assisted Living Facilities that rely on MaineCare as a funding source are called Level IV Private Non- Medical Institutions (PNMI's). It is assumed the older homeless population that would live in the proposed facility would be low income and thereby financially eligible for MaineCare. In addition to financial eligibility, DHHS requires that a resident of a PNMI be medically eligible for services as well. This medical eligibility is determined by Maximus, a third party contracted by DHHS to conduct assessments on all nursing home and assisted living residents prior to admission. Our proposed Assisted Living Facility would be held to the same standards.
>
> MaineCare will be the primary funding mechanism and ideally will be adequate to pay for the debt on the facility. The most common debt are loans with the Maine Health and

Higher Education Facilities Authority (MHHEFA). If the PNMI revenue is inadequate to support the debt and operations of the facility, either ongoing alternative funds will be necessary to fund the ongoing debt and operations, ongoing services will partially be provided in-kind, or the amount of debt may be reduced up front by grants and/or donations which could cover some of the capital costs. Avesta currently operates two similar Level IV PNMI programs.

30 Unit Housing First Development: This would be similar to Avesta's three other Housing First Developments: Huston Commons, Florence House and Logan Place. Each of these developments has housed chronically homeless individuals. The real estate development costs associated with these three projects has been paid for by several layers of financing. Most of the financing has been provided by MaineHousing and includes housing tax credits, and federal grant funding. Additional funds have come from the Federal Home Loan Bank and Portland's federal grant funding and TIF's. MaineHousing does continue to have these financial resources and will also soon have the proceeds of a $15,000,000 Senior Housing Bond to support the construction of senior housing developments. Governor-elect Mills has pledged to release the proceeds of the Senior Housing Bond as soon as she takes office in January of 2019. Rent for each of the three Housing First developments has been provided by housing vouchers which Portland Housing Authority has provided. This is not an unlimited resource. Each of these previous developments also required a partnership with a qualified support service provider (Preble Street) who provides 24-hour onsite support, supervision and assistance. The source of funds for these on-site services has varied in each of the three Housing First developments. There is no obvious source of funds to pay for these services, however a recent guidance letter from the Center for Medicare and Medicaid Services (CMS) identifies potential State mechanisms for using Medicaid resources to pay for housing related services. According to the bulletin, "States can use a 1915(c)HCBS (Housing and Community Based Services) waiver program to cover some housing related services." "....States can reimburse for... tenancy sustaining services...." Previous discussions with Maine's DHHS Commissioner did not generate support for seeking a 1915(c)HCBS waiver, however changes in Administration may create more interest.

15-Bed Assessment Center. This would be a temporary (up to 14 days) residential program. Individuals would enter this program and would then be assessed for appropriate placement. It is assumed that some would be referred to Long-Term Care/Nursing Home level of care; some would be referred to the PNMI supported Assisted Living programs (Avesta's or others); some would be referred to the housing first development; and some would be referred to other community options. The funding for the assessment center is less clear, however the 1915(c)HCBS information bulletin has extensive discussion of using Medicaid resources to pay for assessing older individuals' housing and service needs.

CITY OF PORTLAND
Health and Human Services Department

TO:	Councilor Jill Duson, Chair Members of the Housing and Community Development Committee Councilor Costa, Chair Members of the Economic Development Committee
FROM:	Kristen Dow, Interim Director Health and Human Services Department
DATE:	May 16, 2019
SUBJECT:	Executive Summary of Community Housing of Maine ("CHOM") Proposed Affordable Rental Housing Project Located at 83 Middle Street

Community Housing of Maine ("CHOM") proposes to redevelop the existing parking lot located at 83 Middle Street in Portland, into 37 - 41 units of affordable rental housing for seniors aged 55 and older, with household incomes at or below 60% of Area Medium Income (AMI).

The planned development supports the City's goal of stabilizing the homeless populations, by targeting the individuals that consume the majority of the resources. As has been shown by CHOM's development on 81 Danforth St (Danforth on High) the longest-term shelter stayers can thrive when given a chance to obtain safe, stable, affordable housing. CHOM has a proven track record of engaging and blending populations to make stable and successful housing. By housing the longest-term shelter stayers, the City can better allocate their resources by providing fewer shelter beds, and more targeted support services.

The Middle Street apartments will be a new construction project, located on the land currently operating as a surface parking lot. The project will be 37 - 41 one-bedroom units in one, six-story, elevator-accessible building with a storefront commercial space on the first floor. The planned development will include a preference for people experiencing homelessness in Portland for a portion of the units. This model replicates CHOM's development on 81 Danforth St (Danforth on High) where former long term shelter stayers are thriving because they have been provided access to safe, stable, affordable housing coupled with adequate support from community service providers. CHOM has a proven track record of engaging and blending populations to make stable and successful housing. By housing the longest-term shelter stayers, the City can better allocate resources by reducing demand on the emergency shelter.

The one-bedroom units will all be approximately 575 square feet and will have rents that are designed to be affordable to households making between 50% and 60% of AMI.

The building will fit into the rigors and complex design structure of the India Street Form Based Code. The project will include a central laundry facility, community space, tenant storage, and a management office. The development will also create a first-floor commercial space to activate the street corner and maintain continuity with the neighborhood.

The proposed project is located in the area covered by the India Street Sustainable Neighborhood Plan. This project supports the following goals of that plan: 1) Diversity of Residents, 2) Enhanced Mixed-Use Nature of Neighborhood, 3) Good Quality Designs, and; 4) Affordable Housing.

This Middle Street location enjoys access to traditional "downtown" commercial points, shopping, professional services, medical services, and a variety of amenities. Lincoln Park, the Old Port, Medical Services, and multiple employment opportunities are located within walking distance. Access to municipal water and sewer, and the existing network of streets and sidewalks, makes in-fill housing development in this location particularly attractive.

This project will add to the vitality of the area and increase the critical housing mass. The project will support and promote the use of public transportation due to its location and access to bus stops and ride sharing programs. And it will allow between 37 and 41 households access to housing and the abundant economic and social opportunities that surround it.

CHOM is committed to green building design and construction not only for reasons of energy efficiency -- which is critical to long-term sustainability -- but also for reasons of indoor air quality and natural lighting, which residents appreciate, and durability of materials, which translates into lower operating costs. Overall, green building makes economic sense, contributes to better buildings and happier tenants, and improves market appeal.

Community Housing of Maine (CHOM) is a 501(c)(3) non-profit organization that provides advocacy, supportive housing, community inclusion, and stability for homeless and special needs populations across the state. CHOM develops, owns, and maintains high quality, affordable, service-enriched housing for people with low incomes and special needs. Founded in 1993, CHOM has become the largest supportive housing developer in Maine with some 78 housing sites in 31 communities, creating more than 747 units of affordable housing. CHOM also provides workforce housing for people who could not otherwise afford to live near their work.

CHOM is seeking to support the creation of vibrant and diverse local communities and community inclusiveness in all housing projects, and to that end seeks locations such as 83 Middle Street, which are within walking distance of all the necessities of everyday life, and which are connected to existing neighborhoods, so they will contribute to community infrastructure.

The Middle Street Apartment development is expected to make use of the Affordable Housing Tax Credits, subsidy and debt from MaineHousing, and benefit from a modest ground lease price from the City of Portland.