

**Housing & Economic  
Development Committee Meeting**  
Tuesday, June 25, 2024 at 5:30 PM



**MEMBERS**

Councilor Pious Ali, Chair  
Councilor Roberto Rodríguez  
Councilor Regina Phillips  
Councilor Kate Sykes

To submit written public comment on an agenda item, email [edd@portlandmaine.gov](mailto:edd@portlandmaine.gov). Submissions must be received by 12:00 pm the day before the Housing & Economic Development meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

**REMOTE ACCESS INFORMATION**

The Housing & Economic Development Committee will conduct this meeting remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the [Agenda Center](#) following the meeting.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit \*9. You will be unmuted by the host when it is time for public comment.

**Please click the link below to join the webinar:**

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**1. Review and accept Minutes of previous meeting held on May 21, 2024.**

- a. See attached draft meeting Minutes.

**(Public Comment) - Review and Recommendation to the City Council regarding Funding Requests received from the Affordable Housing Development and Tax**

**2. Increment Financing Application for the following projects (NOTE: The Committee may go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to provide staff direction on negotiations for any or all of these items):**

- a. Community Housing of Maine (CHOM) - 186 Woodford Street (Woodfords Street Parish House Phase 1) - Affordable Housing Tax Increment Financing Development District and Credit Enhancement Agreement and \$492,000 Affordable Housing Development Funding;
- b. CHOM - 202 Woodford Street (Woodfords Senior Housing Phase II) - Affordable Housing Tax Increment Financing Development District and Credit Enhancement Agreement and \$450,000 Affordable Housing Development Funding; and,
- c. Portland Housing Authority - 70 E Oxford Street (COMB Block), Affordable Housing Tax Increment Financing Development District and Credit Enhancement Agreement and \$650,000 Affordable Housing Development Funding and take this out of the Downtown TIF District.

See attachments:  
Memo and Backup  
TIF Presentation to HEDC 5/2024

**3. Committee discussion on proposed amendments to the Short Term Rental Ordinance.**

- a. See attached Memorandum.
- b. Please see additional attachments regarding this item.

Next Meeting Date: July 2, 2024

## **Minutes**

### **Remote Housing and Economic Development Committee**

**May 21, 2024**

**NOTE: This meeting was held via Zoom and can be viewed at this link:**

**<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.**

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, May 21, 2024, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members Councilors Regina Phillips, Roberto Rodriguez, and Kate Sykes. Present from the City Council were Councilors Anna Bullett and April Fournier. Present from City staff were Housing and Economic Development Department Director Greg Watson, **Housing and Community Development Division Director** Mary Davis, Corporation Counsel Avery Dandreta, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

#### **Item #1: Review and accept Minutes of previous meeting held on May 7, 2024**

On motion made by Councilor Rodriguez, seconded by Councilor Sykes, the Committee voted 3-0 to accept the Minutes.

Councilor Phillips joined the meeting after acceptance of the minutes.

## **Item #2: Developer Forum**

Councilor Ali and Greg Watson provided an introduction to the Developer Forum.

Greg Watson was the first speaker; he provided an overview of the State of Maine Tax Increment Financing (TIF) program; benefits of utilizing TIF programs; and Portland's use of area-wide TIF districts versus site-specific TIF Districts. Within the broader discussion was an explanation of: allowable uses of TIF revenue; the amount of revenue generated by various TIF projects; a presentation of the Portland Peninsula TIF map; an explanation of what a TIF is; and how TIF works.

Mark Wiesendanger, the Maine State Housing Authority Director of Development, introduced the work conducted by MaineHousing towards creating affordable housing through public-private partnerships. MaineHousing uses several different program such as the Low Income Housing Tax Credit (LIHTC) Program which has created the greatest number of affordable housing units in Maine by providing subsidies to developers in the form of Federal tax credits. In return, developers must reserve a portion of the units to people with lower incomes. LIHTC can be linked with other funding sources such as the Federal HOME program and the local Housing Trust Fund, as well as MaineHousing 0% deferred loans. It is a competitive process to receive tax credits from MaineHousing based on HUD and IRS requirements outlined within the Qualified Allocation Plan. MaineHousing determines the need for affordable housing within the state. Avesta Housing is their largest developer partner. Of the 95 pipeline projects with MaineHousing, thirteen of those projects are located in Portland. Another MaineHousing affordable housing program is the Affordable Home Ownership Program created to assist with subdivision development (which also means condominiums located in the same building). This is a subsidy that goes directly to developers in return for the promise to create homeownership



units at the maximum price limits and sold to households earning up to 120% of the area median income. A third affordable housing program is the Supportive Housing Program which assists with creating housing for people with specific housing needs (from disabilities to experiencing homelessness) that earn less than 30% AMI. MaineHousing is trying to create as much housing possible with the limited resources available. During his presentation, Mark noted that there are times a project has been approved by the local Planning Board that contains design elements MaineHousing will not pay for. Subsequently, the project needs to go back to the Planning Board for amendment which adds time and costs to the project. Local municipalities can assist with this problem within their land use ordinance. Mark finished his presentation by mentioning the 2023 State of Maine Housing Production Needs Study, MaineHousing Housing Needs portal, and the technical assistance to housing advocates provided by the Genesis Fund.

Jay Waterman, the Real Estate Director of the Portland Housing Authority (PHA) provided a brief history of the PHA noting they house over 6,000 people within 1,100 units in over twenty properties in Portland, and provide more than 2,000 housing vouchers. Jay discussed how conversion from public housing means the creation of permanently affordable, non-profit owned, project-based voucher housing using the LIHTC program. Challenges faced by PHA include: construction costs (2015 hard construction costs were \$145/SF, today they are over \$300/SF); reduction in HUD capital projects funding (i.e. 40% below the funding level of 2011); complexity with subsidy funding (i.e. capital stack); and lack of funding for supportive services for the unhoused (30-40 percent of all applicants for vouchers are homeless).

Brian Kilgallen, Development Officer of Community Housing of Maine (CHOM), and Patrick Hess, Director of Real Estate Development of Avesta, representdc non-profit developers. Patrick Hess began with an introduction of who Avesta is (over 1,000 units in Portland) then

spoke of the challenges facing real estate development including: the rise in construction costs; the rise in interest rates; and traditional funding sources not keeping pace. Per Brian Kilgallen, CHOM has 89 affordable housing units in Portland, and more than 1,000 units spread throughout the state. A new project takes about four years to complete. During that time, the developer takes on the risk (at their own expense) that the project will be approved and constructed. Brian concluded by thanking the City and the Council for holding the forum.

Amy Cullen of the Szanton Company and Jonathan Culley of Redfern are for-profit developers. Amy Cullen noted the Szanton Company also creates affordable housing. The two major hurdles to overcome when creating affordable housing are site control (which includes the acquisition cost and a seller okay with waiting two years to close) and financing. During the two to six years it takes to bring a project to rent-up, developers are trying to manage risk. Setting predictable expectations assists with managing risk. Portland does this through their RFP process, having an AHTIF policy, holding developer meetings, and timing the funding process with MaineHousing's 9% LIHTC submission deadline. Amy also noted that MaineHousing charges the same fees, and expects the same costs for for-profit developers as non-profit developers. The challenges of building in Portland include the length of time of the process (3 to 5 times longer) to get funding approved and Planning Board approval, and the number and cost of fees. Jonathan Culley creates multi-family housing almost exclusively in Portland for the last 20 years. As a for-profit developer, 75% of their funding is in the form of loans from local banks, and the remaining 25% is from equity investors who expect a 10 to 14 percent return on their investment. Portland is a high demand, low supply community attracting people with good jobs looking for housing. Housing needs to be created for this group, otherwise they will displace people already here. The challenges of building market rate units include high interest

rates, land scarcity, high construction costs, regulations (rent control and Inclusionary Zoning), and NIMBYs. To combat these challenges, for-profit developers need to create more units (taller buildings and smaller unit sizes) with less parking. Post COVID, the parking garages in Portland are not filled to capacity due to the fact the workforce that formally used the garages five days a week are now using the garages two or three days a week. There is plenty of capacity in area garages.

Councilor Fournier asked the forum participants what opportunities/conversations could the Council take to encourage housing development? In response, Patrick Hess noted the importance of using the ReCode process to determine where density makes most sense and to closely follow the conversations taking place regarding regional transit. Amy Cullen also supports regional solutions which include public transportation. Mark Wiesendanger noted the misconceptions held by some communities as to what affordable housing is and suggested, to the extent that the Council has had a good experience with a tax credit project, it is very beneficial for Councilors to attend public hearings in other communities to lend their support. Jay Waterman pointed out the misconception that there are no homeless people in neighboring communities, when in reality these communities are outsourcing their homeless problem to Portland. A “boot camp” for neighboring communities to encourage them to learn how to contribute to housing the unhoused or low-income earners was suggested. Brian Kilgallen would support statewide advocacy for more support towards the creation of affordable housing in towns that have used the referendum process to say no to the changes necessary towards create much needed housing.

Councilor Ali opened the meeting to public comment.

Tim Wells of Portland indicated the Green New Deal needs to be modified or the trend will continue to be large developments as opposed to any mid-sized development. Also, need to address the perception that single-family ownership is more satisfying than living in a multifamily apartment. Supports discouraging the creation of single-family homes in the business, R6 or R5 zones through penalty fees for not taking advantage of the allowable density.

Todd Morse, the President of the Urbanist Coalition in Portland, commented on the opportunities under ReCode to increase unit density.

Wendy Cherubini (of Federal Street and a member of the Urbanist Coalition) echoed Todd Morse's comments on ReCode and asking if the City is going far enough to achieve affordable and market rate housing goals.

Liz Trice (of Portland and a member of the Urbanist Coalition) indicated it costs about \$30,000 more to develop an accessory dwelling unit (ADU) in Portland than in other towns due to fees associated with sewer, permitting and sprinklers. Also, the rear setbacks in most of the Residential Zones is excessive. The development of four units should not require major site plan review by the Planning Board. Additionally, there is room to densely develop the transportation corridors with better street design. Finally, adopting an Urban Heat Island fee that parallels the storm water fee would discourage replacing natural land cover with pavement, buildings and other surfaces that absorb and retain heat.

Ashley Keenan (of Portland and a member of the Urbanist Coalition) echoed the importance of ReCode, and the importance of creating market rate housing as it leads to more affordable housing. Would also like to know what the City's philosophy is regarding the relationship between transit and density.

Jay Waterman (Portland Housing Authority) noted parts of ReCode do not go far enough in areas of Portland in regards to density, building length, and lot coverage. A lot of the housing PHA would like to build in East Bayside cannot be built under ReCode.

Liz Trice added that she supports Councilor Sykes idea of bringing in lower interest money to buffer some of the developer risk. And speeding up the public and permitting processes to allow building “by right” would also reduce development costs.

Seeing no further comments, Councilor Ali closed the public comment period.

On a motion made by Councilor Phillis, seconded by Councilor Sykes, the Committee voted 4-0 to adjourn the meeting at approximately 7:44 p.m.

Next meeting date to be determined.

Respectively submitted, Victoria Volent

TO: Councilor Ali, Chair  
Members of the Housing and Economic Development Committee  
FROM: Mary Davis, Division Director  
Victoria Volent, Housing Program Manager  
Housing and Community Development Division  
DATE: June 21, 2024  
SUBJECT: Affordable Housing and TIF Development Funding Requests

## Introduction

On April 8, 2024, the *Affordable Housing Development and Tax Increment Financing Application* was released. Applicants requiring a conditional commitment or reservation of funds as part of other financing applications (e.g. 9% LIHTC) were given an April 30, 2024 submission deadline.

The 2024 *Affordable Housing Development and Tax Increment Financing Application* made available a total of \$1,961,008 for affordable housing development based on an estimated HUD HOME funding allocation for FY25 of \$395,711 and Jill C. Duson Housing Trust Fund (JCD HTF) balance of \$1,565,297. The HUD HOME funding available for affordable housing development is now based on the actual FY25 HOME allocation of \$294,489 (as opposed to the estimated FY25 HOME allocation of \$395,711). JCD HTF funds available for funding requests is now \$3,041,717 which includes the minimum balance of \$500,000 plus additional funding received in 2024 of \$976,420. Staff is requesting that the HEDC recommend the City Council appropriate the use of the additional funding in the JCD HTF which would almost fully fund all applications received to date.

In response to the request for proposals, the City received eight funding requests. Not all applications are ready for funding consideration based on the initial underwriting review. This memo introduces funding requests that meet threshold requirements included in the *Affordable Housing Development and Tax Increment Financing Application*.

Three proposals are requesting a total of \$1,592,000 in capital subsidy funding, and are also requesting Affordable Housing Development and Tax Increment Financing (AHTIF) to assist in the creation of a total of 134 affordable and 5 market rate rental units.

## TIF Analysis – City TIF Policy and MaineHousing Program Deadlines

The City's TIF Policy allows for Credit Enhancement Agreements (CEA) terms of up to 75% over thirty years for individual affordable housing projects. This allowance was adopted, in part, to assist affordable housing development projects leverage points in the MaineHousing Low Income Housing Tax Credit (LIHTC) Program. The LIHTC Program application awards a maximum of 3 points to projects that receive a Credit Enhancement Agreement. The number of available points fluctuates based on the percentage and duration of the tax benefit, as noted in the chart below.

| Percentage and Duration of Tax Benefit or Relief | Points   |
|--------------------------------------------------|----------|
| 50% to <75% for at least 15 years                | 1 point  |
| 50% to <75% for at least 30 years                | 2 points |
| ≥ 75% for at least 15 years                      | 2 points |
| ≥ 75% for at least 30 years                      | 3 points |

The LIHTC Program is very competitive and often there is only a 1- or 2-point difference that separates those projects receiving tax credits and those that do not.

The LIHTC Program application also requires that TIF applications must be submitted to MaineHousing (the entity identified by State Statute to review and approve TIF applications) 30 calendar days before the LIHTC application is due. For example, if the LIHTC application is due on September 19, the City must submit the TIF application to MaineHousing no later than August 20 in order for the developer to be awarded the TIF points.

The City's TIF Policy also requires CEA applicants to demonstrate financial necessity, i.e. *"The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed."* and financial capacity, i.e. *"The applicant must demonstrate financial capacity to support their project."* The policy also requires that a financial underwriting analysis is conducted by a third party on all projects requesting a CEA.

The TIF recommendations presented in the attachments reflect staff's recommendations based on the financial analysis completed by the City's contracted third-party consultant. These recommendations do not necessarily reflect the terms requested in the developers' applications.

The projects requesting subsidy and AHTIF funding are:

- ATTACHMENT 1: 186 Woodford Street (Phase 1) (\$492,000 and AHTIF)
- ATTACHMENT 2: 202 Woodford Street Senior Housing (Phase 2) (\$450,000 and AHTIF)
- ATTACHMENT 3: 70 E Oxford (COMB Block Phase 1) (\$650,000 and AHTIF)

### **Recommendations**

1. Motion to recommend to the City Council approval of an amendment to the Funding Budget for the 2024 Jill C. Duson Housing Trust Fund Annual Plan to increase the available funding to \$3,041,717.
2. Motion to recommend to the City Council approval of a loan from the JCD HTF in the amount of \$492,000 for the CHOM 186 Woodford Street Phase I Project, with the terms as presented by staff.
3. Motion to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement agreement for the CHOM 186 Woodford Street Phase I Project, with the terms as presented by staff.
4. Motion to recommend to the City Council approval of a loan in the amount of \$450,000 (\$294,489 in HOME funds and \$155,511 in JCD HTF) for the CHOM 202 Woodford Street Phase II Project, with the terms as presented by staff.
5. Motion to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement for the CHOM 202 Woodford Street Phase II Project, with the terms as presented by staff.
6. Motion to recommend to the City Council approval of a loan from the JCD HTF in the amount of \$650,000 for the PHDC 70 East Oxford Street COMB Block Project, with terms as presented by staff.

7. Motion to recommend to the City Council to remove 70 East Oxford Street from the Downtown Transit Oriented Development and Omnibus Tax Increment Financing District.
8. Motion to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement for the PHDC 70 East Oxford Street COMB Block Project, with the terms as presented by staff.

Attachments:

1. 186 Woodfords Church: Project Summary, pp. 4 to 40
2. 202 Woodfords Church Senior Housing (Phase 2): Project Summary, pp. 41 to 76
3. 70 E Oxford (COMB Block Phase 1): Project Summary, pp. 77 to 123



**186 Woodford Street (Phase 1)**

Community Housing of Maine (CHOM) is requesting an Affordable Housing TIF (75% for 30 years) and subsidy funding of \$492,000 to demolish the Parish House connected to the existing Woodfords Church and then construct a four story elevator-assisted building with 41 rental units for low income households.

The building would be comprised of 13 studio and 28 one-bedroom apartments. Of the 41 units, 16 would be reserved for households earning at or below 60% AMI (i.e. \$61,200 for a two-person household), and 25 units would be reserved for households earning at or below 50% AMI (i.e. \$44,650 for a one-person household). Ten percent of the units would be set aside for people who have been experiencing homelessness. CHOM intends to commit approximately 5 Project-Based Vouchers. The property would include a laundry room, and tenant storage room. After completion, the project would be managed by Preservation Management, Inc. while the existing onsite management of the practicing congregation church will remain with the non-profit Woodfords Congregational Church of the United Church of Christ. The new apartments would be fully electric and utilize no fossil fuels, meeting or exceeding Portland's Green Building Ordinance. Construction would begin February 2025 and be completed May 2026.

CHOM has requested two forms of financial assistance.

- (1) City Affordable Housing Development fund request: \$492,000 (this is a per unit subsidy of \$12,000).
- (2) Affordable Housing Tax Increment Financing request: At 75% for 30 years (this is a per unit subsidy of \$51,918).

The underwriting recommendation is as follows:

- (1) City Affordable Housing Development fund loan from the Jill C. Duson Housing Trust Fund of up to \$492,000 with a maximum term of 30 years at 3% interest, with repayment from 25% of cashflow.
- (2) Affordable Housing Tax Increment Financing request: At 75% for 30 years, the estimated 30-year total of \$2,171,196 in captured increased assessed-value tax revenue (or 30-year annual average of \$72,373) would be returned to the project/developer. The remaining 25% increased taxable-value, currently estimated at a 30-year annual average of \$24,124, with an estimated 30-year total of \$723,732, would be non-captured general fund revenue for the City.

Prior to City Council approval:

- Confirmation with Project FEED of business terms for lease of Project FEED space.

Prior to loan closing, satisfactory review of:

1. Project FEED building plans, contract with GC, and evidence of funds available to cover the renovation of the Project FEED space;
2. All leases with renters of space, including church and Project FEED;
3. Final plans with segregate residential from non-residential uses of property;

4. Market study;
5. Appraisal;
6. CHOM's most recent audit and most recent quarterly management financial statements;
7. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions not to exceed 14% of net construction cost
8. The City reserves the right to require satisfactory review of all organizational documents relevant to the development and operations of the project, including any written agreements between CHOM and Woodfords Congregational Church and Project FEED.

| 186 Woodford Street |                                    |  |    |
|---------------------|------------------------------------|--|----|
| Studio (13)         | at or below 50% area median income |  | 8  |
|                     | at or below 60% area median income |  | 5  |
| One-bedroom (28)    | at or below 50% area median income |  | 17 |
|                     | at or below 60% area median income |  | 11 |
| Total               | at or below 50% area median income |  | 25 |
| Total               | at or below 60% area median income |  | 16 |
| Total Units         |                                    |  | 41 |

According to the developer's application:

*CHOM is excited about the opportunity to develop 41 new units of permanently affordable rental housing in a priority corridor of the City. The Affordable Housing Development funds and TIF would be combined to leverage an additional \$14 Million in Low Income Housing Tax Credits (LIHTC) and debt to directly fund the construction project. The TIF Agreement would help ensure that adequate funds are available for the on-going management, maintenance, and service coordination. As the Parish House is currently under a religious exemption for all taxes, the development would be a net increase in taxes for the City, even with the 75% TIF. The redevelopment of Woodfords Church received planning board approval on March 26, 2024. Woodfords Church would remain a fully functioning Congregational Church, and their mission partners would remain on the campus allowing this community resource to remain intact. Memorial Hall, which is currently used as a theatre and meeting space, would remain open to community use.*

## FINANCIAL IMPACT

When completed, the project's total assessed-value is estimated at \$4.8 million, which would yield \$69,960 in annual assessed property value in year one at the current FY24 millage rate. Over a thirty years span, assuming a 2% increase to the mill rate each year for thirty years, seventy-five percent (75%) of the increased assessed-value tax revenue would total \$2,171,196 (or approximately \$72,373 per year when averaged over the 30-year term). The increased assessed value tax review (i.e. \$2,171,196 in total after 30 years) is the approximate total amount of tax revenue (aka captured valuation) that would be returned to the project/developer to off-set project operating costs. The remaining 25% of non-captured revenue from the increased assessed-value tax revenue would total \$723,732 (over a thirty years span, assuming a 2% increase to the mill rate each year for thirty years) or

approximately \$24,124 per year when averaged over the 30-year term. The increased assessed value tax review (i.e. \$723,732 in total after 30 years) is the approximate amount of tax revenue (aka non captured valuation) that would be deposited into the general fund. If the project is not completed, the tax yield on this non-profit property remains at \$0. The tax revenue returned to the project/developer is \$0, and the amount of tax revenue that would be deposited into the general fund is \$0. In summary, a 75%, 30 year Affordable Housing TIF Credit Enhancement Agreement would return approximately \$2,171,196 in captured increased assessed-value tax revenue to the project/developer (averaged at \$72,373 annually over thirty years) to be used by the developer to off-set project operating costs.

Total development costs are estimated at \$16.3 million.

|                   | Increased Assessed Value | 75% of Increased Assessed Value (aka Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on captured valuation | 25% of Increased Assessed Value (aka Non-Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on non-captured valuation |
|-------------------|--------------------------|----------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| TIF Year 1        | \$4,855,000              | \$3,641,250                                              | \$56,882                                                           | \$1,213,750                                                  | \$17,840                                                               |
| 30 Year TIF Total | \$145,650,000            | \$109,237,500                                            | \$2,171,196                                                        |                                                              | \$723,732                                                              |
| 30 Year Average   | \$4,855,000              | \$3,641,250                                              | \$72,373                                                           |                                                              | \$24,124                                                               |

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 \$28,693+, or \$860,784 + 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 | \$109,237,500                                       | \$659,867                                  | \$152,680                                          | \$48,237                          | \$860,784                        |
| 30 Year Average   | \$3,641,250                                         | \$21,996                                   | \$5,089                                            | \$1,608                           | \$28,693                         |

186 Woodford Street is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

The Planning Board approved 186 Woodford Street on March 26, 2024.

TIF projections and proposed district map, floor plans, illustrations, and underwriting memo are included in the backup to this memo.

## B. Project Information

Last modified by brian@chomhousing.org on 5/10/2024 10:29 AM

Case Id: 30502

Name: CHOM - Community Housing of Maine - 2024

Address: 186 Woodford Street, Portland, ME 04103

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### B. Project Information

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Please provide the following information.

#### B.1. Property Address

186 Woodford Street Portland, ME 04103

#### B.2. Project Name

Woodfords Church Parish House

#### B.3. Tax chart, block, and lot number

124-J-5

#### B.4. Zoning Designation

B2 - Zone change just completed

#### B.5. Is the requested funding type HOME/HTF?

Yes

#### B.6. Requested amount of Affordable Housing Development Funding

\$492,000.00

#### B.7. Is the requested funding type AHTIF?

Yes

#### AHTIF Terms:

75% for 30 years

#### B.8. Total number of housing units to be constructed:

41

#### B.9. Total number of housing units to be rehabilitated:

0

#### B.10. Total Number of market rate units:

0

#### B.11. Total number of deed restricted units:

41

#### B.12. Total number of Units at 120% AMI:

0

Printed By: Victoria Volent on 5/16/2024

**B.13. Total number of Units at 110% AMI:**

0

**B.14. Total number of Units at 100% AMI:**

0

**B.15. Total number of Units at 80% AMI:**

0

**B.16. Total number of Units at 60% AMI:**

16

**B.17. Total number of Units at 50% AMI:**

25

**B.18. Total number of Units at 40% AMI:**

0

**B.19. Housing Type**

Rental

**B.20. Total number of studio/efficiency units:**

13

**B.21. Total number of one-bedroom units:**

28

**B.22. Total number of two-bedroom units:**

0

**B.23. Total number of three-bedroom units**

0

**B.24. Total number of four-bedroom units**

0

**B.25. Total number of five-bedroom units**

0

**B.26. Property Manager**

Preservation Managment

**B.27. When is construction expected to begin?**

02/14/2025

**B.28. Please use the box below to answer the remaining questions and provide a narrative description of the project that includes:**

- **Description of municipal housing need and how the development addresses that need;**
- **Requested amount of Affordable Housing Development Funding;**
- **Description of how City's participation is financially necessary in order for the project to proceed;**
- **Description of allowed uses in the zone;**
- **Description of residential and non-residential uses in the area;**
- **Description of accessory uses relating to residential use, if any;**
- **Indicate if this project requires relocation of existing commercial or residential tenants;**
- **Description of relocation plan for persons temporarily or permanently displaced by development activities;**
- **Description of how the development is consistent with the Comprehensive Plan**
- **Description of how housing and facilities in the development will be operated after completion;**
- **Description of planned uses of tax increment revenues from the district (AHTIF projects only).**

Municipal housing need and how the development addresses that need;

Community Housing of Maine proposes to convert the existing Parish House at Woodfords Church into 41 units of permanently affordable rental housing for households earning less than 50% or 60% of Area Median Income (AMI). According to the "State of Maine Housing Production Needs Study", published in October 2023 by MaineHousing and the Governor's office, the State is more than 84,000 homes short of current and future needs. The State will need to permit and deliver more than 8,500 units a year, more than double its current rate of production, to meet the demand by 2035. The redevelopment of the Parish House at Woodfords Church will bring 41 new units of permanently affordable rental housing to a priority corridor of the city and contribute to the City's goal of 256 units per year. The new units will directly contribute to the city's housing stock of affordable housing and ease the burden of residents who are currently overwhelmed by the rising cost of housing.

• Requested amount of Affordable Housing Development Funding. Description of how City's participation is financially necessary in order for the project to proceed;

Due to the rent restrictions on Affordable Housing, obtaining a TIF and direct financial support from the City is the only way to make the Parish House development viable. With the steady rise in the cost of construction, the Low-Income Housing Tax Credit does not produce enough capital to support the costs of redeveloping the Parish House. Simply put, the development does not work without the combination of Affordable Housing Development (AHD) Funds in the amount of \$492,000 (\$12,000/unit), and a 75% TIF for 30 years. The AHD funds and TIF will be combined to leverage an additional \$14 Million in Low Income Housing Tax Credits (LIHTC) and debt to directly fund the construction of the new permanently affordable rental housing. CHOM is requesting the TIF Agreement to fix the tax burden at a level the project can support, thereby helping to ensure that adequate funds are available for the on-going management, maintenance, and service coordination. Maintaining the building and grounds properly is critical to communicating dignity and respect to our tenants, to our neighbors, and to the community at large. As the Parish House is currently under a religious exemption for all taxes, the development will be a net increase in taxes for the City, even with a 75% TIF.

• Description of allowed uses in the zone;

The Woodfords Church redevelopment received approval from the City Council for a Zoning Change on December 18th, 2023. The entire campus was changed to a B2 zone, allowing for the construction of multi-family housing, and brings the existing Church into conformance with local zoning laws. The redevelopment of Woodfords Church received planning board approval on March 26th, 2024.

• Description of residential and non-residential uses in the area;

The neighborhood surrounding Woodfords Church has both Residential and Commercial uses. There are well-established commercial enterprises including the Woodfords Club, a funeral home, multiple restaurants and shops, markets and the neighborhood association within a short walking distance of the planned development of Woodfords Church. The rear of the property has multiple multi-family properties as well as single family homes.

In addition to the eclectic mix within the neighborhood, the planned development allows for the continued use of multiple non-profit organizations that currently use the campus of Woodfords Church. Woodfords Church will remain a fully functioning Congregational Church, and their mission partners will remain on the campus, allowing this wonderful community resource to remain an important part of the community fabric.

- Description of accessory uses relating to residential use, if any;

N/A

- Indicate if this project requires relocation of existing commercial or residential tenants; Description of relocation plan for persons temporarily or permanently displaced by development activities;

Woodfords Church is home to multiple nonprofit and religious uses. While all current commercial tenants will be able to continue their use of the campus, the spaces they have access to within the campus will change. Woodfords Church will remain in operation as a practicing congregational church throughout the redevelopment of the Parish House. The current campus is being divided into three separate lots, with the Congregation keeping their Sanctuary and Chapel as well as an expansive basement. The mission partners that currently occupy various parts of the building will be invited to stay on the campus and spread through various areas of the existing space. Additionally, Memorial Hall, which is currently used as a theater and meeting space, will still remain open to community use in the long-term. During construction, some facilities will be closed off in order to provide for safe and efficient buildout of the units.

The current mission partners will be given access to various locations on the existing campus to access and carry out their business during and post construction. Allowing for all the existing business and non-profit organizations to stay on campus and fulfill their missions. Some of the mission partners will have to relocate to different areas of the campus, but they will be allowed to remain onsite to add to the vibrant colorful mix of the Woodfords Campus.

No residential tenants will be relocated or displaced by development activities.

- Description of how the development is consistent with the Comprehensive Plan

The redevelopment of Woodfords Church is consistent with Portland's Comprehensive Plan, and directly contributes to many of the essential components of the Vision Statement.

The design process has been equitable and diverse. The neighborhood, the congregation, and the Friends of Woodfords Corner have been involved in the process since the very beginning of pre-development. Since before the pandemic, the design team has met frequently with various stakeholders and neighbors to create a design that allows for the current vibrant uses of the property to remain. When hearing from the neighbors that it would be important for the redevelopment to work in conjunction with the existing design, the design team created a plan that will allow the exterior of the building to look and feel as if nothing had changed when walking or driving along Woodfords Street. It was essential to the neighborhood that the mission partners of the Church and the eclectic uses of the space remain. The design team will work in conjunction with the congregation to create spaces for all mission partners to remain on the campus and to allow for Memorial Hall to continue to be a community resource.

The vision statement calls for Sustainable, Dynamic, Authentic, and Connected growth; the redevelopment of Woodfords Church incorporates all these actions into one development. The design of Woodfords Church reuses the existing Parish House and carefully blends the existing building into a new vibrant apartment building. The new apartments will be fully electric, and utilize no fossil fuels, thereby adding to Portland's goal of transitioning to a Carbon-free environment. The development will also add electrical vehicle charging and is within walking distance to an existing bus line, furthering our commitment to a carbon free environment. The Authentic and Connected design of the development maintains the character of the neighborhood and the existing built environment and relies on the integrated transportation infrastructure that exists within the neighborhood. By keeping Memorial Hall available to the community, the Dynamic and vibrant cultural life that defines this area will remain a community resource and enhance the development and community.

- Description of how housing and facilities in the development will be operated after completion;

Preservation Management (PMI) will serve as the Management Agent for the Affordable Housing, and the existing onsite management of Woodfords Church will remain to manage the church's ongoing programs. PMI is a national affordable housing management company that is headquartered in South Portland, ME. PMI has an extensive footprint in Portland and in the surrounding communities, and employs experts in the field of property management, and affordable housing compliance. PMI will work in conjunction with the congregation to maintain the grounds and facilities.

- Description of planned uses of tax increment revenues from the district (AHTIF projects only).

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CHOM will apply for LIHTC administered through MaineHousing to fund the development of the Parish House renovation. CHOM is requesting \$492,000 in Affordable Housing Development Funds to leverage an additional \$14 Million in State and Federal funds, once it is awarded a LIHTC allocation.

The rent restrictions that are a part of the LIHTC program reduce the income available to pay the expenses of the project, resulting in a tight operating budget for all projects of this type. The two single largest operating costs are energy and taxes. CHOM strongly believes in making the upfront investment in high quality materials and energy-efficient construction standards to help control energy costs over the long-run. CHOM is asking for a 75% TIF for a period of 30 years, to fix the tax burden at a level the project can support, thereby helping to ensure that adequate funds are available for the on-going management, maintenance, and service coordination. Maintaining the building and grounds properly is critical to communicating dignity and respect to our tenants, to our neighbors, and to the community at large.

The Affordable Housing Development funding, plus an adjustment of the real estate taxes to a level that the project can afford, is necessary for the project to be financially feasible. In addition, approval of this request by the City of Portland in advance of LIHTC application deadline would also allow the development to receive additional points on the upcoming LIHTC application, increasing its competitiveness and, therefore, the likelihood of a tax credit allocation. CHOM is excited about the opportunity to develop permanently affordable rental housing in a priority corridor of the City and would welcome a partnership with the City of Portland to make this possible. Thank you for your consideration of this request.



**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** CHOM Woodfords Phase I: Parish House  
**Date:** 6/20/24

CHOM requests \$492,000 in capital funding and a 75% 30-year TIF for “Parish House” a proposed renovation and new construction 41-unit affordable senior rental housing development on the site of Woodfords Congregational Church. The request is a total City capital subsidy of \$12,000 per unit. The requested 75% 30-year TIF has a projected value of \$2,128,639, which is a per unit subsidy of \$51,918.

Parish House is Phase I of a two-part project in which CHOM will purchase the existing Parish House and adjacent land to build a total of 84 units on the church site in two separate structures. Both phases will benefit from access to on-going public uses of the existing, to be renovated Parish House structure – redesigned space for Project FEED and upgrades to the common space and theater in the Memorial Hall. Both phases will house seniors at 50% and 60% of AMI, in a mix of efficiency and 1-bedroom units. CHOM plans to begin Phase I first, and shift subcontractors to Phase II staggered about 6 months behind Phase I.

The Parish House will be fully electric and the new construction portion of Phase I will be built to Passive House standards. The renovation of the existing facility will also aim for a Passive House (renovation) level of energy efficiency through significant additional insulation.

## Sources and Uses

|                                     |              |                         |                  |
|-------------------------------------|--------------|-------------------------|------------------|
| Sources:                            |              | Uses:                   |                  |
| Maine Housing Interest Only Loan    | \$3,506,337  | Acquisition             | \$225,000        |
| Maine Housing Rental Loan Program   | \$2,042,583  | Construction hard costs | \$11,657,108     |
| City HOME/HTF Funds                 | \$493,000    | Hard & Soft Contingency | \$1,156,117      |
| LIHTC Equity (syndication proceeds) | \$10,393,950 | Soft costs              | \$2,121,903      |
|                                     |              | Reserves                | \$524,742        |
|                                     |              | Developer Fee           | <u>\$750,000</u> |
| Total Sources:                      | \$16,434,870 | Total Uses:             | \$16,434,870     |

CHOM has successfully completed the needed zoning change and has Planning Board approval. Of all applicants in this round, they are the closest to “ready to proceed.” CHOM plans to submit to Maine Housing a request for LIHTC and mortgage funding this September. CHOM has a letter of interest from syndicator “wnc” to purchase the Low-Income Housing Tax Credits (LIHTC) at the price of \$.875 per dollar of tax credit. CHOM previously worked with wnc as syndicator on Phoenix Flats.

For analysis of “Uses,” see Development Budget.

## Development Budget

### Construction Costs:

Construction costs are based on a trades break down estimate by Wright-Ryan Construction, based on conceptual design stage drawings. The construction cost divided among the 41 residential units is

\$311,298. This is in the middle of the cost range of recent development projects, and reasonable by post-covid standards. This estimate **includes** renovation to Memorial Hall, focused on improving efficiency of space usage and energy efficiency to this space which will be an asset for both residents and the broader community. This estimate **excludes** work which will be done by Project FEED to redesign and equip the space they will lease in the renovated existing structure.

This is an experienced development team, though they have not all worked together on a CHOM project before. CHOM used Wright-Ryan as GC on Central Commons, a historic, adaptive reuse of a former school facility in Hallowell. CWS is the architect, which CHOM used recently for Phoenix Flats and Winter Landing. CWS has extensive experience in affordable housing design.

#### **Soft Costs:**

Soft costs are typical for a deal of this scale with LIHTC financing. Reserves are budgeted consistent with the requirements of LIHTC underwriting, and includes a prefunded replacement reserve of \$114,571. Developer fee, capped by Maine Housing at \$750,000, is modest at 4.95% of total development costs (excluding reserves and developer fee).

#### **Contingency:**

Hard cost contingency is currently 8%, balancing the standard 5% for new construction and 10% for renovation. Given continued volatility in construction pricing, it would be preferable for this to be higher. Soft cost contingency of \$50,000 is only 2.4% of soft costs. The risk of inadequate contingencies are partially mitigated by: the overall financial strength of the developer, a cooperative relationship with the seller, a completed Phase I, full planning/zoning approval, and CHOM's prior experience with the GC, architect and syndicator.

#### **Acquisition and Environmental:**

CHOM will purchase the site for \$450,000, which is being divided evenly between Phase I and Phase II. Though an appraisal has not been ordered yet, this is a per unit acquisition cost of \$5,488 and is a "bargain sale" by which the church provides critical support for the affordability of these units. Satisfactory review of the appraisal is a standard best practice recommended condition of approval.

A Phase I has been submitted and concludes there are no RECs. Due to the age of the building (1926), ACM, LBP, and PCB containing building materials are expected to have been used in the original construction. These potential hazards have been priced into the demolition and renovation quotes from Wright-Ryan.

### **Operating Budget & 30 Year Cashflow Projection**

#### **Project Income and Market:**

The 41-unit proforma includes 25 units at 50% and 16 units at 60% AMI. Rents are set at the maximum allowable LIHTC rent. Thirteen units will be efficiencies and 28 units will be one-bedrooms.

Four units in this project which will be designated for "Long Term Stayers" in the City's homeless system. CHOM has a demonstrated track record of successful integration of formerly homeless individuals into affordable senior housing projects, including Danforth on High in Portland.

The market for these units is expected to be strong. The Deering Center neighborhood location, while suburban in character, is walkable to neighborhood commercial including pharmacy and specialty grocery. The location has a walk score of 87, considered “very walkable” (restaurants .2 miles, Asian/specialty grocery stores .2 miles, and drug store .3 miles; Barrows Park .5 miles with access to Back Cove trail; branch library .5 miles).

The location has a transit score of 40, considered “some transit.” The Route 2 bus runs every half hour M-F and every hour during the weekend, with the closest stop .3 mile (with no shelter or bench). There are up to 31 parking spaces available to the residents and staff of Parish House and Phase II. This is a .37 parking space to apartment ratio, excluding staff. Woodfords Congregational Church will have 25 spaces on site, and will have access to the parking on the funeral home lot across the street for any overflow. Parking for public events such as theater performances will be available across the street. Project Feed volunteers and clients will park in the church’s parking spaces as Project Feed’s hours do not overlap with religious services. All parties have agreed to share parking as needs evolve over time.

No market study has been submitted, and satisfactory review of an adequate market study is a standard best practice condition of this recommendation.

### Operating Expense

The attached operating pro forma reflects an “all in” operating cost of \$10,084 for a one bedroom (\$9,208 per unit operating cost with resident utility allowance of \$73). This includes \$1,706 in real estate taxes. CHOM’s submitted “all in” operating expense per unit have ranged from \$9,198 for a 1 bedroom to \$10,153 for a 1 bedroom, see detail below.

The City underwriting is based on extensive conversation with CHOM about their operating experience at 83 Middle. 83 Middle is comparable in construction type, unit type, and target residents. Underwriting at \$9,208 reflects CHOM’s actual utility expenses at their comparable property, adjusted for construction differences and inflation, and bumping up maintenance expense.

| Parish House “All In” Costs            | CHOM v.1          | CHOM v.2           | City Underwriting |
|----------------------------------------|-------------------|--------------------|-------------------|
| Owner Operating Cost/Unit              | \$8,046           | \$8,533            | \$9,208           |
| Resident Utility Allowance (1 bedroom) | \$1,152 (\$96*12) | \$1,620 (\$135*12) | \$876 (\$73*12)   |
| “All In” Operating Costs/Unit          | \$9,198           | \$10,153           | \$10,084          |

Utility expense of \$1,951 per unit PLUS resident utility allowance of \$59 & \$73 seems high for seniors in a (primarily) Passive House project, but is based on the 83 Middle very close comparable operating expenses. Maintenance is underwritten at \$1,697 (higher than their submitted value of \$1,575 per unit), notched up due to extensive renovated common space. Maintenance is still on the low end for per unit cost, especially for a renovation project, but the residential units are effectively new construction senior housing, which mitigates the risk. The adjacent Parish House & Phase II properties, both serving seniors, will allow for efficiencies in operations both for property management, maintenance, and supportive services.

### 30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

With the requested 75% TIF, the project shows a 1.15 DSCR in year one, rises gradually to a high of 1.25 then declines gradually to 1.20 in year 30. While 1.24 in year 20 is slightly higher than our target of 1.20, the slightly higher year 21 DSCR is necessary to maintain the target 1.20 through year 30.

### Developer Financials

#### CHOM, Inc.:

CHOM has submitted audits for FY 2020 – FY 2023, with a fiscal year ending June 30<sup>th</sup>. Looking only at CHOM Inc., the developer ended FY 2023 in good and improving financial condition, with liquid assets of \$2,337,788 and current liabilities of \$1,760,885. The resulting Quick Ratio (or “Acid Test”) of 1.33 is quite lean. However, of the \$1.76 million in current liabilities, \$1,054,463 was current portion of “Refundable Advances,” which are contingent liabilities in the process of being forgiven (ie, funds being converted from loan to grant at the successful completion of the compliance period). Excluding refundable advance from current liabilities, to reflect only operational liabilities, the Quick Ratio is a healthy 3.3. Net assets grew \$1,334,933 in FY23, a 14% increase over FY22 to \$10,891,942.

Management statements for CHOM Inc. through April 30, 2024, show available liquid assets of \$1,461,871 and total current liabilities of \$1,483,302 for a Quick Ratio of .99. However, as with the FY23 Quick Ratio, the current liabilities include substantial deferred revenue, ie funding with a contingent liability which will convert to grant funding in FY24 at the successful completion of the compliance period. Calculating Quick Ratio on operating liabilities results in a strong Quick Ratio of 5.76.

Property operations thru April 30, 2024 for CHOM Inc. still show some impacts of the pandemic. While fuel costs have moderated and are below budget for the year, electric has continued double digit increases. Maintenance substantially exceeded budget as maintenance staff was able to “catch up” on maintenance issues that were not addressable in the heart of the pandemic. Into this challenging operating environment, an anonymous donor made a surprise donation of over \$500,000, which offset the one-time additional maintenance expenses.

#### CHOM Consolidated Entities:

The audit of CHOM Inc excludes 18 partnerships wholly controlled by CHOM Inc, and in so doing, dramatically understates the functional size (and the functional financial risks) of the CHOM controlled entities. The consolidated net assets controlled by CHOM were \$44,767,166 in June 2023. This is up 14% over June, 2022, as several new projects entered construction. Looking at the 2023 Quick Ratio for the consolidated entity, liquid assets were \$1,962,556 and current liabilities were \$6,455,736 for an alarming Quick Ratio of .3. This is due to \$3.9 million in short term construction activity and \$1 million in refundable advances (contingent liability converting to grant). Calculating Quick Ratio on operating activity, results in a lean but acceptable Quick Ratio of 1.34.

Reflective of the on-going impact of pandemic related inflationary pressures, CHOM Consolidated FY23 property operating costs increased 8.2%, up in every category except property taxes. Of particular note, fuel was up 29.7% and electric was up 24.4%. Consolidated rent income was up 6.24% over FY22.

As with the much smaller CHOM Inc, CHOM + consolidated entities are in good financial condition, even as they continue to adjust to the impact of recent inflation on operating expenses.

#### CHOM Financial Reporting:

Until 2018, CHOM submitted consolidated audited financials. Consistent with Generally Accepted Accounting Principles (GAAP), these consolidated audits reflect both CHOM Inc and all its wholly controlled partnerships. In 2018, CHOM's auditor changed its policy about how the partnerships would be reflected, which would have resulted in additional audit expense to meet GAAP standards. Instead of incurring the additional audit expense, CHOM chose not to have their consolidated statements audited. The CHOM Inc. 2018 – 2023 audits are qualified audits, because excluding the wholly controlled partnerships from the audit is inconsistent with GAAP. Each partnership is still individually audited, and the consolidated material reflecting those individual partnership audits is included with the CHOM Inc. audit, but reflected as "unaudited."

CHOM has made a financial management choice which reduces audit expense at the cost of compliance with GAAP and transparency about their financial situation. While each entity is audited, it is no longer possible to see an audit which reflects the full picture of CHOM's assets and liabilities. This lack of a consolidated audit led to a lack of transparency in a restatement of net assets between FY20 and FY21. In fact, CHOM Inc. and CHOM including its consolidated entities are both in good financial health, with the resources to afford the additional audit expense which will transparently reflect their actual financial position to the public, consistent with GAAP.

CHOM has the financial capacity to intervene in a development facing unexpected set backs and or cost over-runs to keep the development process moving forward.

#### Recommendations

The developer must at minimum meet three primary criteria for an AHTIF approval:

1. Community Need: "...site specific AHTIF designations must address an identified community need."

CHOM proposes to redevelop an under-utilized site, constructing 41 units of new affordable housing for households at 50-60% AM, including 4 units for Long Term Shelter Stayers. Affordable housing is identified as a community need in Portland's Plan 2030 and the City Council's 2020 Common Goals

2. Financial Necessity: "The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed."

The financial projections demonstrate that a TIF will be necessary for the project to proceed. The TIF functions to support the cashflow of the project and demonstrates a cashflow cushion to the mortgage lender to meet the lender's underwriting standards, in this case Maine Housing's requirement of 1.15 DSCR in year 1. A 75% TIF for 30 years is necessary to maintain a 1.20 DSCR.

Financial Capacity: "The applicant must demonstrate financial capacity to support their project."

CHOM has demonstrated the financial capacity to support their project through their strong organizational financials (see Developer Financials above) and a letter of interest from their syndicator with good pricing, demonstrating the syndicators strong positive evaluation of the project.

I recommend a loan of up to \$492,000 at 3% interest, with repayment from 25% of cashflow, and a maximum term of 30 years, and a 75% TIF for 30 years, with the following conditions:

Prior to City Council approval:

- Confirmation with Project FEED of business terms for lease of Project FEED space.

Prior to loan closing, satisfactory review of:

- 1) Project FEED building plans, contract w GC, and evidence of funds available to cover the renovation of the Project FEED space;
- 2) All leases with renters of space, including church & Project FEED;
- 3) Final plans which segregate residential from non-residential uses of property;
- 4) Market study;
- 5) Appraisal;
- 6) CHOM's most recent audit and most recent quarterly management financial statements;
- 7) All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs; and
- 8) The City reserves the right to require satisfactory review of review of all organizational documents relevant to the development and operations of the project, including any written agreements between CHOM and Woodfords Congregational Church and Project FEED.

# Development Budget with Permanent Sources

|                   |               |
|-------------------|---------------|
| Date              | 6/20/2024     |
| Project Name      | Parish House  |
| Project Address   | 198 Woodfords |
| Developer/Sponsor | CHOM          |

|                   |        |
|-------------------|--------|
| Total Units       | 41     |
| Total Square Feet | 42,007 |

|                                                           | Revised Application Values 5/29/24 |                  |              |
|-----------------------------------------------------------|------------------------------------|------------------|--------------|
|                                                           | Total                              | Per Unit         | Per Sq Ft    |
| <b>Sources of Funds</b>                                   |                                    |                  |              |
| Permanent Financing - MH 1st Lien, interest only must pay | \$3,506,337                        | \$85,520         | \$83         |
| Permanent Financing - City of Portland                    | \$492,000                          | \$12,000         | \$12         |
| Equity (LIHTC/tenant contributions)                       | \$10,393,950                       | \$253,511        | \$247        |
| Deferred development fee                                  | \$0                                | \$0              | \$0          |
| Other MH Subsidy                                          | \$2,042,583                        | \$49,819         | \$49         |
| Other                                                     |                                    | \$0              | \$0          |
| <b>Total Sources of Funds</b>                             | <b>\$16,434,870</b>                | <b>\$400,850</b> | <b>\$391</b> |

## Uses of Funds

| Hard Costs                                               |       |              |           |       |
|----------------------------------------------------------|-------|--------------|-----------|-------|
| Site Improvements                                        |       | \$1,255,206  | \$30,615  | \$30  |
| Rehabilitation                                           |       |              | \$0       | \$0   |
| New Construction                                         |       | \$8,187,955  | \$199,706 | \$195 |
| Contractor's Profit, Overhead, & Gen. Requirements       | 10.5% | \$994,634    | \$24,259  | \$24  |
| Hazardous Materials abatement (if contracted separately) |       |              | \$0       | \$0   |
| Demolition Cost (if contracted separately)               |       | \$427,200    | \$10,420  | \$10  |
| Bond Premium                                             |       | \$196,170    | \$4,785   | \$5   |
| Other                                                    |       | \$595,943    | \$14,535  | \$14  |
| Hard Cost Contingency (% of hard costs)                  | 9.5%  | \$1,106,117  | \$26,978  | \$26  |
| Total Hard Costs                                         |       | \$12,763,225 | \$311,298 | \$304 |

| Soft Costs                                                 |      |             |          |      |
|------------------------------------------------------------|------|-------------|----------|------|
| Building Permit & Fees                                     |      | \$245,800   | \$5,995  | \$6  |
| Survey & Engineering                                       |      | \$186,800   | \$4,556  | \$4  |
| Design & Permitting (% of const exp)                       | 8.6% | \$743,500   | \$18,134 | \$18 |
| Borrower Legal (all closings, excluding syndication legal) |      | \$75,000    | \$1,829  | \$2  |
| Title & Recording                                          |      | \$38,000    | \$927    | \$1  |
| Accounting                                                 |      | \$15,000    | \$366    | \$0  |
| Construction Period Taxes                                  |      | \$34,775    | \$848    | \$1  |
| Construction Period Insurance                              |      | \$90,000    | \$2,195  | \$2  |
| Other: FF&E, Security                                      |      | \$70,000    | \$1,707  | \$2  |
| Other                                                      |      |             | \$0      | \$0  |
| Total Soft Costs                                           |      | \$1,498,875 | \$36,558 | \$36 |

## Financing Costs

|                                    |                  |                 |             |
|------------------------------------|------------------|-----------------|-------------|
| Construction Loan Origination Fees | \$396,701        | \$9,676         | \$9         |
| Construction Period Interest       |                  | \$0             | \$0         |
| Lender Inspection Fees             |                  | \$0             | \$0         |
| Letter of Credit Fee               |                  | \$0             | \$0         |
| Permanent Loan Fee                 | \$70,127         | \$1,710         | \$2         |
| Construction Lender Legal          |                  | \$0             | \$0         |
| Other                              |                  | \$0             | \$0         |
| <b>Total Financing Costs</b>       | <b>\$466,828</b> | <b>\$11,386</b> | <b>\$11</b> |

|                                                      |           |                  |                |
|------------------------------------------------------|-----------|------------------|----------------|
| <b>Miscellaneous</b>                                 |           |                  |                |
| Market Survey                                        | \$5,000   | \$122            | \$0            |
| Appraisal                                            | \$7,000   | \$171            | \$0            |
| Environmental Study                                  | \$8,700   | \$212            | \$0            |
| LIHTC Fees -- prepaid monitoring                     | \$135,500 | \$3,305          | \$3            |
| Other: Commissioning                                 |           | \$0              | \$0            |
| Relocation Costs                                     |           | \$0              | \$0            |
| Other                                                |           | \$0              | \$0            |
| Soft Cost Contingency (% of soft costs excl Dev Fee) | 2.36%     | \$50,000         | \$1,220        |
| <b>Total Miscellaneous:</b>                          |           | <b>\$206,200</b> | <b>\$5,029</b> |

|                          |                  |                |            |
|--------------------------|------------------|----------------|------------|
| <b>Acquisition</b>       |                  |                |            |
| Acquisition: Buildings   | \$200,000        | \$4,878        | \$5        |
| Acquisition: Land        | \$25,000         | \$610          | \$1        |
| Acquisition: Legal       |                  | \$0            | \$0        |
| Other                    |                  | \$0            | \$0        |
| <b>Total Acquisition</b> | <b>\$225,000</b> | <b>\$5,488</b> | <b>\$5</b> |

|                                         |                    |                 |             |
|-----------------------------------------|--------------------|-----------------|-------------|
| <b>Reserves and Developer Fee</b>       |                    |                 |             |
| Operating Deficit Escrow                | \$280,120          | \$6,832         | \$7         |
| Prefunded Replacement Reserve           | \$114,571          | \$2,794         | \$3         |
| Taxes & Insurance Escrow                | \$87,480           | \$2,134         | \$2         |
| Developer Overhead                      | \$500,000          | \$12,195        | \$12        |
| Developer Profit                        | \$250,000          | \$6,098         | \$6         |
| Rent Up Reserve & Marketing             | \$42,571           | \$1,038         | \$1         |
| Other                                   |                    | \$0             | \$0         |
| <b>Total Reserves and Developer Fee</b> | <b>\$1,274,742</b> | <b>\$31,091</b> | <b>\$30</b> |

|                            |                     |                  |              |
|----------------------------|---------------------|------------------|--------------|
| <b>Total Uses of Funds</b> | <b>\$16,434,870</b> | <b>\$400,850</b> | <b>\$402</b> |
|----------------------------|---------------------|------------------|--------------|

|                                      |              |           |
|--------------------------------------|--------------|-----------|
| Developer Fee Analysis:              | Total Fees:  | \$750,000 |
| (excluding reserves & developer fee) | Percent TDC: | 4.95%     |



# Project Operating Pro Forma

|                   |               |
|-------------------|---------------|
| Date              | June 21, 2024 |
| Project Name      | Parish House  |
| Project Address   | 186 Woodfords |
| Developer/Sponsor | CHOM          |

## Rental Income

| Unit Type | Number of Units | Per Unit Sq Ft | Total Sq Ft | Restriction on % Median Inc. | Per Unit Monthly Gross Rent | Utility Deductions | Rent Subsidy | Per Unit Monthly Net Rent | Per Unit Net Rent Per Sq Ft | Total Monthly Net Income | Total Annual Net Rent |
|-----------|-----------------|----------------|-------------|------------------------------|-----------------------------|--------------------|--------------|---------------------------|-----------------------------|--------------------------|-----------------------|
| 0 BR      | 8               |                | 0           | 50%                          | \$1,116                     | \$59               |              | \$1,057                   | #DIV/0!                     | \$8,456                  | \$101,472             |
| 0 BR      | 5               |                | 0           | 60%                          | \$1,339                     | \$59               |              | \$1,280                   | #DIV/0!                     | \$6,400                  | \$76,800              |
| 1 BR      | 17              |                | 0           | 50%                          | \$1,195                     | \$73               |              | \$1,122                   | #DIV/0!                     | \$19,074                 | \$228,888             |
| 1 BR      | 11              |                | 0           | 60%                          | \$1,434                     | \$73               |              | \$1,361                   | #DIV/0!                     | \$14,971                 | \$179,652             |
| 1 BR      | 0               | PBV            | #VALUE!     | 50%                          | \$1,434                     | \$73               |              | \$1,361                   | #VALUE!                     | \$0                      | \$0                   |
| Total:    | 41              |                | #VALUE!     |                              |                             |                    |              |                           |                             | \$48,901                 | \$586,812             |

## Operating Expenses

|                        |      |
|------------------------|------|
| Rent Increase Rate     | 2.0% |
| Expenses Increase Rate | 3.0% |

**TIF as recommended:** Year 1: 75% Year 11: 75% Year 21: 75%

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

|                                 | Year 1    | Year 1/Unit      | Year 2          | Year 3           | Year 4           | Year 5           | Year 6           | Year 7           | Year 8           | Year 9           | Year 10          |
|---------------------------------|-----------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Income</b>                   |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Sch. Gross Income - Residential | \$586,812 | \$14,312         | \$598,548       | \$610,519        | \$622,730        | \$635,184        | \$647,888        | \$660,846        | \$674,063        | \$687,544        | \$701,295        |
| Vacancy Loss                    | 5.0%      | (\$29,341)       | (\$716)         | (\$29,927)       | (\$30,526)       | (\$31,136)       | (\$31,759)       | (\$32,394)       | (\$33,042)       | (\$33,703)       | (\$34,377)       |
| Other income (laundry)          |           | \$10,000         | \$244           | \$10,200         | \$10,404         | \$10,612         | \$10,824         | \$11,041         | \$11,262         | \$11,487         | \$11,717         |
| TIF (inflated at 2%)            | 75%       | \$52,471         | \$1,280         | \$53,520         | \$54,591         | \$55,682         | \$56,796         | \$57,932         | \$59,091         | \$60,272         | \$61,478         |
| <b>Effective Gross Income</b>   |           | <b>\$619,942</b> | <b>\$15,121</b> | <b>\$632,341</b> | <b>\$644,988</b> | <b>\$657,888</b> | <b>\$671,045</b> | <b>\$684,466</b> | <b>\$698,156</b> | <b>\$712,119</b> | <b>\$726,361</b> |
| <b>Administrative</b>           |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee                  | 5.6%      | \$32,882         | \$802           | \$33,868         | \$34,885         | \$35,931         | \$37,009         | \$38,119         | \$39,263         | \$40,441         | \$41,654         |
| Management Charges              | 6.4%      | \$37,500         | \$915           | \$38,625         | \$39,784         | \$40,977         | \$42,207         | \$43,473         | \$44,777         | \$46,120         | \$47,504         |
| Marketing Expense               |           | \$0              | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                           |           | \$2,000          | \$49            | \$2,060          | \$2,122          | \$2,185          | \$2,251          | \$2,319          | \$2,388          | \$2,460          | \$2,534          |
| Audit & Accounting              |           | \$6,500          | \$159           | \$6,695          | \$6,896          | \$7,103          | \$7,316          | \$7,535          | \$7,761          | \$7,994          | \$8,234          |
| Admin Other                     |           | \$2,650          | \$65            | \$2,730          | \$2,811          | \$2,896          | \$2,983          | \$3,072          | \$3,164          | \$3,259          | \$3,357          |
| Total Administrative            |           | \$81,532         | \$1,989         | \$83,978         | \$86,497         | \$89,092         | \$91,765         | \$94,518         | \$97,353         | \$100,274        | \$103,282        |
| <b>Supportive Services</b>      |           | \$13,000         | \$317           | \$13,390         | \$13,792         | \$14,205         | \$14,632         | \$15,071         | \$15,523         | \$15,988         | \$16,468         |
| <b>Utilities</b>                |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil                        |           | \$0              | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |

|                 |          |         |          |          |          |          |          |          |          |           |           |
|-----------------|----------|---------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| Natural Gas     | \$0      | \$0     | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       |
| Electric        | \$63,153 | \$1,540 | \$65,048 | \$66,999 | \$69,009 | \$71,079 | \$73,212 | \$75,408 | \$77,670 | \$80,000  | \$82,400  |
| Water / Sewer   | \$14,350 | \$350   | \$14,781 | \$15,224 | \$15,681 | \$16,151 | \$16,636 | \$17,135 | \$17,649 | \$18,178  | \$18,723  |
| Other           | \$2,500  | \$61    | \$2,575  | \$2,652  | \$2,732  | \$2,814  | \$2,898  | \$2,985  | \$3,075  | \$3,167   | \$3,262   |
| Total Utilities | \$80,003 | \$1,951 | \$82,403 | \$84,875 | \$87,421 | \$90,044 | \$92,745 | \$95,528 | \$98,394 | \$101,345 | \$104,386 |

| Maintenance           | Year 1   | Year 1/Unit | Year 2   | Year 3   | Year 4   | Year 5   | Year 6   | Year 7   | Year 8   | Year 9   | Year 10  |
|-----------------------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Grounds               | \$5,500  | \$134       | \$5,665  | \$5,835  | \$6,010  | \$6,190  | \$6,376  | \$6,567  | \$6,764  | \$6,967  | \$7,176  |
| Janitorial            | \$3,567  | \$87        | \$3,674  | \$3,784  | \$3,898  | \$4,015  | \$4,135  | \$4,259  | \$4,387  | \$4,519  | \$4,654  |
| Trash Removal         | \$6,000  | \$146       | \$6,180  | \$6,365  | \$6,556  | \$6,753  | \$6,956  | \$7,164  | \$7,379  | \$7,601  | \$7,829  |
| Security              |          | \$0         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Equipment & Supplies  |          | \$0         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Maintenance           | \$22,000 | \$537       | \$22,660 | \$23,340 | \$24,040 | \$24,761 | \$25,504 | \$26,269 | \$27,057 | \$27,869 | \$28,705 |
| Maintenance Contracts | \$25,500 | \$622       | \$26,265 | \$27,053 | \$27,865 | \$28,700 | \$29,561 | \$30,448 | \$31,362 | \$32,303 | \$33,272 |
| Other                 | \$7,000  | \$171       | \$7,210  | \$7,426  | \$7,649  | \$7,879  | \$8,115  | \$8,358  | \$8,609  | \$8,867  | \$9,133  |
| Total Maintenance     | \$69,567 | \$1,697     | \$71,654 | \$73,804 | \$76,018 | \$78,298 | \$80,647 | \$83,067 | \$85,559 | \$88,125 | \$90,769 |

| Taxes & Insurance                                          |           |         |           |           |           |           |           |           |           |           |           |
|------------------------------------------------------------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Real Estate Taxes 2%                                       | \$69,961  | \$1,706 | \$71,360  | \$72,787  | \$74,243  | \$75,728  | \$77,243  | \$78,787  | \$80,363  | \$81,970  | \$83,610  |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |           | \$0     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Insurance (property, liability)                            | \$45,000  | \$1,098 | \$46,350  | \$47,741  | \$49,173  | \$50,648  | \$52,167  | \$53,732  | \$55,344  | \$57,005  | \$58,715  |
| Other                                                      |           | \$0     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Total Taxes & Insurance                                    | \$114,961 | \$2,804 | \$117,710 | \$120,528 | \$123,416 | \$126,376 | \$129,410 | \$132,520 | \$135,708 | \$138,975 | \$142,325 |

|                      |          |       |          |          |          |          |          |          |          |          |          |
|----------------------|----------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$18,450 | \$450 | \$19,004 | \$19,574 | \$20,161 | \$20,766 | \$21,389 | \$22,030 | \$22,691 | \$23,372 | \$24,073 |
| Operating Reserves   |          | \$0   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                             |                  |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Expenses</b>       | <b>\$377,513</b> | <b>\$9,208</b> | <b>\$388,139</b> | <b>\$399,069</b> | <b>\$410,314</b> | <b>\$421,881</b> | <b>\$433,780</b> | <b>\$446,021</b> | <b>\$458,613</b> | <b>\$471,568</b> | <b>\$484,895</b> |
| Expenses less RE Taxes      |                  | \$7,501        |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Net Operating Income</b> | <b>\$242,429</b> | <b>\$5,913</b> | <b>\$244,202</b> | <b>\$245,918</b> | <b>\$247,574</b> | <b>\$249,165</b> | <b>\$250,687</b> | <b>\$252,135</b> | <b>\$253,505</b> | <b>\$254,793</b> | <b>\$255,993</b> |

| Debt Service                   |           |         |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Maine Housing Interest Bearing | \$210,380 | \$5,131 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |
| Second Lien                    |           | \$0     |           |           |           |           |           |           |           |           |           |
| Other                          |           | \$0     |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$210,380 | \$5,131 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |

|                                    |             |       |             |             |             |             |             |             |             |             |             |
|------------------------------------|-------------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt)    | \$32,049    | \$782 | \$33,822    | \$35,538    | \$37,194    | \$38,785    | \$40,307    | \$41,755    | \$43,125    | \$44,413    | \$45,613    |
| <b>Debt Service Coverage Ratio</b> | <b>1.15</b> |       | <b>1.16</b> | <b>1.17</b> | <b>1.18</b> | <b>1.18</b> | <b>1.19</b> | <b>1.20</b> | <b>1.20</b> | <b>1.21</b> | <b>1.22</b> |

| Cash Flow Debt Payments              |       |                 |              |                 |                 |                 |                 |                 |                 |                 |                 |
|--------------------------------------|-------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of Portland                     | 25.0% | \$8,012         | \$195        | \$8,456         | \$8,885         | \$9,299         | \$9,696         | \$10,077        | \$10,439        | \$10,781        | \$11,103        |
| Developer Fee Loan                   | 0.0%  | \$0             | \$0          | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             |
| <b>Cash Flow Retained by Project</b> |       | <b>\$24,037</b> | <b>\$586</b> | <b>\$25,367</b> | <b>\$26,654</b> | <b>\$27,896</b> | <b>\$29,089</b> | <b>\$30,230</b> | <b>\$31,316</b> | <b>\$32,344</b> | <b>\$33,310</b> |

|                      |            |            |           |           |           |           |           |           |           |           |           |
|----------------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Retained Cash Flow % | 6%         |            |           |           |           |           |           |           |           |           |           |
| Remaining Balance    |            |            |           |           |           |           |           |           |           |           |           |
| City of Portland:    | \$ 492,000 | \$ 483,988 | \$475,532 | \$466,648 | \$457,349 | \$447,653 | \$437,576 | \$427,137 | \$416,356 | \$405,253 | \$393,850 |

|                                                            |      | <u>Year 11</u>   | <u>Year 12</u>   | <u>Year 13</u>   | <u>Year 14</u>   | <u>Year 15</u>   | <u>Year 16</u>   | <u>Year 17</u>   | <u>Year 18</u>   | <u>Year 19</u>   | <u>Year 20</u>   |
|------------------------------------------------------------|------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Income</b>                                              |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Sch. Gross Income - Residential                            |      | \$715,321        | \$729,627        | \$744,220        | \$759,104        | \$774,286        | \$789,772        | \$805,567        | \$821,678        | \$838,112        | \$854,874        |
| Vacancy Loss                                               | 5.0% | (\$35,766)       | (\$36,481)       | (\$37,211)       | (\$37,955)       | (\$38,714)       | (\$39,489)       | (\$40,278)       | (\$41,084)       | (\$41,906)       | (\$42,744)       |
| Other income (laundry)                                     |      | \$12,190         | \$12,434         | \$12,682         | \$12,936         | \$13,195         | \$13,459         | \$13,728         | \$14,002         | \$14,282         | \$14,568         |
| TIF                                                        | 75%  | \$63,962         | \$65,241         | \$66,546         | \$67,877         | \$69,234         | \$70,619         | \$72,031         | \$73,472         | \$74,941         | \$76,440         |
| <b>Effective Gross Income</b>                              |      | <b>\$755,706</b> | <b>\$770,820</b> | <b>\$786,237</b> | <b>\$801,961</b> | <b>\$818,001</b> | <b>\$834,361</b> | <b>\$851,048</b> | <b>\$868,069</b> | <b>\$885,430</b> | <b>\$903,139</b> |
| <b>Administrative</b>                                      |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee                                             |      | \$44,191         | \$45,516         | \$46,882         | \$48,288         | \$49,737         | \$51,229         | \$52,766         | \$54,349         | \$55,979         | \$57,659         |
| Management Charges                                         |      | \$50,397         | \$51,909         | \$53,466         | \$55,070         | \$56,722         | \$58,424         | \$60,176         | \$61,982         | \$63,841         | \$65,756         |
| Marketing Expense                                          |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                                                      |      | \$2,688          | \$2,768          | \$2,852          | \$2,937          | \$3,025          | \$3,116          | \$3,209          | \$3,306          | \$3,405          | \$3,507          |
| Audit & Accounting                                         |      | \$8,735          | \$8,998          | \$9,267          | \$9,545          | \$9,832          | \$10,127         | \$10,431         | \$10,744         | \$11,066         | \$11,398         |
| Admin Other                                                |      | \$3,561          | \$3,668          | \$3,778          | \$3,892          | \$4,008          | \$4,129          | \$4,252          | \$4,380          | \$4,511          | \$4,647          |
| <b>Total Administrative</b>                                |      | <b>\$109,572</b> | <b>\$112,859</b> | <b>\$116,245</b> | <b>\$119,732</b> | <b>\$123,324</b> | <b>\$127,024</b> | <b>\$130,835</b> | <b>\$134,760</b> | <b>\$138,803</b> | <b>\$142,967</b> |
| <b>Supportive Services</b>                                 |      | <b>\$17,471</b>  | <b>\$17,995</b>  | <b>\$18,535</b>  | <b>\$19,091</b>  | <b>\$19,664</b>  | <b>\$20,254</b>  | <b>\$20,861</b>  | <b>\$21,487</b>  | <b>\$22,132</b>  | <b>\$22,796</b>  |
| <b>Utilities</b>                                           |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Electric                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Gas                                                        |      | \$84,872         | \$87,419         | \$90,041         | \$92,742         | \$95,525         | \$98,390         | \$101,342        | \$104,382        | \$107,514        | \$110,739        |
| Water / Sewer                                              |      | \$19,285         | \$19,864         | \$20,460         | \$21,073         | \$21,706         | \$22,357         | \$23,028         | \$23,718         | \$24,430         | \$25,163         |
| Other                                                      |      | \$3,360          | \$3,461          | \$3,564          | \$3,671          | \$3,781          | \$3,895          | \$4,012          | \$4,132          | \$4,256          | \$4,384          |
| <b>Total Utilities</b>                                     |      | <b>\$107,517</b> | <b>\$110,743</b> | <b>\$114,065</b> | <b>\$117,487</b> | <b>\$121,012</b> | <b>\$124,642</b> | <b>\$128,381</b> | <b>\$132,233</b> | <b>\$136,200</b> | <b>\$140,286</b> |
| <b>Maintenance</b>                                         |      | <u>Year 11</u>   | <u>Year 12</u>   | <u>Year 13</u>   | <u>Year 14</u>   | <u>Year 15</u>   | <u>Year 16</u>   | <u>Year 17</u>   | <u>Year 18</u>   | <u>Year 19</u>   | <u>Year 20</u>   |
| Janitorial                                                 |      | \$7,392          | \$7,613          | \$7,842          | \$8,077          | \$8,319          | \$8,569          | \$8,826          | \$9,091          | \$9,363          | \$9,644          |
| Exterminating                                              |      | \$4,794          | \$4,938          | \$5,086          | \$5,238          | \$5,395          | \$5,557          | \$5,724          | \$5,896          | \$6,073          | \$6,255          |
| Trash Removal                                              |      | \$8,063          | \$8,305          | \$8,555          | \$8,811          | \$9,076          | \$9,348          | \$9,628          | \$9,917          | \$10,215         | \$10,521         |
| Security                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Grounds                                                    |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Maintenance                                                |      | \$29,566         | \$30,453         | \$31,367         | \$32,308         | \$33,277         | \$34,275         | \$35,304         | \$36,363         | \$37,454         | \$38,577         |
| Elevator, HVAC, pool contracts                             |      | \$34,270         | \$35,298         | \$36,357         | \$37,448         | \$38,571         | \$39,728         | \$40,920         | \$42,148         | \$43,412         | \$44,714         |
| Other                                                      |      | \$9,407          | \$9,690          | \$9,980          | \$10,280         | \$10,588         | \$10,906         | \$11,233         | \$11,570         | \$11,917         | \$12,275         |
| <b>Total Maintenance</b>                                   |      | <b>\$93,492</b>  | <b>\$96,297</b>  | <b>\$99,186</b>  | <b>\$102,161</b> | <b>\$105,226</b> | <b>\$108,383</b> | <b>\$111,635</b> | <b>\$114,984</b> | <b>\$118,433</b> | <b>\$121,986</b> |
| <b>Taxes &amp; Insurance</b>                               |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes or PILOT                                 |      | \$85,282         | \$86,988         | \$88,727         | \$90,502         | \$92,312         | \$94,158         | \$96,041         | \$97,962         | \$99,922         | \$101,920        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            |      | \$60,476         | \$62,291         | \$64,159         | \$66,084         | \$68,067         | \$70,109         | \$72,212         | \$74,378         | \$76,609         | \$78,908         |
| Other                                                      |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Taxes &amp; Insurance</b>                         |      | <b>\$145,758</b> | <b>\$149,278</b> | <b>\$152,887</b> | <b>\$156,586</b> | <b>\$160,379</b> | <b>\$164,267</b> | <b>\$168,253</b> | <b>\$172,340</b> | <b>\$176,531</b> | <b>\$180,828</b> |

|                      |          |          |          |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$24,795 | \$25,539 | \$26,305 | \$27,094 | \$27,907 | \$28,744 | \$29,607 | \$30,495 | \$31,410 | \$32,352 |
| Operating Reserves   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Expenses</b> | <b>\$498,606</b> | <b>\$512,712</b> | <b>\$527,223</b> | <b>\$542,152</b> | <b>\$557,512</b> | <b>\$573,314</b> | <b>\$589,572</b> | <b>\$606,299</b> | <b>\$623,508</b> | <b>\$641,214</b> |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> | <b>\$257,100</b> | <b>\$258,109</b> | <b>\$259,013</b> | <b>\$259,809</b> | <b>\$260,488</b> | <b>\$261,046</b> | <b>\$261,476</b> | <b>\$261,770</b> | <b>\$261,922</b> | <b>\$261,924</b> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                                |           |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Debt Service</b>            |           |           |           |           |           |           |           |           |           |           |
| Maine Housing Interest Bearing | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |
| Second Lien                    |           |           |           |           |           |           |           |           |           |           |
| Other                          |           |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |

|                                    |             |             |             |             |             |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt)    | \$46,720    | \$47,729    | \$48,633    | \$49,429    | \$50,108    | \$50,666    | \$51,096    | \$51,390    | \$51,542    | \$51,544    |
| <b>Debt Service Coverage Ratio</b> | <b>1.22</b> | <b>1.23</b> | <b>1.23</b> | <b>1.23</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.25</b> |

|                                      |       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                     |
|--------------------------------------|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| <b>Cash Flow Debt Payments</b>       |       |                 |                 |                 |                 |                 |                 |                 |                 |                 | <b>Cash Flow De</b> |
| City of Portland                     | 25.0% | \$11,680        | \$11,932        | \$12,158        | \$12,357        | \$12,527        | \$12,667        | \$12,774        | \$12,847        | \$12,885        | \$12,886            |
| Developer Fee Loan                   | 0.0%  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| <b>Cash Flow Retained by Project</b> |       | <b>\$35,040</b> | <b>\$35,796</b> | <b>\$36,475</b> | <b>\$37,072</b> | <b>\$37,581</b> | <b>\$38,000</b> | <b>\$38,322</b> | <b>\$38,542</b> | <b>\$38,656</b> | <b>\$38,658</b>     |

|           |           |           |           |           |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$382,170 | \$370,238 | \$358,079 | \$345,722 | \$333,195 | \$320,528 | \$307,755 | \$294,907 | \$282,022 | \$269,136 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

|                                 | <u>Year 21</u>   | <u>Year 22</u>   | <u>Year 23</u>   | <u>Year 24</u>   | <u>Year 25</u>   | <u>Year 26</u>     | <u>Year 27</u>     | <u>Year 28</u>     | <u>Year 29</u>     | <u>Year 30</u>     |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                   |                  |                  |                  |                  |                  |                    |                    |                    |                    |                    |
| Sch. Gross Income - Residential | \$871,972        | \$889,411        | \$907,199        | \$925,343        | \$943,850        | \$962,727          | \$981,982          | \$1,001,621        | \$1,021,654        | \$1,042,087        |
| Vacancy Loss                    | (\$43,599)       | (\$44,471)       | (\$45,360)       | (\$46,267)       | (\$47,193)       | (\$48,136)         | (\$49,099)         | (\$50,081)         | (\$51,083)         | (\$52,104)         |
| Other income (laundry)          | \$14,859         | \$15,157         | \$15,460         | \$15,769         | \$16,084         | \$16,406           | \$16,734           | \$17,069           | \$17,410           | \$17,758           |
| TIF 75%                         | \$77,969         | \$79,528         | \$81,119         | \$82,741         | \$84,396         | \$86,084           | \$87,806           | \$89,562           | \$91,353           | \$93,180           |
| <b>Effective Gross Income</b>   | <b>\$921,201</b> | <b>\$939,625</b> | <b>\$958,418</b> | <b>\$977,586</b> | <b>\$997,138</b> | <b>\$1,017,081</b> | <b>\$1,037,422</b> | <b>\$1,058,171</b> | <b>\$1,079,334</b> | <b>\$1,100,921</b> |

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Administrative</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee              | \$59,389         | \$61,170         | \$63,005         | \$64,895         | \$66,842         | \$68,848         | \$70,913         | \$73,040         | \$75,232         | \$77,489         |
| Management Charges          | \$67,729         | \$69,761         | \$71,854         | \$74,009         | \$76,230         | \$78,517         | \$80,872         | \$83,298         | \$85,797         | \$88,371         |
| Marketing Expense           | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                       | \$3,612          | \$3,721          | \$3,832          | \$3,947          | \$4,066          | \$4,188          | \$4,313          | \$4,443          | \$4,576          | \$4,713          |
| Audit & Accounting          | \$11,740         | \$12,092         | \$12,455         | \$12,828         | \$13,213         | \$13,610         | \$14,018         | \$14,438         | \$14,872         | \$15,318         |
| Admin Other                 | \$4,786          | \$4,930          | \$5,078          | \$5,230          | \$5,387          | \$5,549          | \$5,715          | \$5,886          | \$6,063          | \$6,245          |
| <b>Total Administrative</b> | <b>\$147,256</b> | <b>\$151,674</b> | <b>\$156,224</b> | <b>\$160,910</b> | <b>\$165,738</b> | <b>\$170,710</b> | <b>\$175,831</b> | <b>\$181,106</b> | <b>\$186,539</b> | <b>\$192,135</b> |

|                            |          |          |          |          |          |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Supportive Services</b> | \$23,479 | \$24,184 | \$24,909 | \$25,657 | \$26,426 | \$27,219 | \$28,036 | \$28,877 | \$29,743 | \$30,635 |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|

|                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Utilities</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Electric               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Gas                    | \$114,061        | \$117,483        | \$121,008        | \$124,638        | \$128,377        | \$132,228        | \$136,195        | \$140,281        | \$144,489        | \$148,824        |
| Water / Sewer          | \$25,918         | \$26,695         | \$27,496         | \$28,321         | \$29,171         | \$30,046         | \$30,947         | \$31,875         | \$32,832         | \$33,817         |
| Other                  | \$4,515          | \$4,651          | \$4,790          | \$4,934          | \$5,082          | \$5,234          | \$5,391          | \$5,553          | \$5,720          | \$5,891          |
| <b>Total Utilities</b> | <b>\$144,494</b> | <b>\$148,829</b> | <b>\$153,294</b> | <b>\$157,893</b> | <b>\$162,630</b> | <b>\$167,509</b> | <b>\$172,534</b> | <b>\$177,710</b> | <b>\$183,041</b> | <b>\$188,532</b> |

|                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Maintenance</b>             | <u>Year 21</u>   | <u>Year 22</u>   | <u>Year 23</u>   | <u>Year 24</u>   | <u>Year 25</u>   | <u>Year 26</u>   | <u>Year 27</u>   | <u>Year 28</u>   | <u>Year 29</u>   | <u>Year 30</u>   |
| Janitorial                     | \$9,934          | \$10,232         | \$10,539         | \$10,855         | \$11,180         | \$11,516         | \$11,861         | \$12,217         | \$12,584         | \$12,961         |
| Exterminating                  | \$6,442          | \$6,636          | \$6,835          | \$7,040          | \$7,251          | \$7,469          | \$7,693          | \$7,923          | \$8,161          | \$8,406          |
| Trash Removal                  | \$10,837         | \$11,162         | \$11,497         | \$11,842         | \$12,197         | \$12,563         | \$12,940         | \$13,328         | \$13,728         | \$14,139         |
| Security                       | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Grounds                        | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Maintenance                    | \$39,734         | \$40,926         | \$42,154         | \$43,419         | \$44,721         | \$46,063         | \$47,445         | \$48,868         | \$50,334         | \$51,844         |
| Elevator, HVAC, pool contracts | \$46,056         | \$47,438         | \$48,861         | \$50,326         | \$51,836         | \$53,391         | \$54,993         | \$56,643         | \$58,342         | \$60,092         |
| Other                          | \$12,643         | \$13,022         | \$13,413         | \$13,815         | \$14,230         | \$14,656         | \$15,096         | \$15,549         | \$16,015         | \$16,496         |
| <b>Total Maintenance</b>       | <b>\$125,646</b> | <b>\$129,415</b> | <b>\$133,298</b> | <b>\$137,296</b> | <b>\$141,415</b> | <b>\$145,658</b> | <b>\$150,028</b> | <b>\$154,528</b> | <b>\$159,164</b> | <b>\$163,939</b> |

|                                                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Taxes &amp; Insurance</b>                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes or PILOT                                 | \$103,958        | \$106,038        | \$108,158        | \$110,321        | \$112,528        | \$114,778        | \$117,074        | \$119,415        | \$121,804        | \$124,240        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            | \$81,275         | \$83,713         | \$86,225         | \$88,811         | \$91,476         | \$94,220         | \$97,047         | \$99,958         | \$102,957        | \$106,045        |
| Other                                                      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Taxes &amp; Insurance</b>                         | <b>\$185,233</b> | <b>\$189,751</b> | <b>\$194,383</b> | <b>\$199,133</b> | <b>\$204,004</b> | <b>\$208,998</b> | <b>\$214,121</b> | <b>\$219,373</b> | <b>\$224,761</b> | <b>\$230,285</b> |

|                      |          |          |          |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$33,323 | \$34,322 | \$35,352 | \$36,413 | \$37,505 | \$38,630 | \$39,789 | \$40,983 | \$42,212 | \$43,479 |
| Operating Reserves   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Expenses</b> | <b>\$659,431</b> | <b>\$678,175</b> | <b>\$697,460</b> | <b>\$717,302</b> | <b>\$737,718</b> | <b>\$758,724</b> | <b>\$780,338</b> | <b>\$802,577</b> | <b>\$825,461</b> | <b>\$849,006</b> |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> | <b>\$261,770</b> | <b>\$261,451</b> | <b>\$260,958</b> | <b>\$260,284</b> | <b>\$259,420</b> | <b>\$258,357</b> | <b>\$257,084</b> | <b>\$255,594</b> | <b>\$253,874</b> | <b>\$251,915</b> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                                |           |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Debt Service</b>            |           |           |           |           |           |           |           |           |           |           |
| Maine Housing Interest Bearing | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |
| Second Lien                    |           |           |           |           |           |           |           |           |           |           |
| Other                          |           |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |

|                                    |             |             |             |             |             |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt)    | \$51,390    | \$51,071    | \$50,578    | \$49,904    | \$49,040    | \$47,977    | \$46,704    | \$45,214    | \$43,494    | \$41,535    |
| <b>Debt Service Coverage Ratio</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.23</b> | <b>1.23</b> | <b>1.22</b> | <b>1.21</b> | <b>1.21</b> | <b>1.20</b> |

|                                      |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--------------------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>bt Payments</b>                   |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| City of Portland                     |  | \$12,847        | \$12,768        | \$12,645        | \$12,476        | \$12,260        | \$11,994        | \$11,676        | \$11,303        | \$10,873        |
| Developer Fee Loan                   |  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             |
| <b>Cash Flow Retained by Project</b> |  | <b>\$38,542</b> | <b>\$38,303</b> | <b>\$37,934</b> | <b>\$37,428</b> | <b>\$36,780</b> | <b>\$35,983</b> | <b>\$35,028</b> | <b>\$33,910</b> | <b>\$32,620</b> |

|           |           |           |           |           |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$256,288 | \$243,520 | \$230,876 | \$218,400 | \$206,140 | \$194,145 | \$182,469 | \$171,166 | \$160,293 | \$149,909 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

|                                     |               |
|-------------------------------------|---------------|
| Residential Units Sq. Ft.           | 37,900        |
| Residential Common Areas Sq. Ft.    |               |
| Commercial Rental Sq. Ft.           |               |
| Other Sq. Ft.                       |               |
| <b>TOTAL PROJECT SQUARE FOOTAGE</b> | <b>37,900</b> |

| Line Item                               | Total         | Per Unit     |
|-----------------------------------------|---------------|--------------|
| <b>ADMINISTRATIVE EXPENSES</b>          |               |              |
| Management Fees                         | 32,882        | 802          |
| Management Charges                      | 37,500        | 915          |
| Marketing                               | 0             | 0            |
| Legal                                   | 2,000         | 49           |
| Background Checks                       |               | 0            |
| Property Postage/Copier                 |               | 0            |
| Interpreting                            |               | 0            |
| Bank Charges                            |               | 0            |
| Rent Comp Study                         |               | 0            |
| Software and Maintenance of Computers   | 2,650         | 65           |
| Auditing                                | 6,500         | 159          |
| Other Admin.                            |               | 0            |
| <b>Subtotal Administrative Expenses</b> | <b>81,532</b> | <b>1,989</b> |

**UTILITY EXPENSES**

|                                        |               |              |
|----------------------------------------|---------------|--------------|
| Heating Fuel                           | 0             | 0            |
| Electricity                            | 40,500        | 988          |
| Water/Sewer                            | 14,350        | 350          |
| Property Internet/Phone for Tenant Use | 2,500         | 61           |
| Other Utility                          | 0             | 0            |
| <b>Subtotal Utility Expenses</b>       | <b>57,350</b> | <b>1,399</b> |

**MAINTENANCE EXPENSES**

|                                      |               |              |
|--------------------------------------|---------------|--------------|
| Janitorial Payroll                   | 0             | 0            |
| Janitorial Supplies and Equipment    | 3,567         | 87           |
| Janitorial Contractual Services      | 0             | 0            |
| Garbage and Trash Removal            | 6,000         | 146          |
| Vehicle and Equipment                | 0             | 0            |
| Grounds Maintenance Payroll          | 0             | 0            |
| Grounds Tools and Supplies           | 0             | 0            |
| Grounds Contractual Services         | 5,500         | 134          |
| Miscellaneous Ground Maintenance     | 0             | 0            |
| Building Maintenance Payroll         | 20,000        | 488          |
| Building Tools and Supplies          | 2,000         | 49           |
| Building Contractual Services        | 18,000        | 439          |
| Building Systems Maintenance         | 7,500         | 183          |
| Miscellaneous Building Maintenance   | 2,000         | 49           |
| Other Maint.                         |               | 0            |
| <b>Subtotal Maintenance Expenses</b> | <b>64,567</b> | <b>1,575</b> |

| Line Item                        | Total          | Per Unit     |
|----------------------------------|----------------|--------------|
| <b>GENERAL EXPENSES</b>          |                |              |
| Property Taxes                   | 69,961         | 1,706        |
| Property and Liability Insurance | 45,000         | 1,098        |
| Other Financial Expenses         | 0              | 0            |
| Resident Services                | 13,000         | 317          |
| Other General                    |                | 0            |
| <b>Subtotal General Expenses</b> | <b>127,961</b> | <b>3,121</b> |

|                     |                |              |
|---------------------|----------------|--------------|
| <b>HOUSING OPEX</b> | <b>331,410</b> | <b>8,083</b> |
|---------------------|----------------|--------------|

**COMMERCIAL EXPENSES**

|                                     |          |          |
|-------------------------------------|----------|----------|
| Admin Expenses                      |          | 0        |
| Operating Expenses                  |          | 0        |
| Maintenance Expenses                |          | 0        |
| General Expenses                    |          | 0        |
| Other Comm.                         |          | 0        |
| <b>Subtotal Commercial Expenses</b> | <b>0</b> | <b>0</b> |

|                   |                |              |
|-------------------|----------------|--------------|
| <b>TOTAL OPEX</b> | <b>331,410</b> | <b>8,083</b> |
|-------------------|----------------|--------------|

**RESERVE CONTRIBUTIONS**

|                     |        |     |
|---------------------|--------|-----|
| Replacement Reserve | 18,450 | 450 |
| Other Reserve       | 0      |     |

|                              |                |              |
|------------------------------|----------------|--------------|
| <b>TOTAL OPEX + RESERVES</b> | <b>349,860</b> | <b>8,533</b> |
|------------------------------|----------------|--------------|



PROJECT: Woodfords Parish House  
LOCATION: 186 Woodfords Street, Portland, Maine 04102

5/29/2024

| DEVELOPMENT ASSUMPTIONS |    |                       |        |          |           |
|-------------------------|----|-----------------------|--------|----------|-----------|
| Total Units             | 41 | Inflation Adjustments | Yr 1-5 | Yr. 6-15 | Yr. 16-30 |
| # @ 30% AMI             | 0  | Rent                  | 2.00%  | 2.00%    | 2.00%     |
| # @ 50% AMI             | 25 | Operating Expense     | 3.00%  | 3.00%    | 3.00%     |
| # @ 60% AMI             | 16 | Other Income          | 2.00%  | 2.00%    | 2.00%     |
| # @ 80% AMI             | 0  | Vacancy               | 5.0%   |          |           |
| # @ Market              | 0  | Debt Coverage Ratio   | 1.15   |          |           |
|                         |    |                       |        |          |           |

|                     |            |
|---------------------|------------|
| Max LIHTC Available | 1,795,044  |
| LIHTC Allocation    | 1,200,000  |
| Equity yield        | 0.875      |
| Synd. %             | 98.99%     |
| Equity Raise        | 10,393,950 |

|                                |        |
|--------------------------------|--------|
| FED Historic Credit Allocation | 0      |
| Equity yield                   | 0.90   |
| Synd. %                        | 98.99% |
| Equity Raise                   | 0      |

|                                  |        |
|----------------------------------|--------|
| STATE Historic Credit Allocation | 0      |
| Equity yield                     | 0.90   |
| Synd. %                          | 98.99% |
| Equity Raise                     | 0      |

|               |            |
|---------------|------------|
| Total Equity: | 10,393,950 |
|---------------|------------|

|                         |        |
|-------------------------|--------|
| Gross Square Footage    | 37,900 |
| Construction Cost/Sq Ft | 307.58 |

| DEVELOPMENT BUDGET                  |             |          |            |            |
|-------------------------------------|-------------|----------|------------|------------|
|                                     | Residential | Per Unit | Commercial | Total      |
| Site Improvements                   | 1,255,206   | 30,615   |            | 1,255,206  |
| Construction                        | 8,187,955   | 199,706  | 0          | 8,187,955  |
| Demolition                          | 427,200     | 10,420   |            | 427,200    |
| Builder General Conditions          | 604,870     | 14,753   |            | 604,870    |
| Builder Overhead and Profit         | 389,764     | 9,506    |            | 389,764    |
| Bond Premium                        | 196,170     | 4,785    |            | 196,170    |
| Other Construction Costs            | 595,943     | 14,535   |            | 595,943    |
| Construction Contingency            | 1,106,117   | 26,978   |            | 1,106,117  |
| Subtotal Construction Costs         | 12,763,225  | 311,298  | 0          | 12,763,225 |
| Permits & Impact Fees               | 245,800     | 5,995    |            | 245,800    |
| Survey & Engineering                | 186,800     | 4,556    |            | 186,800    |
| Architectural & Design              | 743,500     | 18,134   |            | 743,500    |
| Legal                               | 75,000      | 1,829    |            | 75,000     |
| Title & Recording                   | 38,000      | 927      |            | 38,000     |
| Accounting                          | 15,000      | 366      |            | 15,000     |
| Construction Period Tax             | 34,775      | 848      |            | 34,775     |
| Insurance                           | 90,000      | 2,195    |            | 90,000     |
| Soft Cost Contingency               | 50,000      | 1,220    |            | 50,000     |
| Subtotal Soft Costs                 | 1,478,875   | 36,070   | 0          | 1,478,875  |
| Construction Loan Costs             | 396,701     | 9,676    |            | 396,701    |
| Permanent Loan Costs                | 70,127      | 1,710    |            | 70,127     |
| Subtotal Finance Costs              | 466,828     | 11,386   | 0          | 466,828    |
| Market Study                        | 5,000       | 122      |            | 5,000      |
| Appraisal                           | 7,000       | 171      |            | 7,000      |
| Environmental                       | 8,700       | 212      |            | 8,700      |
| LIHTC Process & Monitoring Fees     | 135,500     | 3,305    |            | 135,500    |
| Relocation                          | 0           | 0        |            | 0          |
| FF&E                                | 70,000      | 1,707    |            | 70,000     |
| Other Misc Costs                    | 0           | 0        |            | 0          |
| Subtotal Miscellaneous              | 226,200     | 5,517    | 0          | 226,200    |
| Acquisition: Buildings              | 200,000     | 4,878    |            | 200,000    |
| Acquisition: Land                   | 25,000      | 610      |            | 25,000     |
| Acquisition: Carrying Costs         | 0           | 0        |            | 0          |
| Subtotal Acquisition                | 225,000     | 5,488    | 0          | 225,000    |
| Operating Deficit Escrow (ODE)      | 280,120     | 6,832    |            | 280,120    |
| Replacement Reserve (IDRR)          | 114,571     | 2,794    |            | 114,571    |
| Tax & Insurance Reserve (T&I)       | 87,480      | 2,134    |            | 87,480     |
| Rent Up & Marketing/Working Capital | 42,571      | 1,038    |            | 42,571     |
| Other Reserves                      | 0           | 0        |            | 0          |
| Subtotal Reserves                   | 524,742     | 12,799   | 0          | 524,742    |
| Developer Overhead                  | 500,000     | 12,195   |            | 500,000    |
| Developer Profit                    | 250,000     | 6,098    |            | 250,000    |
| Consultant Fee                      | 0           | 0        |            | 0          |
| Other Fees                          | 0           | 0        |            | 0          |
| Subtotal Development Fee            | 750,000     | 18,293   | 0          | 750,000    |
| Total Project Costs                 | 16,434,870  | 400,850  | 0          | 16,434,870 |

| SOURCES & USES              |            |
|-----------------------------|------------|
| MH Subsidy                  | 2,042,583  |
| MH Interest-Only Loan       | 3,506,337  |
| Conventional Mortgage       | 0          |
| City HOME                   | 492,000    |
| City HTF                    | 0          |
| AHP Subsidized Advance      | 0          |
| AHP Direct Subsidy          | 0          |
| Seller Note                 | 0          |
| Sponsor Loan                | 0          |
| Deferred Developer Fee      | 0          |
| -                           | 0          |
| -                           | 0          |
| LIHTC Equity                | 10,393,950 |
| Fed HTC Equity              | 0          |
| State HTC Equity            | 0          |
| State LIHTC Equity          | 0          |
| Capital Funds               | 0          |
| Existing Operating Reserves | 0          |
| Interim Income              | 0          |
| Total Sources               | 16,434,870 |

|                    |            |
|--------------------|------------|
| Construction Costs | 12,763,225 |
| Soft Costs         | 1,478,875  |
| Finance Costs      | 466,828    |
| Miscellaneous      | 226,200    |
| Acquisition        | 225,000    |
| Reserves           | 524,742    |
| Development Fee    | 750,000    |
| Total Uses         | 16,434,870 |

|                         |           |
|-------------------------|-----------|
| MAX DEV'R FEE AVAILABLE | 2,341,481 |
| MAX NET DEV'R FEE/UNIT  | 750,000   |
| ACTUAL DEV'R FEE        | 750,000   |
| % OF MAXIMUM DEV'R FEE  | 32.0%     |
| NET DEV'R FEE COLLECTED | 750,000   |
| % OF MAXIMUM DEV'R FEE  | 100.0%    |

| MaineHousing TDC COST INDEX CAP |         |
|---------------------------------|---------|
| 2x TDC/Unit                     | 390,713 |
| 1x TDC/Bedroom                  | 390,713 |
| TDC Index                       | 390,713 |
| MH Max Cost Index Cap           | 318,750 |

|                                                     |         |
|-----------------------------------------------------|---------|
| Total Development Costs (TDC Cost Index Adjustment) | 390,713 |
|-----------------------------------------------------|---------|

|                  |         |
|------------------|---------|
| MH Passive Boost | 395,000 |
| % of Lower Limit | 123%    |

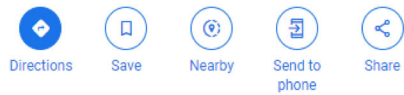
City of Portland - TIF Model  
 186 Woodfords St - Lot 2  
[CBL: Part of 124 J005001](#)  
 OAV: \$0 as of March 31, 2024  
 6/5/2024

| City of Portland- TIF Projection Table - 186 Woodford St., Lot 2 |                      |                                           |                        |                       |                        |                                          |                                                          |                                                           |                                                   |
|------------------------------------------------------------------|----------------------|-------------------------------------------|------------------------|-----------------------|------------------------|------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| TIF Year                                                         | Tax Year-<br>April 1 | Increased<br>Assessed Value<br>Real Prop. | % of Value<br>Captured | Captured<br>Valuation | Projected<br>Mill Rate | Total Projected<br>New Taxes<br>Captured | Captured<br>Revenue to<br>Business<br>Project<br>Account | Captured<br>Revenue to<br>Municipal<br>Project<br>Account | City Non-<br>Captured<br>General Fund<br>Revenues |
| 1                                                                | 2024                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 14.70                  | \$53,520                                 | \$53,520                                                 | \$0                                                       | \$17,840                                          |
| 2                                                                | 2025                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 14.99                  | \$54,590                                 | \$54,590                                                 | \$0                                                       | \$18,197                                          |
| 3                                                                | 2026                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 15.29                  | \$55,682                                 | \$55,682                                                 | \$0                                                       | \$18,561                                          |
| 4                                                                | 2027                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 15.60                  | \$56,796                                 | \$56,796                                                 | \$0                                                       | \$18,932                                          |
| 5                                                                | 2028                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 15.91                  | \$57,932                                 | \$57,932                                                 | \$0                                                       | \$19,311                                          |
| 6                                                                | 2029                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 16.23                  | \$59,090                                 | \$59,090                                                 | \$0                                                       | \$19,697                                          |
| 7                                                                | 2030                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 16.55                  | \$60,272                                 | \$60,272                                                 | \$0                                                       | \$20,091                                          |
| 8                                                                | 2031                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 16.88                  | \$61,477                                 | \$61,477                                                 | \$0                                                       | \$20,492                                          |
| 9                                                                | 2032                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 17.22                  | \$62,707                                 | \$62,707                                                 | \$0                                                       | \$20,902                                          |
| 10                                                               | 2033                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 17.57                  | \$63,961                                 | \$63,961                                                 | \$0                                                       | \$21,320                                          |
| 11                                                               | 2034                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 17.92                  | \$65,240                                 | \$65,240                                                 | \$0                                                       | \$21,747                                          |
| 12                                                               | 2035                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 18.28                  | \$66,545                                 | \$66,545                                                 | \$0                                                       | \$22,182                                          |
| 13                                                               | 2036                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 18.64                  | \$67,876                                 | \$67,876                                                 | \$0                                                       | \$22,625                                          |
| 14                                                               | 2037                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 19.01                  | \$69,234                                 | \$69,234                                                 | \$0                                                       | \$23,078                                          |
| 15                                                               | 2038                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 19.39                  | \$70,618                                 | \$70,618                                                 | \$0                                                       | \$23,539                                          |
| 16                                                               | 2039                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 19.78                  | \$72,031                                 | \$72,031                                                 | \$0                                                       | \$24,010                                          |
| 17                                                               | 2040                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 20.18                  | \$73,471                                 | \$73,471                                                 | \$0                                                       | \$24,490                                          |
| 18                                                               | 2041                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 20.58                  | \$74,941                                 | \$74,941                                                 | \$0                                                       | \$24,980                                          |
| 19                                                               | 2042                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 20.99                  | \$76,439                                 | \$76,439                                                 | \$0                                                       | \$25,480                                          |
| 20                                                               | 2043                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 21.41                  | \$77,968                                 | \$77,968                                                 | \$0                                                       | \$25,989                                          |
| 21                                                               | 2044                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 21.84                  | \$79,528                                 | \$79,528                                                 | \$0                                                       | \$26,509                                          |
| 22                                                               | 2045                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 22.28                  | \$81,118                                 | \$81,118                                                 | \$0                                                       | \$27,039                                          |
| 23                                                               | 2046                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 22.72                  | \$82,741                                 | \$82,741                                                 | \$0                                                       | \$27,580                                          |
| 24                                                               | 2047                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 23.18                  | \$84,395                                 | \$84,395                                                 | \$0                                                       | \$28,132                                          |
| 25                                                               | 2048                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 23.64                  | \$86,083                                 | \$86,083                                                 | \$0                                                       | \$28,694                                          |
| 26                                                               | 2049                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 24.11                  | \$87,805                                 | \$87,805                                                 | \$0                                                       | \$29,268                                          |
| 27                                                               | 2050                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 24.60                  | \$89,561                                 | \$89,561                                                 | \$0                                                       | \$29,854                                          |
| 28                                                               | 2051                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 25.09                  | \$91,352                                 | \$91,352                                                 | \$0                                                       | \$30,451                                          |
| 29                                                               | 2052                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 25.59                  | \$93,179                                 | \$93,179                                                 | \$0                                                       | \$31,060                                          |
| 30                                                               | 2053                 | \$4,855,000                               | 75.00%                 | \$3,641,250           | 26.10                  | \$95,043                                 | \$95,043                                                 | \$0                                                       | \$31,681                                          |
| <b>30 Year TIF Total</b>                                         |                      | <b>\$145,650,000</b>                      |                        | <b>\$109,237,500</b>  |                        | <b>\$2,171,196</b>                       | <b>\$2,171,196</b>                                       | <b>\$0</b>                                                | <b>\$723,732</b>                                  |
| <b>30 Year TIF Average</b>                                       |                      | <b>\$4,855,000</b>                        |                        | <b>\$3,641,250</b>    |                        | <b>\$72,373</b>                          | <b>\$72,373</b>                                          |                                                           | <b>\$24,124</b>                                   |

| Tax Shifts-Avoided For Ultra Impacts from Altering of Valuation City of Portland- TIF Model |                      |                          |                      |                                                      |                                                       |                                   |                          |
|---------------------------------------------------------------------------------------------|----------------------|--------------------------|----------------------|------------------------------------------------------|-------------------------------------------------------|-----------------------------------|--------------------------|
| 75% Shifted - 30 years - 75% to Developer Project Account - 25% to City General Fund        |                      |                          |                      |                                                      |                                                       |                                   |                          |
| TIF Year                                                                                    | Tax Year-<br>April 1 | Total Added<br>Valuation | Shifted<br>Valuation | Avoided For Ultra Impacts from Altering of Valuation |                                                       |                                   |                          |
|                                                                                             |                      |                          |                      | Avoided Loss of<br>State Aid to for<br>ducation      | Avoided Loss of<br>State Municipal<br>Revenue Sharing | Avoided Increase<br>in County Tax | Total Avoided<br>Impacts |
| 1                                                                                           | 2024                 | \$4,855,000              | \$3,641,250          | \$0                                                  | \$5,089                                               | \$1,608                           | \$6,697                  |
| 2                                                                                           | 2025                 | \$4,855,000              | \$3,641,250          | \$0                                                  | \$5,089                                               | \$1,608                           | \$6,697                  |
| 3                                                                                           | 2026                 | \$4,855,000              | \$3,641,250          | \$0                                                  | \$5,089                                               | \$1,608                           | \$6,697                  |
| 4                                                                                           | 2027                 | \$4,855,000              | \$3,641,250          | \$8,460                                              | \$5,089                                               | \$1,608                           | \$15,157                 |
| 5                                                                                           | 2028                 | \$4,855,000              | \$3,641,250          | \$16,920                                             | \$5,089                                               | \$1,608                           | \$23,617                 |
| 6                                                                                           | 2029                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 7                                                                                           | 2030                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 8                                                                                           | 2031                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 9                                                                                           | 2032                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 10                                                                                          | 2033                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 11                                                                                          | 2034                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 12                                                                                          | 2035                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 13                                                                                          | 2036                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 14                                                                                          | 2037                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 15                                                                                          | 2038                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 16                                                                                          | 2039                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 17                                                                                          | 2040                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 18                                                                                          | 2041                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 19                                                                                          | 2042                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 20                                                                                          | 2043                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 21                                                                                          | 2044                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 22                                                                                          | 2045                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 23                                                                                          | 2046                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 24                                                                                          | 2047                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 25                                                                                          | 2048                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 26                                                                                          | 2049                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 27                                                                                          | 2050                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 28                                                                                          | 2051                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 29                                                                                          | 2052                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| 30                                                                                          | 2053                 | \$4,855,000              | \$3,641,250          | \$25,380                                             | \$5,089                                               | \$1,608                           | \$32,077                 |
| <b>30 Year TIF Total</b>                                                                    |                      | <b>\$145,650,000</b>     | <b>\$109,237,500</b> | <b>\$659,867</b>                                     | <b>\$152,680</b>                                      | <b>\$48,237</b>                   | <b>\$860,784</b>         |
| <b>30 Year TIF Average</b>                                                                  |                      | <b>\$4,855,000</b>       | <b>\$3,641,250</b>   | <b>\$21,996</b>                                      | <b>\$5,089</b>                                        | <b>\$1,608</b>                    | <b>\$28,693</b>          |

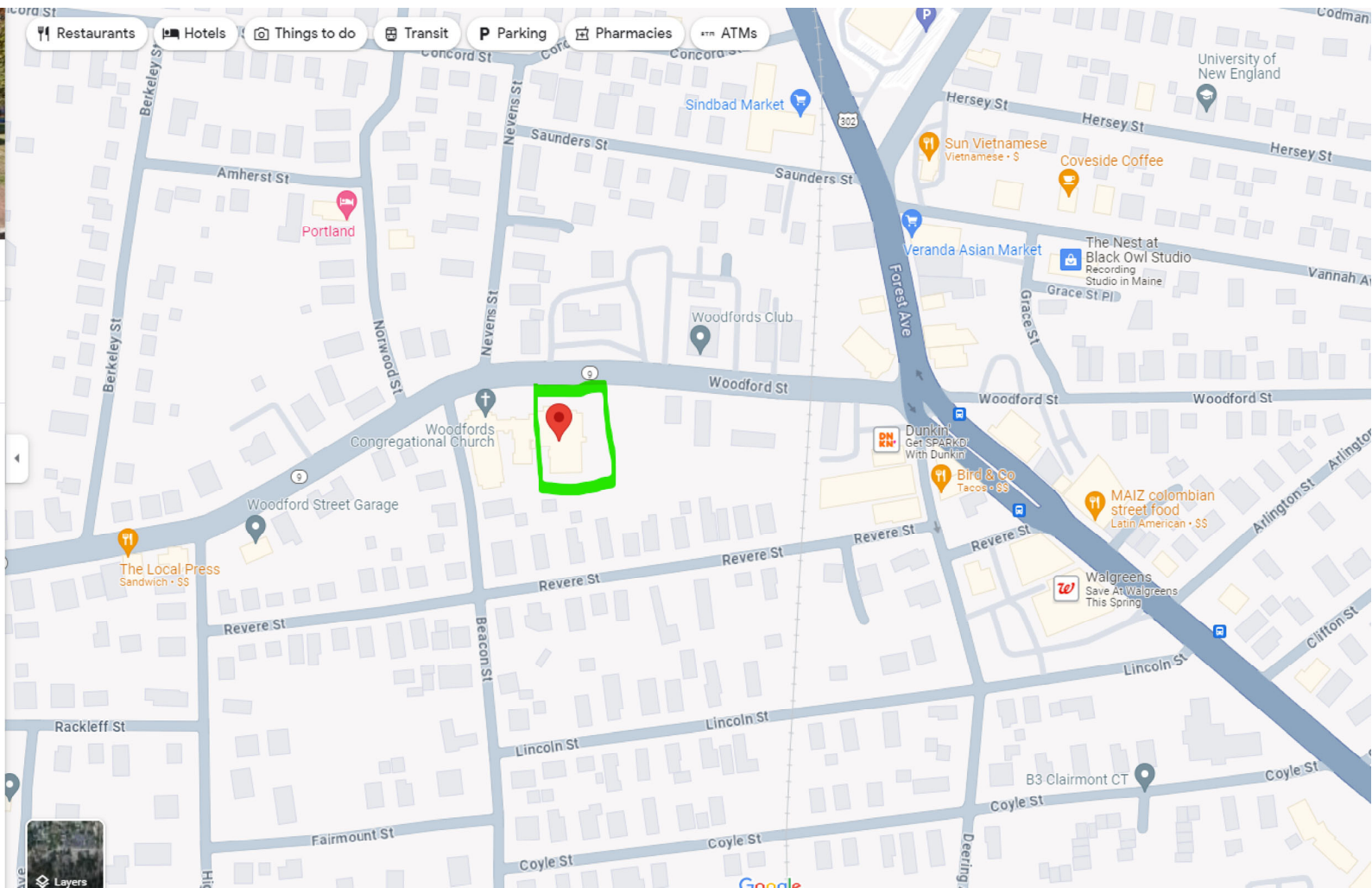


186 Woodford St



- 186 Woodford St, Portland, ME 04103
- MPC7+65 Portland, Maine
- Suggest an edit on 186 Woodford St
- Add a missing place
- Add your business
- Add a label
- Your Maps activity

#### Photos







Stages Youth Theater

Nevens St

Woodford St

Woodford St











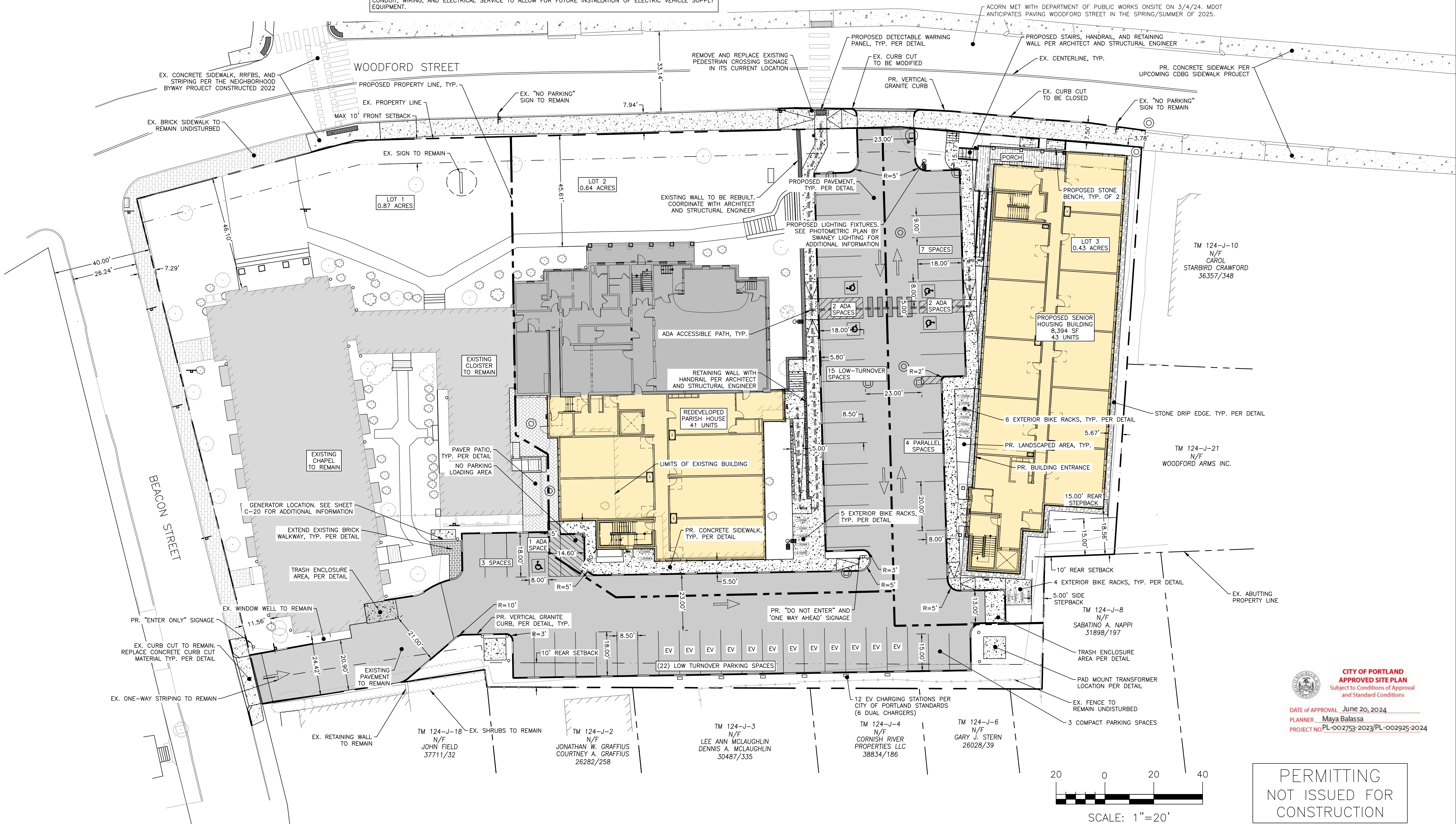
| SPACE AND BULK STANDARDS                         |                                   |           |            |                |                |
|--------------------------------------------------|-----------------------------------|-----------|------------|----------------|----------------|
| ZONE: B2 - COMMUNITY BUSINESS                    | REQUIRED                          | EXISTING  | LOT 1      | PROPOSED LOT 2 | PROPOSED LOT 3 |
| MIN. LOT AREA                                    | NONE                              | 83,811 SF | 37,208 SF  | 27,961 SF      | 18,641 SF      |
| MIN. LOT AREA PER DWELLING UNIT (OFF-PENINSULA)* | 1,000 SF / UNIT<br>400 SF / UNIT* | N/A       | N/A        | 682*           | 434*           |
| BUILDING (PRINCIPAL): MAX. FRONT SETBACK         | 10'*                              | 46.10'    | EX. 46.10' | 45.61'         | 3.78'          |
| BUILDING MIN. SIDE SETBACK                       | NONE                              | 11.56'    | 11.56'     | 0'             | 5.67'          |
| BUILDING MIN. REAR SETBACK                       | 10'<br>0'                         | 24.42'    | 24.42'     | 11.80'         | 18.56'         |
| BUILDING MIN. SIDE STEPBACK ABOVE 35'            | 5'                                | -         | -          | N/A            | N/A            |
| BUILDING MIN. REAR STEPBACK ABOVE 35'            | 15'                               | -         | -          | N/A            | N/A            |
| MIN. STREET FRONTAGE                             | 20'                               | 628.22'   | 369.13'    | 152.56'        | 106.52'        |
| LOT COVERAGE                                     | N/A                               | 24.1%     | 28.3%      | 37.0%          | 44.0%          |
| MAX. BUILDING HEIGHT                             | 45'<br>70'                        | N/A       | N/A        | 41.07'         | 46.37' *       |
| IMPERVIOUS SURFACE RATIO                         | RESIDENTIAL: NONE                 | 75.3%     | 66.0%      | 75.1%          | 88.7%          |

\* PER CITY OF PORTLAND LAND USE CODE, TABLE 18-C: BONUSES FOR ELIGIBLE PROJECTS: (75% LOW INCOME UNITS GRANTS A 2.5X BONUS DENSITY FROM THE BASE OF 1,000 SF/UNIT TO 400 SF/UNIT) & (GRANTS 10' SETBACK REDUCTIONS) & (GRANTS AN ADDITIONAL 25' BUILDING HEIGHT).

| PARKING SUMMARY                   |                            |                                              |          |          |             |
|-----------------------------------|----------------------------|----------------------------------------------|----------|----------|-------------|
|                                   | UNITS                      | SPACES REQUIRED                              | EXISTING | PROPOSED | PROPOSED EV |
| MULTIFAMILY                       | 84                         | 1 SPACE PER DWELLING UNIT = 84 SPACES*       | -        | -        | -           |
| PLACES OF ASSEMBLY                | APPROX. 5,200SF FLOOR AREA | 1 SPACE PER 150 SF OF FLOOR AREA = 35 SPACES | -        | -        | -           |
| ADA (8'X18')                      | -                          | -                                            | 5        | 5        | -           |
| STANDARD (9'X18')                 | -                          | -                                            | 36       | 10       | -           |
| LOW TURNOVER (8.5' X 18')         | -                          | -                                            | 0        | 34       | 12          |
| PARALLEL (8' X 20')               | -                          | -                                            | 3        | 4        | -           |
| ANGLED 60° (9' X 18')             | -                          | -                                            | 41       | 0        | -           |
| COMPACT LOW TURNOVER (8.5' X 15') | -                          | -                                            | -        | 3        | -           |
| TOTAL SPACES                      | -                          | 119*                                         | 85       | 56*      | 12          |

\* PER THE CITY OF PORTLAND LAND USE CODE, TABLE 19-B: CATEGORICAL EXCEPTIONS TO OFF-STREET PARKING MINIMUMS.  
1. NO OFF STREET PARKING SHALL BE REQUIRED FOR NON RESIDENTIAL USES IN THE B-2 ZONE.  
2. NO OFF-STREET PARKING SHALL BE REQUIRED WITHIN 1/4 MILE OF FIXED ROUTE TRANSIT SERVICE. NEW USES OR CHANGES OF USE OF MORE THAN 10,000 SF TAKING ADVANTAGE OF THIS EXCEPTION SHALL BE REQUIRED TO PROVIDE A TRANSPORTATION DEMAND MANAGEMENT PLAN IF THEY USE THIS PROVISION IN LIEU OF PARKING REQUIREMENTS.  
3. AFFORDABLE HOUSING: THE PLANNING BOARD MAY ESTABLISH A PARKING REQUIREMENT WITHIN THAT IS LESS THAN 1 SPACE PER AFFORDABLE HOUSING UNIT REGARDLESS OF SIZE OF STRUCTURE.  
\*\* IN ACCORDANCE WITH SECTION 14.8.1 OF THE CITY OF PORTLAND LAND USE CODE, AND SECTION 1.14 OF THE PORTLAND TECHNICAL MANUAL, NEW PARKING LOTS WITH FIVE OR MORE SPACES SHALL INCLUDE ENERGIZED ELECTRICAL OUTLETS OR INSTALLED CHARGERS CAPABLE OF PROVIDING LEVEL 2 ELECTRIC VEHICLE CHARGING OR HIGHER TO 20% OF PARKING SPACES. REMAINING SPACES MUST BE SERVED BY SUFFICIENT CONDUIT, WIRING, AND ELECTRICAL SERVICE TO ALLOW FOR FUTURE INSTALLATION OF ELECTRIC VEHICLE SUPPLY EQUIPMENT.

- GENERAL NOTES:
- ALL SIDEWALK AND VERTICAL GRANITE CURB TO BE REPLACED SHALL BE REBUILT TO CITY OF PORTLAND STANDARD.
  - ALL PAVEMENT STRIPING AND MARKINGS SHALL COMPLY TO CITY OF PORTLAND STANDARDS.
  - ANY ASPHALT TO BE REMOVED SHALL BE STRIPPED AND PROPERLY DISPOSED OF OFFSITE.
  - CURB TO BE REMOVED, STOCKPILED AND RESET IN ACCORDANCE WITH DETAIL. BROKEN CURB SHALL BE PROPERLY DISPOSED OF AND SHALL BE REPLACED AT THE CONTRACTOR'S EXPENSE.
  - ALL RAMPS TO CONFORM TO ADA GUIDELINES. SLOPE SHALL NOT EXCEED 1 INCH PER FOOT.
  - ALL SITE SIGNAGE TO COMPLY WITH MUTCD STANDARDS. CONTRACTOR TO COORDINATE AND INSTALL.
  - FOLLOWING COMPLETION OF CONSTRUCTION, THE OWNER SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND MANAGEMENT OF DRIVEWAYS, SITE LIGHTING, TRASH REMOVAL AND SNOW REMOVAL.
  - CONTRACTOR SHALL VERIFY BOTTOM AND TOP OF CURB ELEVATIONS ALONG BUILDING FRONTAGES PRIOR TO CONSTRUCTION OF THE FOUNDATIONS. CONTACT ENGINEER PRIOR TO CONSTRUCTION IF DISCREPANCIES ARE FOUND.
  - DURING LARGE SNOW EVENTS, THE PROPERTY OWNER SHALL BE RESPONSIBLE FOR SNOW REMOVAL FOR THE PARCEL.
  - PLAN REFERENCE
  - 10.1. PLAN TITLED ALTA/NSPS LAND TITLE SURVEY MADE BY OWEN HASKELL, INC., FOR COMMUNITY HOUSING OF MAINE, LAST REV. 10/12/2023



ISSUED FOR: CSS  
DATE: 12/17/23  
MAJOR SITE PLAN: 12/17/23  
COMMENT RESPONSE: 2/7/24  
COMMENT RESPONSE: 3/7/24  
MAJOR SITE PLAN AMENDMENT: 3/9/24

SITE PLAN

WOODFORD STREET AFFORDABLE HOUSING REDEVELOPMENT  
186 WOODFORD STREET, PORTLAND, MAINE  
COMMUNITY HOUSING OF MAINE  
ONE CITY CENTER, 4TH FLOOR, PORTLAND, MAINE, 04101

ENGINEERING, INC.

THIS PLAN SHALL NOT BE MODIFIED WITHOUT WRITTEN PERMISSION FROM ACCORN ENGINEERING, INC. ANY ALTERATIONS, AUTHORIZED BY THE CITY OF PORTLAND, SHALL BE THE SOLE RISK AND WITHOUT LIABILITY TO ACCORN ENGINEERING, INC.

ACCORN ENGINEERING, INC.  
PO BOX 3372, PORTLAND MAINE 04104  
(207) 775-2655

FILE: 1200\_CIVL  
JN: 1200  
SCALE: AS NOTED  
DESIGNED BY: PPH  
DRAWN BY: DSH  
CHECKED BY: WHS

STATE OF MAINE  
PETER F. HEIL  
15318  
LICENSED PROFESSIONAL ENGINEER

CITY OF PORTLAND  
APPROVED SITE PLAN  
Subject to Conditions of Approval and Standard Conditions  
DATE OF APPROVAL: June 20, 2024  
PLANNER: Maya Balassa  
PROJECT NO: PL-002753-2023/PL-002925-2024

DRAWING NO.  
**C-10**

Page 45

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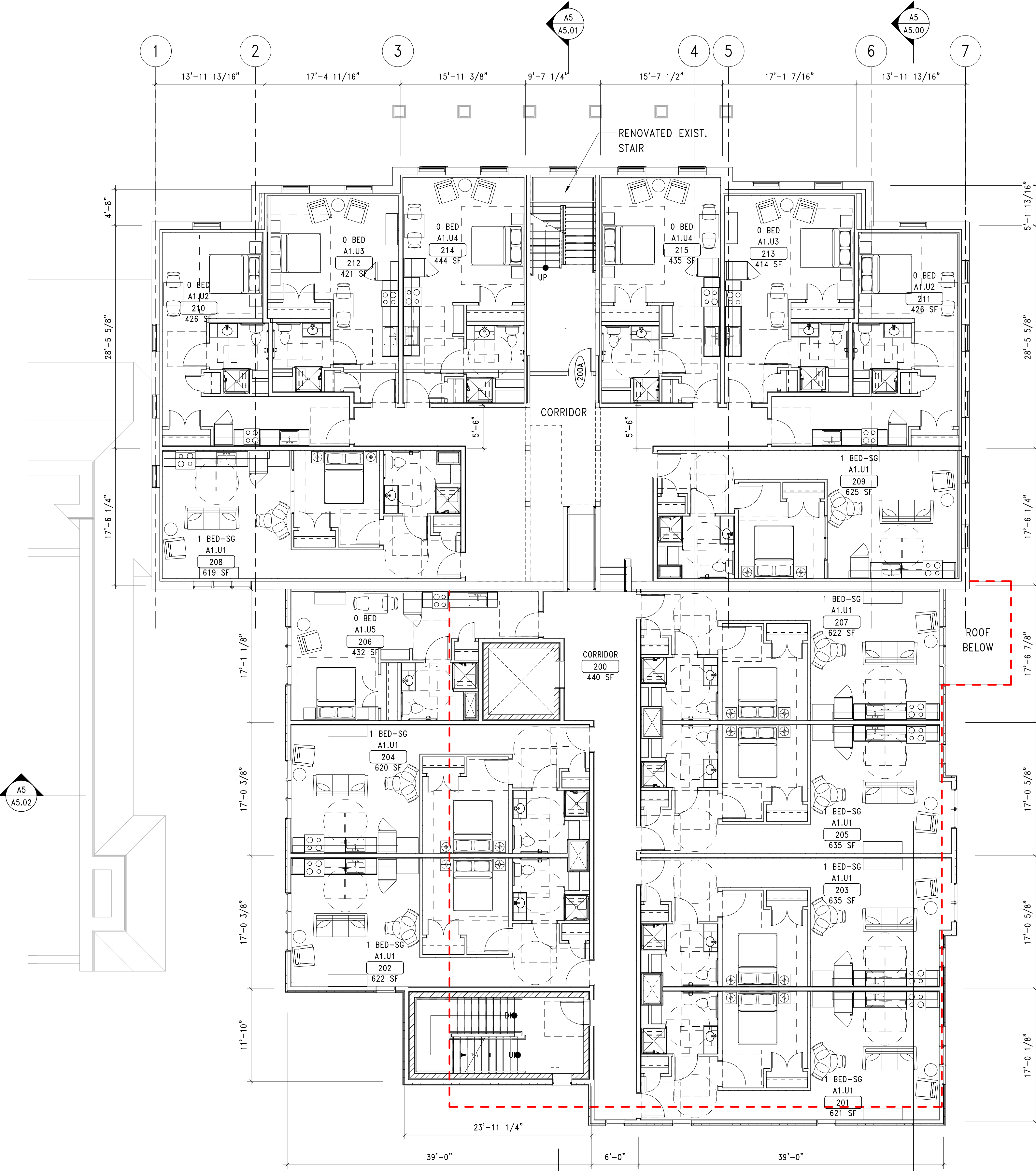




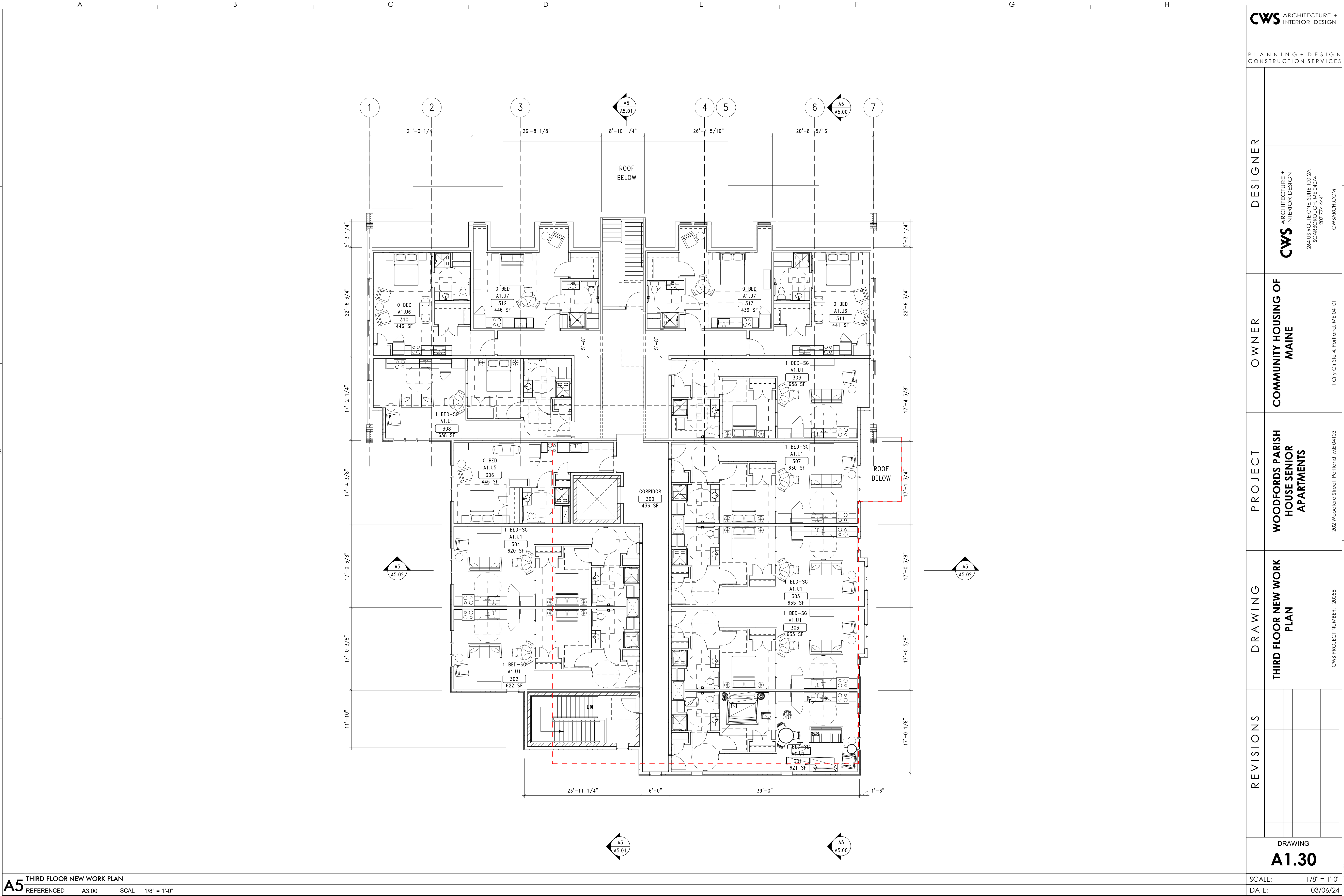












**A5** THIRD FLOOR NEW WORK PLAN  
REFERENCED A3.00 SCAL 1/8" = 1'-0"  
FROM C:\Users\Michael\Documents\20058\_WoodfordsParishHouse\CHOM\_R23\_CENTRAL\_KCarrichae\PEY2.rvt

**CWS** ARCHITECTURE +  
INTERIOR DESIGN

PLANNING + DESIGN  
CONSTRUCTION SERVICES

DESIGNER

**CWS** ARCHITECTURE +  
INTERIOR DESIGN  
264 US ROUTE ONE, SUITE 100-2A  
SCARBOROUGH, ME 04074  
207.774.4441  
CWSARCH.COM

OWNER

COMMUNITY HOUSING OF  
MAINE

1 City Cir Ste 4, Portland, ME 04103

PROJECT

WOODFORDS PARISH  
HOUSE SENIOR  
APARTMENTS

202 Woodford Street, Portland, ME 04103

DRAWING

THIRD FLOOR NEW WORK  
PLAN

CWS PROJECT NUMBER: 20058

REVISIONS

|  |  |  |  |  |  |  |  |  |  |
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DRAWING  
**A1.30**

SCALE: 1/8" = 1'-0"  
DATE: 03/06/24

CWS RFP

**202 Woodford Street Senior Housing (Phase 2)**

Community Housing of Maine (CHOM) is requesting an Affordable Housing TIF (75% for 30 years) and subsidy funding of \$450,000 to convert the existing parking lot at Woodfords Church into 43 one-bedroom apartments for adults aged 55 years and older.

The building would be comprised of 43 one-bedroom apartments affordable to 17 households earning at or below 60% AMI (i.e. \$61,200 for a two-person household), and 26 units for households earning at or below 50% AMI (i.e. \$44,650 for a one-person household). Six units would be set aside for people who have been experiencing homelessness. The property would include a lounge, library, and multiple laundry rooms. After completion, the project would be managed by Preservation Management, Inc. The new apartments would be fully electric and utilize no fossil fuels, meeting or exceeding Portland's Green Building Ordinance. Construction would begin May 2025 and be completed September 2026.

CHOM has requested two forms of financial assistance.

- (1) City Affordable Housing Development fund request: \$450,000
- (2) Affordable Housing Tax Increment Financing request: At 75% for 30 years

The underwriting recommendation is as follows:

- (1) City Affordable Housing Development fund loan of up to \$450,000 (\$155,511 from the Jill C. Duson Housing Trust Fund plus \$294,489 in HOME funds) with a maximum term of 30 years at 3% interest, with repayment from 25% of cashflow.
- (2) Affordable Housing Tax Increment Financing request: At 50% for 30 years, the estimated 30-year total of \$1,538,397 in captured increased assessed-value tax revenue (or 30-year annual average of \$51,280) would be returned to the project/developer. The remaining 50% estimated 30-year total of \$1,538,397 in non-captured increased assessed-value tax revenue (or 30-year annual average of \$51,280) would be general fund revenue for the City.

Prior to loan closing, satisfactory review of:

- 1. Market study;
- 2. Appraisal;
- 3. CHOM's most recent audit and most recent quarterly management financial statements;
- 4. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions not to exceed 14% of net construction cost;
- 5. The City reserves the right to require satisfactory review of all organizational documents relevant to the development and operations of the project, including any written agreements between CHOM and Woodfords Congregational Church and Project FEED.



| 202 Woodford Street |                                    |    |
|---------------------|------------------------------------|----|
| One-bedroom (43)    | at or below 50% area median income | 26 |
|                     | at or below 60% area median income | 17 |
| Total Units         |                                    | 43 |

According to the developer's application:

*The redevelopment of the parking lot at Woodfords Church is a perfect infill development that links the neighborhood together and adds vital affordable housing. The Affordable Housing Development funds and TIF would be combined to leverage an additional \$10.3 in State and Federal funds, once it is awarded a Low Income Housing Tax Credit (LIHTC) allocation. The neighborhood, the congregation, and the Friends of Woodfords Corner have been involved in the process since the very beginning of pre-development. Since before the pandemic, the design team has met frequently with various stakeholders and neighbors to create a design that allows for the current vibrant uses of the property to remain. The affordable housing project received planning board approval on March 26, 2024.*

## FINANCIAL IMPACT

When completed, the project's total assessed-value is estimated at \$5.1 million, which would yield \$74,355 in annual assessed property value in year one at the current FY24 millage rate. Over a thirty year span, assuming a 2% increase to the mill rate each year for thirty years, fifty percent (50%) of the increased assessed-value tax revenue would total \$1,538,397 (or approximately \$51,280 per year when averaged over the 30-year term). The increased assessed-value tax revenue (i.e. \$1,538,397 total) is the approximate total amount of tax revenue (aka captured valuation) that would be returned to the project/developer after thirty years to off-set project operating costs. The remaining 50% of non-captured revenue from the increased assessed-value tax revenue would total \$1,538,397 (over a thirty years span, assuming a 2% increase to the mill rate each year for thirty years) or approximately \$51,280 per year when averaged over the 30-year term. If the project is not constructed, the tax yield on this non-profit property remains at \$0. The tax revenue returned to the project/developer is \$0, and the amount of tax revenue that would be deposited into the general fund is \$0. In summary, the Credit Enhancement Agreement would return approximately \$1,538,397 in captured increased assessed-value tax revenue to the project/developer (averaged at \$51,280 annually over thirty years) to be used to off-set project operating costs.

Total development costs are estimated at \$17.3 million.

|                   | Increased Assessed Value | 75% of Increased Assessed Value (aka Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on captured valuation | 25% of Increased Assessed Value (aka Non-Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on non-captured valuation |
|-------------------|--------------------------|----------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| TIF Year 1        | \$5,160,000              | \$3,870,000                                              | \$37,921                                                           | \$1,290,000                                                  | \$18,961                                                               |
| 30 Year TIF Total | \$154,800,000            | \$77,400,000                                             | \$1,538,397                                                        |                                                              | \$1,538,397                                                            |
| 30 Year Average   | \$5,160,000              | \$2,580,000                                              | \$51,280                                                           |                                                              | \$51,280                                                               |

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 \$30,495+, or \$914,860 + over the life of the district.

|                   | 1. Sheltered Valuation<br>(same as Captured<br>Valuation) | 2. Avoided Loss of State<br>Aid for Education | 3. Avoided Loss of State<br>Municipal Revenue<br>Sharing | 4. Avoided Increase in<br>County Tax | 5. Total Avoided<br>Impacts (2+3+4) |
|-------------------|-----------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------|--------------------------------------|-------------------------------------|
| 30 Year TIF Total | \$154,800,000                                             | \$467,548                                     | \$108,181                                                | \$34,179                             | \$609,907                           |
| 30 Year Average   | \$5,160,000                                               | \$15,585                                      | \$3,606                                                  | \$1,139                              | \$20,330                            |

202 Woodford Street is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

The Planning Board approved 202 Woodford Street on March 26, 2024.

TIF projections and proposed district map, floor plans, illustrations, and underwriting memo are included in the backup to this memo.

## B. Project Information

Last modified by vvolent@portlandmaine.gov on 5/15/2024 9:42 AM

Case Id: 30508

Name: CHOM - Community Housing of Maine New

Address: 202 Woodford St, Portland, ME 04103

---

### B. Project Information

---

Please provide the following information.

#### B.1. Property Address

202 Woodford St Portland, ME 04103

#### B.2. Project Name

Woodfords Senior - New Construction

#### B.3. Tax chart, block, and lot number

124-J-5

#### B.4. Zoning Designation

B2 - Zone change just completed

#### B.5. Is the requested funding type HOME/HTF?

Yes

#### B.6. Requested amount of Affordable Housing Development Funding

\$450,000.00

#### B.7. Is the requested funding type AHTIF?

Yes

#### AHTIF Terms:

75% for 30 Years

#### B.8. Total number of housing units to be constructed:

43

#### B.9. Total number of housing units to be rehabilitated:

0

#### B.10. Total Number of market rate units:

0

#### B.11. Total number of deed restricted units:

42

**B.12. Total number of Units at 120% AMI:**

0

**B.13. Total number of Units at 110% AMI:**

0

**B.14. Total number of Units at 100% AMI:**

0

**B.15. Total number of Units at 80% AMI:**

0

**B.16. Total number of Units at 60% AMI:**

17

**B.17. Total number of Units at 50% AMI:**

26

**B.18. Total number of Units at 40% AMI:**

0

**B.19. Housing Type**

Rental

**B.20. Total number of studio/efficiency units:**

0

**B.21. Total number of one-bedroom units:**

41

**B.22. Total number of two-bedroom units:**

0

**B.23. Total number of three-bedroom units**

0

**B.24. Total number of four-bedroom units**

0

**B.25. Total number of five-bedroom units**

0

**B.26. Property Manager**

Preservation Management INC

**B.27. When is construction expected to begin?**

05/30/2025

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**B.28. Please use the box below to answer the remaining questions and provide a narrative description of the project that includes:**

- **Description of municipal housing need and how the development addresses that need;**
- **Requested amount of Affordable Housing Development Funding;**
- **Description of how City's participation is financially necessary in order for the project to proceed;**
- **Description of allowed uses in the zone;**
- **Description of residential and non-residential uses in the area;**
- **Description of accessory uses relating to residential use, if any;**
- **Indicate if this project requires relocation of existing commercial or residential tenants;**
- **Description of relocation plan for persons temporarily or permanently displaced by development activities;**
- **Description of how the development is consistent with the Comprehensive Plan**
- **Description of how housing and facilities in the development will be operated after completion;**
- **Description of planned uses of tax increment revenues from the district (AHTIF projects only).**

Municipal housing need and how the development addresses that need;

Community Housing of Maine proposes to convert the existing parking lot at Woodfords Church into 43 units of permanently affordable rental housing for households earning less than 50% or 60% of Area Median Income (AMI). According to the "State of Maine Housing Production Needs Study", published in October 2023 by MaineHousing and the Governor's office, the State is more than 84,000 homes short of current and future needs. The State will need to permit and deliver more than 8,500 units a year, more than double its current rate of production, to meet the demand by 2035. The redevelopment of the existing parking lot at Woodfords Church will bring 43 new units of permanently affordable rental housing to a priority corridor of the city and contribute to the City's goal of 256 units per year. The new units will directly contribute to the city's housing stock of affordable housing and ease the burden of residents who are currently overwhelmed by the rising cost of housing.

• Requested amount of Affordable Housing Development Funding. Description of how City's participation is financially necessary in order for the project to proceed;

Due to the rent restrictions on Affordable Housing, obtaining a TIF and direct financial support from the City is the only way to make the new construction development viable. With the steady rise in the cost of construction, the Low-Income Housing Tax Credit does not produce enough capital to support the costs of redeveloping the parking lot into affordable housing. Simply put, the development does not work without the combination of Affordable Housing Development (AHD) Funds in the amount of \$450,000 (\$10,465/unit), and a 75% TIF for 30 years. The AHD funds and TIF will be combined to leverage an additional \$10.3 Million in Low Income Housing Tax Credits (LIHTC) and debt to directly fund the construction of the new permanently affordable rental housing. CHOM is requesting the TIF Agreement to fix the tax burden at a level the project can support, thereby helping to ensure that adequate funds are available for the on-going management, maintenance, and service coordination. Maintaining the building and grounds properly is critical to communicating dignity and respect to our tenants, to our neighbors, and to the community at large. As the parcel of land is currently under a religious exemption for all taxes, the development will be a net increase in taxes for the City, even with a 75% TIF.

• Description of allowed uses in the zone;

The Woodfords Church redevelopment received approval from the City Council for a Zoning Change on December 18th, 2023. The entire campus was changed to a B2 zone, allowing for the construction of multi-family housing, and brings the existing Church into conformance with local zoning laws. The redevelopment of Woodfords Church received planning board approval on March 26th, 2024.

• Description of residential and non-residential uses in the area;

The neighborhood surrounding Woodfords Church has both Residential and Commercial uses. There are well-established commercial enterprises including the Woodfords Club, a funeral home, multiple restaurants and shops, markets and the neighborhood association within a short walking distance of the planned development of Woodfords



Church. The rear of the property has multiple multi-family properties as well as single family homes. In addition to the eclectic mix within the neighborhood, the planned development allows for the continued use of multiple non-profit organizations that currently use the campus of Woodfords Church. Woodfords Church will remain a fully functioning Congregational Church, and their mission partners will remain on the campus, allowing this wonderful community resource to remain an important part of the community fabric.

- Description of accessory uses relating to residential use, if any;

N/A

- Indicate if this project requires relocation of existing commercial or residential tenants; Description of relocation plan for persons temporarily or permanently displaced by development activities;

There are no relocations needed for the New Construction portion of the development.

No residential tenants will be relocated or displaced by development activities.

- Description of how the development is consistent with the Comprehensive Plan

The redevelopment of Woodfords Church is consistent with Portland's Comprehensive Plan, and directly contributes to many of the essential components of the Vision Statement.

The design process has been equitable and diverse. The neighborhood, the congregation, and the Friends of Woodfords Corner have been involved in the process since the very beginning of pre-development. Since before the pandemic, the design team has met frequently with various stakeholders and neighbors to create a design that allows for the current vibrant uses of the property to remain. When hearing from the neighbors that it would be important for the redevelopment to work in conjunction with the existing design, the design team created a plan that will allow the exterior of the building to look and feel as if nothing had changed when walking or driving along Woodfords Street. It was essential to the neighborhood that the mission partners of the Church and the eclectic uses of the space remain. The design team will work in conjunction with the congregation to create spaces for all mission partners to remain on the campus and to allow for Memorial Hall to continue to be a community resource.

The vision statement calls for Sustainable, Dynamic, Authentic, and Connected growth; the redevelopment of parking lot at Woodfords Church is a perfect infill development that links the neighborhood together and adds vital Affordable Housing. The new apartments will be fully electric, and utilize no fossil fuels, thereby adding to Portland's goal of transitioning to a Carbon-free environment. The development will also add electrical vehicle charging and is within walking distance to an existing bus line, furthering our commitment to a carbon free environment. The Authentic and Connected design of the development maintains the character of the neighborhood and the existing built environment and relies on the integrated transportation infrastructure that exists within the neighborhood.

- Description of how housing and facilities in the development will be operated after completion;

Preservation Management (PMI) will serve as the Management Agent for the Affordable Housing, and the existing onsite management of Woodfords Church will remain to manage the church's ongoing programs. PMI is a national affordable housing management company that is headquartered in South Portland, ME. PMI has an extensive footprint in Portland and in the surrounding communities, and employs experts in the field of property management, and affordable housing compliance. PMI will work in conjunction with the congregation to maintain the grounds and facilities.

- Description of planned uses of tax increment revenues from the district (AHTIF projects only).

CHOM will apply for LIHTC administered through MaineHousing to fund the development of Phase 2. CHOM is requesting \$450,000 in Affordable Housing Development Funds to leverage an additional \$10.3 Million in State and Federal funds, once it is awarded a LIHTC allocation.

The rent restrictions that are a part of the LIHTC program reduce the income available to pay the expenses of the project, resulting in a tight operating budget for all projects of this type. The two single largest operating costs are energy and taxes. CHOM strongly believes in making the upfront investment in high quality materials and energy-efficient construction standards to help control energy costs over the long-run. CHOM is asking for a 75% TIF for a period of 30 years, to fix the tax burden at a level the project can support, thereby helping to ensure that adequate funds are available for the on-going management, maintenance, and service coordination. Maintaining the building and grounds properly is critical to communicating dignity and respect to our tenants, to our neighbors, and to the community at large.

The Affordable Housing Development funding, plus an adjustment of the real estate taxes to a level that the project can afford, is necessary for the project to be financially feasible. In addition, approval of this request by the City of

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Portland in advance of LIHTC application deadline would also allow the development to receive additional points on the upcoming LIHTC application, increasing its competitiveness and, therefore, the likelihood of a tax credit allocation. CHOM is excited about the opportunity to develop permanently affordable rental housing in a priority corridor of the City and would welcome a partnership with the City of Portland to make this possible. Thank you for your consideration of this request.

**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** CHOM Woodfords Phase I: Parish House  
**Date:** 6/20/24

CHOM requests \$492,000 in capital funding and a 75% 30-year TIF for “Parish House” a proposed renovation and new construction 41-unit affordable senior rental housing development on the site of Woodfords Congregational Church. The request is a total City capital subsidy of \$12,000 per unit. The requested 75% 30-year TIF has a projected value of \$2,128,639, which is a per unit subsidy of \$51,918.

Parish House is Phase I of a two-part project in which CHOM will purchase the existing Parish House and adjacent land to build a total of 84 units on the church site in two separate structures. Both phases will benefit from access to on-going public uses of the existing, to be renovated Parish House structure – redesigned space for Project FEED and upgrades to the common space and theater in the Memorial Hall. Both phases will house seniors at 50% and 60% of AMI, in a mix of efficiency and 1-bedroom units. CHOM plans to begin Phase I first, and shift subcontractors to Phase II staggered about 6 months behind Phase I.

The Parish House will be fully electric and the new construction portion of Phase I will be built to Passive House standards. The renovation of the existing facility will also aim for a Passive House (renovation) level of energy efficiency through significant additional insulation.

## Sources and Uses

|                                     |              |                         |                  |
|-------------------------------------|--------------|-------------------------|------------------|
| Sources:                            |              | Uses:                   |                  |
| Maine Housing Interest Only Loan    | \$3,506,337  | Acquisition             | \$225,000        |
| Maine Housing Rental Loan Program   | \$2,042,583  | Construction hard costs | \$11,657,108     |
| City HOME/HTF Funds                 | \$493,000    | Hard & Soft Contingency | \$1,156,117      |
| LIHTC Equity (syndication proceeds) | \$10,393,950 | Soft costs              | \$2,121,903      |
|                                     |              | Reserves                | \$524,742        |
|                                     |              | Developer Fee           | <u>\$750,000</u> |
| Total Sources:                      | \$16,434,870 | Total Uses:             | \$16,434,870     |

CHOM has successfully completed the needed zoning change and has Planning Board approval. Of all applicants in this round, they are the closest to “ready to proceed.” CHOM plans to submit to Maine Housing a request for LIHTC and mortgage funding this September. CHOM has a letter of interest from syndicator “wnc” to purchase the Low-Income Housing Tax Credits (LIHTC) at the price of \$.875 per dollar of tax credit. CHOM previously worked with wnc as syndicator on Phoenix Flats.

For analysis of “Uses,” see Development Budget.

## Development Budget

### Construction Costs:

Construction costs are based on a trades break down estimate by Wright-Ryan Construction, based on conceptual design stage drawings. The construction cost divided among the 41 residential units is

\$311,298. This is in the middle of the cost range of recent development projects, and reasonable by post-covid standards. This estimate **includes** renovation to Memorial Hall, focused on improving efficiency of space usage and energy efficiency to this space which will be an asset for both residents and the broader community. This estimate **excludes** work which will be done by Project FEED to redesign and equip the space they will lease in the renovated existing structure.

This is an experienced development team, though they have not all worked together on a CHOM project before. CHOM used Wright-Ryan as GC on Central Commons, a historic, adaptive reuse of a former school facility in Hallowell. CWS is the architect, which CHOM used recently for Phoenix Flats and Winter Landing. CWS has extensive experience in affordable housing design.

#### **Soft Costs:**

Soft costs are typical for a deal of this scale with LIHTC financing. Reserves are budgeted consistent with the requirements of LIHTC underwriting, and includes a prefunded replacement reserve of \$114,571. Developer fee, capped by Maine Housing at \$750,000, is modest at 4.95% of total development costs (excluding reserves and developer fee).

#### **Contingency:**

Hard cost contingency is currently 8%, balancing the standard 5% for new construction and 10% for renovation. Given continued volatility in construction pricing, it would be preferable for this to be higher. Soft cost contingency of \$50,000 is only 2.4% of soft costs. The risk of inadequate contingencies are partially mitigated by: the overall financial strength of the developer, a cooperative relationship with the seller, a completed Phase I, full planning/zoning approval, and CHOM's prior experience with the GC, architect and syndicator.

#### **Acquisition and Environmental:**

CHOM will purchase the site for \$450,000, which is being divided evenly between Phase I and Phase II. Though an appraisal has not been ordered yet, this is a per unit acquisition cost of \$5,488 and is a "bargain sale" by which the church provides critical support for the affordability of these units. Satisfactory review of the appraisal is a standard best practice recommended condition of approval.

A Phase I has been submitted and concludes there are no RECs. Due to the age of the building (1926), ACM, LBP, and PCB containing building materials are expected to have been used in the original construction. These potential hazards have been priced into the demolition and renovation quotes from Wright-Ryan.

### **Operating Budget & 30 Year Cashflow Projection**

#### **Project Income and Market:**

The 41-unit proforma includes 25 units at 50% and 16 units at 60% AMI. Rents are set at the maximum allowable LIHTC rent. Thirteen units will be efficiencies and 28 units will be one-bedrooms.

Four units in this project which will be designated for "Long Term Stayers" in the City's homeless system. CHOM has a demonstrated track record of successful integration of formerly homeless individuals into affordable senior housing projects, including Danforth on High in Portland.

The market for these units is expected to be strong. The Deering Center neighborhood location, while suburban in character, is walkable to neighborhood commercial including pharmacy and specialty grocery. The location has a walk score of 87, considered “very walkable” (restaurants .2 miles, Asian/specialty grocery stores .2 miles, and drug store .3 miles; Barrows Park .5 miles with access to Back Cove trail; branch library .5 miles).

The location has a transit score of 40, considered “some transit.” The Route 2 bus runs every half hour M-F and every hour during the weekend, with the closest stop .3 mile (with no shelter or bench). There are up to 31 parking spaces available to the residents and staff of Parish House and Phase II. This is a .37 parking space to apartment ratio, excluding staff. Woodfords Congregational Church will have 25 spaces on site, and will have access to the parking on the funeral home lot across the street for any overflow. Parking for public events such as theater performances will be available across the street. Project Feed volunteers and clients will park in the church’s parking spaces as Project Feed’s hours do not overlap with religious services. All parties have agreed to share parking as needs evolve over time.

No market study has been submitted, and satisfactory review of an adequate market study is a standard best practice condition of this recommendation.

### Operating Expense

The attached operating pro forma reflects an “all in” operating cost of \$10,084 for a one bedroom (\$9,208 per unit operating cost with resident utility allowance of \$73). This includes \$1,706 in real estate taxes. CHOM’s submitted “all in” operating expense per unit have ranged from \$9,198 for a 1 bedroom to \$10,153 for a 1 bedroom, see detail below.

The City underwriting is based on extensive conversation with CHOM about their operating experience at 83 Middle. 83 Middle is comparable in construction type, unit type, and target residents. Underwriting at \$9,208 reflects CHOM’s actual utility expenses at their comparable property, adjusted for construction differences and inflation, and bumping up maintenance expense.

| Parish House “All In” Costs            | CHOM v.1          | CHOM v.2           | City Underwriting |
|----------------------------------------|-------------------|--------------------|-------------------|
| Owner Operating Cost/Unit              | \$8,046           | \$8,533            | \$9,208           |
| Resident Utility Allowance (1 bedroom) | \$1,152 (\$96*12) | \$1,620 (\$135*12) | \$876 (\$73*12)   |
| “All In” Operating Costs/Unit          | \$9,198           | \$10,153           | \$10,084          |

Utility expense of \$1,951 per unit PLUS resident utility allowance of \$59 & \$73 seems high for seniors in a (primarily) Passive House project, but is based on the 83 Middle very close comparable operating expenses. Maintenance is underwritten at \$1,697 (higher than their submitted value of \$1,575 per unit), notched up due to extensive renovated common space. Maintenance is still on the low end for per unit cost, especially for a renovation project, but the residential units are effectively new construction senior housing, which mitigates the risk. The adjacent Parish House & Phase II properties, both serving seniors, will allow for efficiencies in operations both for property management, maintenance, and supportive services.



### 30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

With the requested 75% TIF, the project shows a 1.15 DSCR in year one, rises gradually to a high of 1.25 then declines gradually to 1.20 in year 30. While 1.24 in year 20 is slightly higher than our target of 1.20, the slightly higher year 21 DSCR is necessary to maintain the target 1.20 through year 30.

### Developer Financials

#### CHOM, Inc.:

CHOM has submitted audits for FY 2020 – FY 2023, with a fiscal year ending June 30<sup>th</sup>. Looking only at CHOM Inc., the developer ended FY 2023 in good and improving financial condition, with liquid assets of \$2,337,788 and current liabilities of \$1,760,885. The resulting Quick Ratio (or “Acid Test”) of 1.33 is quite lean. However, of the \$1.76 million in current liabilities, \$1,054,463 was current portion of “Refundable Advances,” which are contingent liabilities in the process of being forgiven (ie, funds being converted from loan to grant at the successful completion of the compliance period). Excluding refundable advance from current liabilities, to reflect only operational liabilities, the Quick Ratio is a healthy 3.3. Net assets grew \$1,334,933 in FY23, a 14% increase over FY22 to \$10,891,942.

Management statements for CHOM Inc. through April 30, 2024, show available liquid assets of \$1,461,871 and total current liabilities of \$1,483,302 for a Quick Ratio of .99. However, as with the FY23 Quick Ratio, the current liabilities include substantial deferred revenue, ie funding with a contingent liability which will convert to grant funding in FY24 at the successful completion of the compliance period. Calculating Quick Ratio on operating liabilities results in a strong Quick Ratio of 5.76.

Property operations thru April 30, 2024 for CHOM Inc. still show some impacts of the pandemic. While fuel costs have moderated and are below budget for the year, electric has continued double digit increases. Maintenance substantially exceeded budget as maintenance staff was able to “catch up” on maintenance issues that were not addressable in the heart of the pandemic. Into this challenging operating environment, an anonymous donor made a surprise donation of over \$500,000, which offset the one-time additional maintenance expenses.

#### CHOM Consolidated Entities:

The audit of CHOM Inc excludes 18 partnerships wholly controlled by CHOM Inc, and in so doing, dramatically understates the functional size (and the functional financial risks) of the CHOM controlled entities. The consolidated net assets controlled by CHOM were \$44,767,166 in June 2023. This is up 14% over June, 2022, as several new projects entered construction. Looking at the 2023 Quick Ratio for the consolidated entity, liquid assets were \$1,962,556 and current liabilities were \$6,455,736 for an alarming Quick Ratio of .3. This is due to \$3.9 million in short term construction activity and \$1 million in refundable advances (contingent liability converting to grant). Calculating Quick Ratio on operating activity, results in a lean but acceptable Quick Ratio of 1.34.

Reflective of the on-going impact of pandemic related inflationary pressures, CHOM Consolidated FY23 property operating costs increased 8.2%, up in every category except property taxes. Of particular note, fuel was up 29.7% and electric was up 24.4%. Consolidated rent income was up 6.24% over FY22.

As with the much smaller CHOM Inc, CHOM + consolidated entities are in good financial condition, even as they continue to adjust to the impact of recent inflation on operating expenses.

### CHOM Financial Reporting:

Until 2018, CHOM submitted consolidated audited financials. Consistent with Generally Accepted Accounting Principles (GAAP), these consolidated audits reflect both CHOM Inc and all its wholly controlled partnerships. In 2018, CHOM’s auditor changed its policy about how the partnerships would be reflected, which would have resulted in additional audit expense to meet GAAP standards. Instead of incurring the additional audit expense, CHOM chose not to have their consolidated statements audited. The CHOM Inc. 2018 – 2023 audits are qualified audits, because excluding the wholly controlled partnerships from the audit is inconsistent with GAAP. Each partnership is still individually audited, and the consolidated material reflecting those individual partnership audits is included with the CHOM Inc. audit, but reflected as “unaudited.”

CHOM has made a financial management choice which reduces audit expense at the cost of compliance with GAAP and transparency about their financial situation. While each entity is audited, it is no longer possible to see an audit which reflects the full picture of CHOM’s assets and liabilities. This lack of a consolidated audit led to a lack of transparency in a restatement of net assets between FY20 and FY21. In fact, CHOM Inc. and CHOM including its consolidated entities are both in good financial health, with the resources to afford the additional audit expense which will transparently reflect their actual financial position to the public, consistent with GAAP.

CHOM has the financial capacity to intervene in a development facing unexpected set backs and or cost over-runs to keep the development process moving forward.

### Recommendations

The developer must at minimum meet three primary criteria for an AHTIF approval:

1. Community Need: “...site specific AHTIF designations must address an identified community need.”

CHOM proposes to redevelop an under-utilized site, constructing 41 units of new affordable housing for households at 50-60% AM, including 4 units for Long Term Shelter Stayers. Affordable housing is identified as a community need in Portland’s Plan 2030 and the City Council’s 2020 Common Goals

2. Financial Necessity: “The applicant must demonstrate the City’s participation is financially necessary in order for the project to proceed.”

The financial projections demonstrate that a TIF will be necessary for the project to proceed. The TIF functions to support the cashflow of the project and demonstrates a cashflow cushion to the mortgage lender to meet the lender’s underwriting standards, in this case Maine Housing’s requirement of 1.15 DSCR in year 1. A 75% TIF for 30 years is necessary to maintain a 1.20 DSCR.

Financial Capacity: “The applicant must demonstrate financial capacity to support their project.”

CHOM has demonstrated the financial capacity to support their project through their strong organizational financials (see Developer Financials above) and a letter of interest from their syndicator with good pricing, demonstrating the syndicators strong positive evaluation of the project.

I recommend a loan of up to \$492,000 at 3% interest, with repayment from 25% of cashflow, and a maximum term of 30 years, and a 75% TIF for 30 years, with the following conditions:

Prior to City Council approval:

- Confirmation with Project FEED of business terms for lease of Project FEED space.

Prior to loan closing, satisfactory review of:

- 1) Project FEED building plans, contract w GC, and evidence of funds available to cover the renovation of the Project FEED space;
- 2) All leases with renters of space, including church & Project FEED;
- 3) Final plans which segregate residential from non-residential uses of property;
- 4) Market study;
- 5) Appraisal;
- 6) CHOM's most recent audit and most recent quarterly management financial statements;
- 7) All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs; and
- 8) The City reserves the right to require satisfactory review of review of all organizational documents relevant to the development and operations of the project, including any written agreements between CHOM and Woodfords Congregational Church and Project FEED.

# Development Budget with Permanent Sources

|                   |               |
|-------------------|---------------|
| Date              | 6/20/2024     |
| Project Name      | Parish House  |
| Project Address   | 198 Woodfords |
| Developer/Sponsor | CHOM          |

|                   |        |
|-------------------|--------|
| Total Units       | 41     |
| Total Square Feet | 42,007 |

|                                                           | Revised Application Values 5/29/24 |                  |              |
|-----------------------------------------------------------|------------------------------------|------------------|--------------|
|                                                           | Total                              | Per Unit         | Per Sq Ft    |
| <b>Sources of Funds</b>                                   |                                    |                  |              |
| Permanent Financing - MH 1st Lien, interest only must pay | \$3,506,337                        | \$85,520         | \$83         |
| Permanent Financing - City of Portland                    | \$492,000                          | \$12,000         | \$12         |
| Equity (LIHTC/tenant contributions)                       | \$10,393,950                       | \$253,511        | \$247        |
| Deferred development fee                                  | \$0                                | \$0              | \$0          |
| Other MH Subsidy                                          | \$2,042,583                        | \$49,819         | \$49         |
| Other                                                     |                                    | \$0              | \$0          |
| <b>Total Sources of Funds</b>                             | <b>\$16,434,870</b>                | <b>\$400,850</b> | <b>\$391</b> |

## Uses of Funds

| Hard Costs                                               |       |              |           |       |
|----------------------------------------------------------|-------|--------------|-----------|-------|
| Site Improvements                                        |       | \$1,255,206  | \$30,615  | \$30  |
| Rehabilitation                                           |       |              | \$0       | \$0   |
| New Construction                                         |       | \$8,187,955  | \$199,706 | \$195 |
| Contractor's Profit, Overhead, & Gen. Requirements       | 10.5% | \$994,634    | \$24,259  | \$24  |
| Hazardous Materials abatement (if contracted separately) |       |              | \$0       | \$0   |
| Demolition Cost (if contracted separately)               |       | \$427,200    | \$10,420  | \$10  |
| Bond Premium                                             |       | \$196,170    | \$4,785   | \$5   |
| Other                                                    |       | \$595,943    | \$14,535  | \$14  |
| Hard Cost Contingency (% of hard costs)                  | 9.5%  | \$1,106,117  | \$26,978  | \$26  |
| Total Hard Costs                                         |       | \$12,763,225 | \$311,298 | \$304 |

| Soft Costs                                                 |      |             |          |      |
|------------------------------------------------------------|------|-------------|----------|------|
| Building Permit & Fees                                     |      | \$245,800   | \$5,995  | \$6  |
| Survey & Engineering                                       |      | \$186,800   | \$4,556  | \$4  |
| Design & Permitting (% of const exp)                       | 8.6% | \$743,500   | \$18,134 | \$18 |
| Borrower Legal (all closings, excluding syndication legal) |      | \$75,000    | \$1,829  | \$2  |
| Title & Recording                                          |      | \$38,000    | \$927    | \$1  |
| Accounting                                                 |      | \$15,000    | \$366    | \$0  |
| Construction Period Taxes                                  |      | \$34,775    | \$848    | \$1  |
| Construction Period Insurance                              |      | \$90,000    | \$2,195  | \$2  |
| Other: FF&E, Security                                      |      | \$70,000    | \$1,707  | \$2  |
| Other                                                      |      |             | \$0      | \$0  |
| Total Soft Costs                                           |      | \$1,498,875 | \$36,558 | \$36 |

## Financing Costs

|                                    |                  |                 |             |
|------------------------------------|------------------|-----------------|-------------|
| Construction Loan Origination Fees | \$396,701        | \$9,676         | \$9         |
| Construction Period Interest       |                  | \$0             | \$0         |
| Lender Inspection Fees             |                  | \$0             | \$0         |
| Letter of Credit Fee               |                  | \$0             | \$0         |
| Permanent Loan Fee                 | \$70,127         | \$1,710         | \$2         |
| Construction Lender Legal          |                  | \$0             | \$0         |
| Other                              |                  | \$0             | \$0         |
| <b>Total Financing Costs</b>       | <b>\$466,828</b> | <b>\$11,386</b> | <b>\$11</b> |

|                                                      |           |                  |                |
|------------------------------------------------------|-----------|------------------|----------------|
| <b>Miscellaneous</b>                                 |           |                  |                |
| Market Survey                                        | \$5,000   | \$122            | \$0            |
| Appraisal                                            | \$7,000   | \$171            | \$0            |
| Environmental Study                                  | \$8,700   | \$212            | \$0            |
| LIHTC Fees -- prepaid monitoring                     | \$135,500 | \$3,305          | \$3            |
| Other: Commissioning                                 |           | \$0              | \$0            |
| Relocation Costs                                     |           | \$0              | \$0            |
| Other                                                |           | \$0              | \$0            |
| Soft Cost Contingency (% of soft costs excl Dev Fee) | 2.36%     | \$50,000         | \$1,220        |
| <b>Total Miscellaneous:</b>                          |           | <b>\$206,200</b> | <b>\$5,029</b> |

|                          |                  |                |            |
|--------------------------|------------------|----------------|------------|
| <b>Acquisition</b>       |                  |                |            |
| Acquisition: Buildings   | \$200,000        | \$4,878        | \$5        |
| Acquisition: Land        | \$25,000         | \$610          | \$1        |
| Acquisition: Legal       |                  | \$0            | \$0        |
| Other                    |                  | \$0            | \$0        |
| <b>Total Acquisition</b> | <b>\$225,000</b> | <b>\$5,488</b> | <b>\$5</b> |

|                                         |                    |                 |             |
|-----------------------------------------|--------------------|-----------------|-------------|
| <b>Reserves and Developer Fee</b>       |                    |                 |             |
| Operating Deficit Escrow                | \$280,120          | \$6,832         | \$7         |
| Prefunded Replacement Reserve           | \$114,571          | \$2,794         | \$3         |
| Taxes & Insurance Escrow                | \$87,480           | \$2,134         | \$2         |
| Developer Overhead                      | \$500,000          | \$12,195        | \$12        |
| Developer Profit                        | \$250,000          | \$6,098         | \$6         |
| Rent Up Reserve & Marketing             | \$42,571           | \$1,038         | \$1         |
| Other                                   |                    | \$0             | \$0         |
| <b>Total Reserves and Developer Fee</b> | <b>\$1,274,742</b> | <b>\$31,091</b> | <b>\$30</b> |

|                            |                     |                  |              |
|----------------------------|---------------------|------------------|--------------|
| <b>Total Uses of Funds</b> | <b>\$16,434,870</b> | <b>\$400,850</b> | <b>\$402</b> |
|----------------------------|---------------------|------------------|--------------|

|                                      |              |           |
|--------------------------------------|--------------|-----------|
| Developer Fee Analysis:              | Total Fees:  | \$750,000 |
| (excluding reserves & developer fee) | Percent TDC: | 4.95%     |



# Project Operating Pro Forma

|                   |               |
|-------------------|---------------|
| Date              | June 21, 2024 |
| Project Name      | Parish House  |
| Project Address   | 186 Woodfords |
| Developer/Sponsor | CHOM          |

## Rental Income

| Unit Type | Number of Units | Per Unit Sq Ft | Total Sq Ft | Restriction on % Median Inc. | Per Unit Monthly Gross Rent | Utility Deductions | Rent Subsidy | Per Unit Monthly Net Rent | Per Unit Net Rent Per Sq Ft | Total Monthly Net Income | Total Annual Net Rent |
|-----------|-----------------|----------------|-------------|------------------------------|-----------------------------|--------------------|--------------|---------------------------|-----------------------------|--------------------------|-----------------------|
| 0 BR      | 8               |                | 0           | 50%                          | \$1,116                     | \$59               |              | \$1,057                   | #DIV/0!                     | \$8,456                  | \$101,472             |
| 0 BR      | 5               |                | 0           | 60%                          | \$1,339                     | \$59               |              | \$1,280                   | #DIV/0!                     | \$6,400                  | \$76,800              |
| 1 BR      | 17              |                | 0           | 50%                          | \$1,195                     | \$73               |              | \$1,122                   | #DIV/0!                     | \$19,074                 | \$228,888             |
| 1 BR      | 11              |                | 0           | 60%                          | \$1,434                     | \$73               |              | \$1,361                   | #DIV/0!                     | \$14,971                 | \$179,652             |
| 1 BR      | 0               | PBV            | #VALUE!     | 50%                          | \$1,434                     | \$73               |              | \$1,361                   | #VALUE!                     | \$0                      | \$0                   |
| Total:    | 41              |                | #VALUE!     |                              |                             |                    |              |                           |                             | \$48,901                 | \$586,812             |

## Operating Expenses

|                        |      |
|------------------------|------|
| Rent Increase Rate     | 2.0% |
| Expenses Increase Rate | 3.0% |

**TIF as recommended:** Year 1: 75% Year 11: 75% Year 21: 75%

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

|                                 | Year 1    | Year 1/Unit      | Year 2          | Year 3           | Year 4           | Year 5           | Year 6           | Year 7           | Year 8           | Year 9           | Year 10          |
|---------------------------------|-----------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Income</b>                   |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Sch. Gross Income - Residential | \$586,812 | \$14,312         | \$598,548       | \$610,519        | \$622,730        | \$635,184        | \$647,888        | \$660,846        | \$674,063        | \$687,544        | \$701,295        |
| Vacancy Loss                    | 5.0%      | (\$29,341)       | (\$716)         | (\$29,927)       | (\$30,526)       | (\$31,136)       | (\$31,759)       | (\$32,394)       | (\$33,042)       | (\$33,703)       | (\$34,377)       |
| Other income (laundry)          |           | \$10,000         | \$244           | \$10,200         | \$10,404         | \$10,612         | \$10,824         | \$11,041         | \$11,262         | \$11,487         | \$11,717         |
| TIF (inflated at 2%)            | 75%       | \$52,471         | \$1,280         | \$53,520         | \$54,591         | \$55,682         | \$56,796         | \$57,932         | \$59,091         | \$60,272         | \$61,478         |
| <b>Effective Gross Income</b>   |           | <b>\$619,942</b> | <b>\$15,121</b> | <b>\$632,341</b> | <b>\$644,988</b> | <b>\$657,888</b> | <b>\$671,045</b> | <b>\$684,466</b> | <b>\$698,156</b> | <b>\$712,119</b> | <b>\$726,361</b> |
| <b>Administrative</b>           |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee                  | 5.6%      | \$32,882         | \$802           | \$33,868         | \$34,885         | \$35,931         | \$37,009         | \$38,119         | \$39,263         | \$40,441         | \$41,654         |
| Management Charges              | 6.4%      | \$37,500         | \$915           | \$38,625         | \$39,784         | \$40,977         | \$42,207         | \$43,473         | \$44,777         | \$46,120         | \$47,504         |
| Marketing Expense               |           | \$0              | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                           |           | \$2,000          | \$49            | \$2,060          | \$2,122          | \$2,185          | \$2,251          | \$2,319          | \$2,388          | \$2,460          | \$2,534          |
| Audit & Accounting              |           | \$6,500          | \$159           | \$6,695          | \$6,896          | \$7,103          | \$7,316          | \$7,535          | \$7,761          | \$7,994          | \$8,234          |
| Admin Other                     |           | \$2,650          | \$65            | \$2,730          | \$2,811          | \$2,896          | \$2,983          | \$3,072          | \$3,164          | \$3,259          | \$3,357          |
| Total Administrative            |           | \$81,532         | \$1,989         | \$83,978         | \$86,497         | \$89,092         | \$91,765         | \$94,518         | \$97,353         | \$100,274        | \$103,282        |
| <b>Supportive Services</b>      |           | \$13,000         | \$317           | \$13,390         | \$13,792         | \$14,205         | \$14,632         | \$15,071         | \$15,523         | \$15,988         | \$16,468         |
| <b>Utilities</b>                |           |                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil                        |           | \$0              | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |

|                 |          |         |          |          |          |          |          |          |          |           |           |
|-----------------|----------|---------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| Natural Gas     | \$0      | \$0     | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       |
| Electric        | \$63,153 | \$1,540 | \$65,048 | \$66,999 | \$69,009 | \$71,079 | \$73,212 | \$75,408 | \$77,670 | \$80,000  | \$82,400  |
| Water / Sewer   | \$14,350 | \$350   | \$14,781 | \$15,224 | \$15,681 | \$16,151 | \$16,636 | \$17,135 | \$17,649 | \$18,178  | \$18,723  |
| Other           | \$2,500  | \$61    | \$2,575  | \$2,652  | \$2,732  | \$2,814  | \$2,898  | \$2,985  | \$3,075  | \$3,167   | \$3,262   |
| Total Utilities | \$80,003 | \$1,951 | \$82,403 | \$84,875 | \$87,421 | \$90,044 | \$92,745 | \$95,528 | \$98,394 | \$101,345 | \$104,386 |

| Maintenance           | Year 1   | Year 1/Unit | Year 2   | Year 3   | Year 4   | Year 5   | Year 6   | Year 7   | Year 8   | Year 9   | Year 10  |
|-----------------------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Grounds               | \$5,500  | \$134       | \$5,665  | \$5,835  | \$6,010  | \$6,190  | \$6,376  | \$6,567  | \$6,764  | \$6,967  | \$7,176  |
| Janitorial            | \$3,567  | \$87        | \$3,674  | \$3,784  | \$3,898  | \$4,015  | \$4,135  | \$4,259  | \$4,387  | \$4,519  | \$4,654  |
| Trash Removal         | \$6,000  | \$146       | \$6,180  | \$6,365  | \$6,556  | \$6,753  | \$6,956  | \$7,164  | \$7,379  | \$7,601  | \$7,829  |
| Security              |          | \$0         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Equipment & Supplies  |          | \$0         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Maintenance           | \$22,000 | \$537       | \$22,660 | \$23,340 | \$24,040 | \$24,761 | \$25,504 | \$26,269 | \$27,057 | \$27,869 | \$28,705 |
| Maintenance Contracts | \$25,500 | \$622       | \$26,265 | \$27,053 | \$27,865 | \$28,700 | \$29,561 | \$30,448 | \$31,362 | \$32,303 | \$33,272 |
| Other                 | \$7,000  | \$171       | \$7,210  | \$7,426  | \$7,649  | \$7,879  | \$8,115  | \$8,358  | \$8,609  | \$8,867  | \$9,133  |
| Total Maintenance     | \$69,567 | \$1,697     | \$71,654 | \$73,804 | \$76,018 | \$78,298 | \$80,647 | \$83,067 | \$85,559 | \$88,125 | \$90,769 |

| Taxes & Insurance                                          |           |         |           |           |           |           |           |           |           |           |           |
|------------------------------------------------------------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Real Estate Taxes 2%                                       | \$69,961  | \$1,706 | \$71,360  | \$72,787  | \$74,243  | \$75,728  | \$77,243  | \$78,787  | \$80,363  | \$81,970  | \$83,610  |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |           | \$0     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Insurance (property, liability)                            | \$45,000  | \$1,098 | \$46,350  | \$47,741  | \$49,173  | \$50,648  | \$52,167  | \$53,732  | \$55,344  | \$57,005  | \$58,715  |
| Other                                                      |           | \$0     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Total Taxes & Insurance                                    | \$114,961 | \$2,804 | \$117,710 | \$120,528 | \$123,416 | \$126,376 | \$129,410 | \$132,520 | \$135,708 | \$138,975 | \$142,325 |

|                      |          |       |          |          |          |          |          |          |          |          |          |
|----------------------|----------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$18,450 | \$450 | \$19,004 | \$19,574 | \$20,161 | \$20,766 | \$21,389 | \$22,030 | \$22,691 | \$23,372 | \$24,073 |
| Operating Reserves   |          | \$0   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                        |           |         |           |           |           |           |           |           |           |           |           |
|------------------------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Expenses         | \$377,513 | \$9,208 | \$388,139 | \$399,069 | \$410,314 | \$421,881 | \$433,780 | \$446,021 | \$458,613 | \$471,568 | \$484,895 |
| Expenses less RE Taxes |           | \$7,501 |           |           |           |           |           |           |           |           |           |
| Net Operating Income   | \$242,429 | \$5,913 | \$244,202 | \$245,918 | \$247,574 | \$249,165 | \$250,687 | \$252,135 | \$253,505 | \$254,793 | \$255,993 |

| Debt Service                   |           |         |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Maine Housing Interest Bearing | \$210,380 | \$5,131 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |
| Second Lien                    |           | \$0     |           |           |           |           |           |           |           |           |           |
| Other                          |           | \$0     |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$210,380 | \$5,131 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |

|                                 |          |       |          |          |          |          |          |          |          |          |          |
|---------------------------------|----------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Cash Flow (after Must Pay Debt) | \$32,049 | \$782 | \$33,822 | \$35,538 | \$37,194 | \$38,785 | \$40,307 | \$41,755 | \$43,125 | \$44,413 | \$45,613 |
| Debt Service Coverage Ratio     | 1.15     |       | 1.16     | 1.17     | 1.18     | 1.18     | 1.19     | 1.20     | 1.20     | 1.21     | 1.22     |

| Cash Flow Debt Payments       |       |          |       |          |          |          |          |          |          |          |          |
|-------------------------------|-------|----------|-------|----------|----------|----------|----------|----------|----------|----------|----------|
| City of Portland              | 25.0% | \$8,012  | \$195 | \$8,456  | \$8,885  | \$9,299  | \$9,696  | \$10,077 | \$10,439 | \$10,781 | \$11,103 |
| Developer Fee Loan            | 0.0%  | \$0      | \$0   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Cash Flow Retained by Project |       | \$24,037 | \$586 | \$25,367 | \$26,654 | \$27,896 | \$29,089 | \$30,230 | \$31,316 | \$32,344 | \$33,310 |

|                      |            |            |           |           |           |           |           |           |           |           |           |
|----------------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Retained Cash Flow % | 6%         |            |           |           |           |           |           |           |           |           |           |
| Remaining Balance    |            |            |           |           |           |           |           |           |           |           |           |
| City of Portland:    | \$ 492,000 | \$ 483,988 | \$475,532 | \$466,648 | \$457,349 | \$447,653 | \$437,576 | \$427,137 | \$416,356 | \$405,253 | \$393,850 |

|                                                            |      | <u>Year 11</u>   | <u>Year 12</u>   | <u>Year 13</u>   | <u>Year 14</u>   | <u>Year 15</u>   | <u>Year 16</u>   | <u>Year 17</u>   | <u>Year 18</u>   | <u>Year 19</u>   | <u>Year 20</u>   |
|------------------------------------------------------------|------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Income</b>                                              |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Sch. Gross Income - Residential                            |      | \$715,321        | \$729,627        | \$744,220        | \$759,104        | \$774,286        | \$789,772        | \$805,567        | \$821,678        | \$838,112        | \$854,874        |
| Vacancy Loss                                               | 5.0% | (\$35,766)       | (\$36,481)       | (\$37,211)       | (\$37,955)       | (\$38,714)       | (\$39,489)       | (\$40,278)       | (\$41,084)       | (\$41,906)       | (\$42,744)       |
| Other income (laundry)                                     |      | \$12,190         | \$12,434         | \$12,682         | \$12,936         | \$13,195         | \$13,459         | \$13,728         | \$14,002         | \$14,282         | \$14,568         |
| TIF                                                        | 75%  | \$63,962         | \$65,241         | \$66,546         | \$67,877         | \$69,234         | \$70,619         | \$72,031         | \$73,472         | \$74,941         | \$76,440         |
| <b>Effective Gross Income</b>                              |      | <b>\$755,706</b> | <b>\$770,820</b> | <b>\$786,237</b> | <b>\$801,961</b> | <b>\$818,001</b> | <b>\$834,361</b> | <b>\$851,048</b> | <b>\$868,069</b> | <b>\$885,430</b> | <b>\$903,139</b> |
| <b>Administrative</b>                                      |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee                                             |      | \$44,191         | \$45,516         | \$46,882         | \$48,288         | \$49,737         | \$51,229         | \$52,766         | \$54,349         | \$55,979         | \$57,659         |
| Management Charges                                         |      | \$50,397         | \$51,909         | \$53,466         | \$55,070         | \$56,722         | \$58,424         | \$60,176         | \$61,982         | \$63,841         | \$65,756         |
| Marketing Expense                                          |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                                                      |      | \$2,688          | \$2,768          | \$2,852          | \$2,937          | \$3,025          | \$3,116          | \$3,209          | \$3,306          | \$3,405          | \$3,507          |
| Audit & Accounting                                         |      | \$8,735          | \$8,998          | \$9,267          | \$9,545          | \$9,832          | \$10,127         | \$10,431         | \$10,744         | \$11,066         | \$11,398         |
| Admin Other                                                |      | \$3,561          | \$3,668          | \$3,778          | \$3,892          | \$4,008          | \$4,129          | \$4,252          | \$4,380          | \$4,511          | \$4,647          |
| <b>Total Administrative</b>                                |      | <b>\$109,572</b> | <b>\$112,859</b> | <b>\$116,245</b> | <b>\$119,732</b> | <b>\$123,324</b> | <b>\$127,024</b> | <b>\$130,835</b> | <b>\$134,760</b> | <b>\$138,803</b> | <b>\$142,967</b> |
| <b>Supportive Services</b>                                 |      | <b>\$17,471</b>  | <b>\$17,995</b>  | <b>\$18,535</b>  | <b>\$19,091</b>  | <b>\$19,664</b>  | <b>\$20,254</b>  | <b>\$20,861</b>  | <b>\$21,487</b>  | <b>\$22,132</b>  | <b>\$22,796</b>  |
| <b>Utilities</b>                                           |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Electric                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Gas                                                        |      | \$84,872         | \$87,419         | \$90,041         | \$92,742         | \$95,525         | \$98,390         | \$101,342        | \$104,382        | \$107,514        | \$110,739        |
| Water / Sewer                                              |      | \$19,285         | \$19,864         | \$20,460         | \$21,073         | \$21,706         | \$22,357         | \$23,028         | \$23,718         | \$24,430         | \$25,163         |
| Other                                                      |      | \$3,360          | \$3,461          | \$3,564          | \$3,671          | \$3,781          | \$3,895          | \$4,012          | \$4,132          | \$4,256          | \$4,384          |
| <b>Total Utilities</b>                                     |      | <b>\$107,517</b> | <b>\$110,743</b> | <b>\$114,065</b> | <b>\$117,487</b> | <b>\$121,012</b> | <b>\$124,642</b> | <b>\$128,381</b> | <b>\$132,233</b> | <b>\$136,200</b> | <b>\$140,286</b> |
| <b>Maintenance</b>                                         |      | <u>Year 11</u>   | <u>Year 12</u>   | <u>Year 13</u>   | <u>Year 14</u>   | <u>Year 15</u>   | <u>Year 16</u>   | <u>Year 17</u>   | <u>Year 18</u>   | <u>Year 19</u>   | <u>Year 20</u>   |
| Janitorial                                                 |      | \$7,392          | \$7,613          | \$7,842          | \$8,077          | \$8,319          | \$8,569          | \$8,826          | \$9,091          | \$9,363          | \$9,644          |
| Exterminating                                              |      | \$4,794          | \$4,938          | \$5,086          | \$5,238          | \$5,395          | \$5,557          | \$5,724          | \$5,896          | \$6,073          | \$6,255          |
| Trash Removal                                              |      | \$8,063          | \$8,305          | \$8,555          | \$8,811          | \$9,076          | \$9,348          | \$9,628          | \$9,917          | \$10,215         | \$10,521         |
| Security                                                   |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Grounds                                                    |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Maintenance                                                |      | \$29,566         | \$30,453         | \$31,367         | \$32,308         | \$33,277         | \$34,275         | \$35,304         | \$36,363         | \$37,454         | \$38,577         |
| Elevator, HVAC, pool contracts                             |      | \$34,270         | \$35,298         | \$36,357         | \$37,448         | \$38,571         | \$39,728         | \$40,920         | \$42,148         | \$43,412         | \$44,714         |
| Other                                                      |      | \$9,407          | \$9,690          | \$9,980          | \$10,280         | \$10,588         | \$10,906         | \$11,233         | \$11,570         | \$11,917         | \$12,275         |
| <b>Total Maintenance</b>                                   |      | <b>\$93,492</b>  | <b>\$96,297</b>  | <b>\$99,186</b>  | <b>\$102,161</b> | <b>\$105,226</b> | <b>\$108,383</b> | <b>\$111,635</b> | <b>\$114,984</b> | <b>\$118,433</b> | <b>\$121,986</b> |
| <b>Taxes &amp; Insurance</b>                               |      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes or PILOT                                 |      | \$85,282         | \$86,988         | \$88,727         | \$90,502         | \$92,312         | \$94,158         | \$96,041         | \$97,962         | \$99,922         | \$101,920        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            |      | \$60,476         | \$62,291         | \$64,159         | \$66,084         | \$68,067         | \$70,109         | \$72,212         | \$74,378         | \$76,609         | \$78,908         |
| Other                                                      |      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Taxes &amp; Insurance</b>                         |      | <b>\$145,758</b> | <b>\$149,278</b> | <b>\$152,887</b> | <b>\$156,586</b> | <b>\$160,379</b> | <b>\$164,267</b> | <b>\$168,253</b> | <b>\$172,340</b> | <b>\$176,531</b> | <b>\$180,828</b> |

|                      |          |          |          |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$24,795 | \$25,539 | \$26,305 | \$27,094 | \$27,907 | \$28,744 | \$29,607 | \$30,495 | \$31,410 | \$32,352 |
| Operating Reserves   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Expenses</b> | <b>\$498,606</b> | <b>\$512,712</b> | <b>\$527,223</b> | <b>\$542,152</b> | <b>\$557,512</b> | <b>\$573,314</b> | <b>\$589,572</b> | <b>\$606,299</b> | <b>\$623,508</b> | <b>\$641,214</b> |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> | <b>\$257,100</b> | <b>\$258,109</b> | <b>\$259,013</b> | <b>\$259,809</b> | <b>\$260,488</b> | <b>\$261,046</b> | <b>\$261,476</b> | <b>\$261,770</b> | <b>\$261,922</b> | <b>\$261,924</b> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                                |           |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Debt Service</b>            |           |           |           |           |           |           |           |           |           |           |
| Maine Housing Interest Bearing | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |
| Second Lien                    |           |           |           |           |           |           |           |           |           |           |
| Other                          |           |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 | \$210,380 |

|                                    |             |             |             |             |             |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt)    | \$46,720    | \$47,729    | \$48,633    | \$49,429    | \$50,108    | \$50,666    | \$51,096    | \$51,390    | \$51,542    | \$51,544    |
| <b>Debt Service Coverage Ratio</b> | <b>1.22</b> | <b>1.23</b> | <b>1.23</b> | <b>1.23</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.24</b> | <b>1.25</b> |

|                                      |       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                     |
|--------------------------------------|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| <b>Cash Flow Debt Payments</b>       |       |                 |                 |                 |                 |                 |                 |                 |                 |                 | <b>Cash Flow De</b> |
| City of Portland                     | 25.0% | \$11,680        | \$11,932        | \$12,158        | \$12,357        | \$12,527        | \$12,667        | \$12,774        | \$12,847        | \$12,885        | \$12,886            |
| Developer Fee Loan                   | 0.0%  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0                 |
| <b>Cash Flow Retained by Project</b> |       | <b>\$35,040</b> | <b>\$35,796</b> | <b>\$36,475</b> | <b>\$37,072</b> | <b>\$37,581</b> | <b>\$38,000</b> | <b>\$38,322</b> | <b>\$38,542</b> | <b>\$38,656</b> | <b>\$38,658</b>     |

\$382,170      \$370,238      \$358,079      \$345,722      \$333,195      \$320,528      \$307,755      \$294,907      \$282,022      \$269,136

|                                 | <u>Year 21</u>   | <u>Year 22</u>   | <u>Year 23</u>   | <u>Year 24</u>   | <u>Year 25</u>   | <u>Year 26</u>     | <u>Year 27</u>     | <u>Year 28</u>     | <u>Year 29</u>     | <u>Year 30</u>     |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                   |                  |                  |                  |                  |                  |                    |                    |                    |                    |                    |
| Sch. Gross Income - Residential | \$871,972        | \$889,411        | \$907,199        | \$925,343        | \$943,850        | \$962,727          | \$981,982          | \$1,001,621        | \$1,021,654        | \$1,042,087        |
| Vacancy Loss                    | (\$43,599)       | (\$44,471)       | (\$45,360)       | (\$46,267)       | (\$47,193)       | (\$48,136)         | (\$49,099)         | (\$50,081)         | (\$51,083)         | (\$52,104)         |
| Other income (laundry)          | \$14,859         | \$15,157         | \$15,460         | \$15,769         | \$16,084         | \$16,406           | \$16,734           | \$17,069           | \$17,410           | \$17,758           |
| TIF 75%                         | \$77,969         | \$79,528         | \$81,119         | \$82,741         | \$84,396         | \$86,084           | \$87,806           | \$89,562           | \$91,353           | \$93,180           |
| <b>Effective Gross Income</b>   | <b>\$921,201</b> | <b>\$939,625</b> | <b>\$958,418</b> | <b>\$977,586</b> | <b>\$997,138</b> | <b>\$1,017,081</b> | <b>\$1,037,422</b> | <b>\$1,058,171</b> | <b>\$1,079,334</b> | <b>\$1,100,921</b> |

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Administrative</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee              | \$59,389         | \$61,170         | \$63,005         | \$64,895         | \$66,842         | \$68,848         | \$70,913         | \$73,040         | \$75,232         | \$77,489         |
| Management Charges          | \$67,729         | \$69,761         | \$71,854         | \$74,009         | \$76,230         | \$78,517         | \$80,872         | \$83,298         | \$85,797         | \$88,371         |
| Marketing Expense           | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Legal                       | \$3,612          | \$3,721          | \$3,832          | \$3,947          | \$4,066          | \$4,188          | \$4,313          | \$4,443          | \$4,576          | \$4,713          |
| Audit & Accounting          | \$11,740         | \$12,092         | \$12,455         | \$12,828         | \$13,213         | \$13,610         | \$14,018         | \$14,438         | \$14,872         | \$15,318         |
| Admin Other                 | \$4,786          | \$4,930          | \$5,078          | \$5,230          | \$5,387          | \$5,549          | \$5,715          | \$5,886          | \$6,063          | \$6,245          |
| <b>Total Administrative</b> | <b>\$147,256</b> | <b>\$151,674</b> | <b>\$156,224</b> | <b>\$160,910</b> | <b>\$165,738</b> | <b>\$170,710</b> | <b>\$175,831</b> | <b>\$181,106</b> | <b>\$186,539</b> | <b>\$192,135</b> |

|                            |          |          |          |          |          |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Supportive Services</b> | \$23,479 | \$24,184 | \$24,909 | \$25,657 | \$26,426 | \$27,219 | \$28,036 | \$28,877 | \$29,743 | \$30,635 |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|

|                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Utilities</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Electric               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Gas                    | \$114,061        | \$117,483        | \$121,008        | \$124,638        | \$128,377        | \$132,228        | \$136,195        | \$140,281        | \$144,489        | \$148,824        |
| Water / Sewer          | \$25,918         | \$26,695         | \$27,496         | \$28,321         | \$29,171         | \$30,046         | \$30,947         | \$31,875         | \$32,832         | \$33,817         |
| Other                  | \$4,515          | \$4,651          | \$4,790          | \$4,934          | \$5,082          | \$5,234          | \$5,391          | \$5,553          | \$5,720          | \$5,891          |
| <b>Total Utilities</b> | <b>\$144,494</b> | <b>\$148,829</b> | <b>\$153,294</b> | <b>\$157,893</b> | <b>\$162,630</b> | <b>\$167,509</b> | <b>\$172,534</b> | <b>\$177,710</b> | <b>\$183,041</b> | <b>\$188,532</b> |

|                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Maintenance</b>             | <u>Year 21</u>   | <u>Year 22</u>   | <u>Year 23</u>   | <u>Year 24</u>   | <u>Year 25</u>   | <u>Year 26</u>   | <u>Year 27</u>   | <u>Year 28</u>   | <u>Year 29</u>   | <u>Year 30</u>   |
| Janitorial                     | \$9,934          | \$10,232         | \$10,539         | \$10,855         | \$11,180         | \$11,516         | \$11,861         | \$12,217         | \$12,584         | \$12,961         |
| Exterminating                  | \$6,442          | \$6,636          | \$6,835          | \$7,040          | \$7,251          | \$7,469          | \$7,693          | \$7,923          | \$8,161          | \$8,406          |
| Trash Removal                  | \$10,837         | \$11,162         | \$11,497         | \$11,842         | \$12,197         | \$12,563         | \$12,940         | \$13,328         | \$13,728         | \$14,139         |
| Security                       | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Grounds                        | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Maintenance                    | \$39,734         | \$40,926         | \$42,154         | \$43,419         | \$44,721         | \$46,063         | \$47,445         | \$48,868         | \$50,334         | \$51,844         |
| Elevator, HVAC, pool contracts | \$46,056         | \$47,438         | \$48,861         | \$50,326         | \$51,836         | \$53,391         | \$54,993         | \$56,643         | \$58,342         | \$60,092         |
| Other                          | \$12,643         | \$13,022         | \$13,413         | \$13,815         | \$14,230         | \$14,656         | \$15,096         | \$15,549         | \$16,015         | \$16,496         |
| <b>Total Maintenance</b>       | <b>\$125,646</b> | <b>\$129,415</b> | <b>\$133,298</b> | <b>\$137,296</b> | <b>\$141,415</b> | <b>\$145,658</b> | <b>\$150,028</b> | <b>\$154,528</b> | <b>\$159,164</b> | <b>\$163,939</b> |

|                                                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Taxes &amp; Insurance</b>                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes or PILOT                                 | \$103,958        | \$106,038        | \$108,158        | \$110,321        | \$112,528        | \$114,778        | \$117,074        | \$119,415        | \$121,804        | \$124,240        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            | \$81,275         | \$83,713         | \$86,225         | \$88,811         | \$91,476         | \$94,220         | \$97,047         | \$99,958         | \$102,957        | \$106,045        |
| Other                                                      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Taxes &amp; Insurance</b>                         | <b>\$185,233</b> | <b>\$189,751</b> | <b>\$194,383</b> | <b>\$199,133</b> | <b>\$204,004</b> | <b>\$208,998</b> | <b>\$214,121</b> | <b>\$219,373</b> | <b>\$224,761</b> | <b>\$230,285</b> |



|                                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Replacement Reserves                 | \$33,323         | \$34,322         | \$35,352         | \$36,413         | \$37,505         | \$38,630         | \$39,789         | \$40,983         | \$42,212         | \$43,479         |
| Operating Reserves                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Expenses</b>                | <b>\$659,431</b> | <b>\$678,175</b> | <b>\$697,460</b> | <b>\$717,302</b> | <b>\$737,718</b> | <b>\$758,724</b> | <b>\$780,338</b> | <b>\$802,577</b> | <b>\$825,461</b> | <b>\$849,006</b> |
| <b>Net Operating Income</b>          | <b>\$261,770</b> | <b>\$261,451</b> | <b>\$260,958</b> | <b>\$260,284</b> | <b>\$259,420</b> | <b>\$258,357</b> | <b>\$257,084</b> | <b>\$255,594</b> | <b>\$253,874</b> | <b>\$251,915</b> |
| <b>Debt Service</b>                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Maine Housing Interest Bearing       | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        |
| Second Lien                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Other                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total Debt Service (Must Pay)        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        | \$210,380        |
| Cash Flow (after Must Pay Debt)      | \$51,390         | \$51,071         | \$50,578         | \$49,904         | \$49,040         | \$47,977         | \$46,704         | \$45,214         | \$43,494         | \$41,535         |
| <b>Debt Service Coverage Ratio</b>   | <b>1.24</b>      | <b>1.24</b>      | <b>1.24</b>      | <b>1.24</b>      | <b>1.23</b>      | <b>1.23</b>      | <b>1.22</b>      | <b>1.21</b>      | <b>1.21</b>      | <b>1.20</b>      |
| <b>bt Payments</b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| City of Portland                     | \$12,847         | \$12,768         | \$12,645         | \$12,476         | \$12,260         | \$11,994         | \$11,676         | \$11,303         | \$10,873         | \$10,384         |
| Developer Fee Loan                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Cash Flow Retained by Project</b> | <b>\$38,542</b>  | <b>\$38,303</b>  | <b>\$37,934</b>  | <b>\$37,428</b>  | <b>\$36,780</b>  | <b>\$35,983</b>  | <b>\$35,028</b>  | <b>\$33,910</b>  | <b>\$32,620</b>  | <b>\$31,151</b>  |

|           |           |           |           |           |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$256,288 | \$243,520 | \$230,876 | \$218,400 | \$206,140 | \$194,145 | \$182,469 | \$171,166 | \$160,293 | \$149,909 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

|                                     |               |
|-------------------------------------|---------------|
| Residential Units Sq. Ft.           | 37,900        |
| Residential Common Areas Sq. Ft.    |               |
| Commercial Rental Sq. Ft.           |               |
| Other Sq. Ft.                       |               |
| <b>TOTAL PROJECT SQUARE FOOTAGE</b> | <b>37,900</b> |

| Line Item                               | Total         | Per Unit     |
|-----------------------------------------|---------------|--------------|
| <b>ADMINISTRATIVE EXPENSES</b>          |               |              |
| Management Fees                         | 32,882        | 802          |
| Management Charges                      | 37,500        | 915          |
| Marketing                               | 0             | 0            |
| Legal                                   | 2,000         | 49           |
| Background Checks                       |               | 0            |
| Property Postage/Copier                 |               | 0            |
| Interpreting                            |               | 0            |
| Bank Charges                            |               | 0            |
| Rent Comp Study                         |               | 0            |
| Software and Maintenance of Computers   | 2,650         | 65           |
| Auditing                                | 6,500         | 159          |
| Other Admin.                            |               | 0            |
| <b>Subtotal Administrative Expenses</b> | <b>81,532</b> | <b>1,989</b> |

**UTILITY EXPENSES**

|                                        |               |              |
|----------------------------------------|---------------|--------------|
| Heating Fuel                           | 0             | 0            |
| Electricity                            | 40,500        | 988          |
| Water/Sewer                            | 14,350        | 350          |
| Property Internet/Phone for Tenant Use | 2,500         | 61           |
| Other Utility                          | 0             | 0            |
| <b>Subtotal Utility Expenses</b>       | <b>57,350</b> | <b>1,399</b> |

**MAINTENANCE EXPENSES**

|                                      |               |              |
|--------------------------------------|---------------|--------------|
| Janitorial Payroll                   | 0             | 0            |
| Janitorial Supplies and Equipment    | 3,567         | 87           |
| Janitorial Contractual Services      | 0             | 0            |
| Garbage and Trash Removal            | 6,000         | 146          |
| Vehicle and Equipment                | 0             | 0            |
| Grounds Maintenance Payroll          | 0             | 0            |
| Grounds Tools and Supplies           | 0             | 0            |
| Grounds Contractual Services         | 5,500         | 134          |
| Miscellaneous Ground Maintenance     | 0             | 0            |
| Building Maintenance Payroll         | 20,000        | 488          |
| Building Tools and Supplies          | 2,000         | 49           |
| Building Contractual Services        | 18,000        | 439          |
| Building Systems Maintenance         | 7,500         | 183          |
| Miscellaneous Building Maintenance   | 2,000         | 49           |
| Other Maint.                         |               | 0            |
| <b>Subtotal Maintenance Expenses</b> | <b>64,567</b> | <b>1,575</b> |

| Line Item                        | Total          | Per Unit     |
|----------------------------------|----------------|--------------|
| <b>GENERAL EXPENSES</b>          |                |              |
| Property Taxes                   | 69,961         | 1,706        |
| Property and Liability Insurance | 45,000         | 1,098        |
| Other Financial Expenses         | 0              | 0            |
| Resident Services                | 13,000         | 317          |
| Other General                    |                | 0            |
| <b>Subtotal General Expenses</b> | <b>127,961</b> | <b>3,121</b> |

|                     |                |              |
|---------------------|----------------|--------------|
| <b>HOUSING OPEX</b> | <b>331,410</b> | <b>8,083</b> |
|---------------------|----------------|--------------|

**COMMERCIAL EXPENSES**

|                                     |          |          |
|-------------------------------------|----------|----------|
| Admin Expenses                      |          | 0        |
| Operating Expenses                  |          | 0        |
| Maintenance Expenses                |          | 0        |
| General Expenses                    |          | 0        |
| Other Comm.                         |          | 0        |
| <b>Subtotal Commercial Expenses</b> | <b>0</b> | <b>0</b> |

|                   |                |              |
|-------------------|----------------|--------------|
| <b>TOTAL OPEX</b> | <b>331,410</b> | <b>8,083</b> |
|-------------------|----------------|--------------|

**RESERVE CONTRIBUTIONS**

|                     |        |     |
|---------------------|--------|-----|
| Replacement Reserve | 18,450 | 450 |
| Other Reserve       | 0      |     |

|                              |                |              |
|------------------------------|----------------|--------------|
| <b>TOTAL OPEX + RESERVES</b> | <b>349,860</b> | <b>8,533</b> |
|------------------------------|----------------|--------------|

PROJECT: Woodfords Parish House  
LOCATION: 186 Woodfords Street, Portland, Maine 04102

5/29/2024

| DEVELOPMENT ASSUMPTIONS |    |                       |        |          |           |
|-------------------------|----|-----------------------|--------|----------|-----------|
| Total Units             | 41 | Inflation Adjustments | Yr 1-5 | Yr. 6-15 | Yr. 16-30 |
| # @ 30% AMI             | 0  | Rent                  | 2.00%  | 2.00%    | 2.00%     |
| # @ 50% AMI             | 25 | Operating Expense     | 3.00%  | 3.00%    | 3.00%     |
| # @ 60% AMI             | 16 | Other Income          | 2.00%  | 2.00%    | 2.00%     |
| # @ 80% AMI             | 0  | Vacancy               | 5.0%   |          |           |
| # @ Market              | 0  | Debt Coverage Ratio   | 1.15   |          |           |
|                         |    |                       |        |          |           |

|                     |            |
|---------------------|------------|
| Max LIHTC Available | 1,795,044  |
| LIHTC Allocation    | 1,200,000  |
| Equity yield        | 0.875      |
| Synd. %             | 98.99%     |
| Equity Raise        | 10,393,950 |

|                                |        |
|--------------------------------|--------|
| FED Historic Credit Allocation | 0      |
| Equity yield                   | 0.90   |
| Synd. %                        | 98.99% |
| Equity Raise                   | 0      |

|                                  |        |
|----------------------------------|--------|
| STATE Historic Credit Allocation | 0      |
| Equity yield                     | 0.90   |
| Synd. %                          | 98.99% |
| Equity Raise                     | 0      |

|               |            |
|---------------|------------|
| Total Equity: | 10,393,950 |
|---------------|------------|

|                         |        |
|-------------------------|--------|
| Gross Square Footage    | 37,900 |
| Construction Cost/Sq Ft | 307.58 |

| DEVELOPMENT BUDGET                  |             |          |            |            |
|-------------------------------------|-------------|----------|------------|------------|
|                                     | Residential | Per Unit | Commercial | Total      |
| Site Improvements                   | 1,255,206   | 30,615   |            | 1,255,206  |
| Construction                        | 8,187,955   | 199,706  | 0          | 8,187,955  |
| Demolition                          | 427,200     | 10,420   |            | 427,200    |
| Builder General Conditions          | 604,870     | 14,753   |            | 604,870    |
| Builder Overhead and Profit         | 389,764     | 9,506    |            | 389,764    |
| Bond Premium                        | 196,170     | 4,785    |            | 196,170    |
| Other Construction Costs            | 595,943     | 14,535   |            | 595,943    |
| Construction Contingency            | 1,106,117   | 26,978   |            | 1,106,117  |
| Subtotal Construction Costs         | 12,763,225  | 311,298  | 0          | 12,763,225 |
| Permits & Impact Fees               | 245,800     | 5,995    |            | 245,800    |
| Survey & Engineering                | 186,800     | 4,556    |            | 186,800    |
| Architectural & Design              | 743,500     | 18,134   |            | 743,500    |
| Legal                               | 75,000      | 1,829    |            | 75,000     |
| Title & Recording                   | 38,000      | 927      |            | 38,000     |
| Accounting                          | 15,000      | 366      |            | 15,000     |
| Construction Period Tax             | 34,775      | 848      |            | 34,775     |
| Insurance                           | 90,000      | 2,195    |            | 90,000     |
| Soft Cost Contingency               | 50,000      | 1,220    |            | 50,000     |
| Subtotal Soft Costs                 | 1,478,875   | 36,070   | 0          | 1,478,875  |
| Construction Loan Costs             | 396,701     | 9,676    |            | 396,701    |
| Permanent Loan Costs                | 70,127      | 1,710    |            | 70,127     |
| Subtotal Finance Costs              | 466,828     | 11,386   | 0          | 466,828    |
| Market Study                        | 5,000       | 122      |            | 5,000      |
| Appraisal                           | 7,000       | 171      |            | 7,000      |
| Environmental                       | 8,700       | 212      |            | 8,700      |
| LIHTC Process & Monitoring Fees     | 135,500     | 3,305    |            | 135,500    |
| Relocation                          | 0           | 0        |            | 0          |
| FF&E                                | 70,000      | 1,707    |            | 70,000     |
| Other Misc Costs                    | 0           | 0        |            | 0          |
| Subtotal Miscellaneous              | 226,200     | 5,517    | 0          | 226,200    |
| Acquisition: Buildings              | 200,000     | 4,878    |            | 200,000    |
| Acquisition: Land                   | 25,000      | 610      |            | 25,000     |
| Acquisition: Carrying Costs         | 0           | 0        |            | 0          |
| Subtotal Acquisition                | 225,000     | 5,488    | 0          | 225,000    |
| Operating Deficit Escrow (ODE)      | 280,120     | 6,832    |            | 280,120    |
| Replacement Reserve (IDRR)          | 114,571     | 2,794    |            | 114,571    |
| Tax & Insurance Reserve (T&I)       | 87,480      | 2,134    |            | 87,480     |
| Rent Up & Marketing/Working Capital | 42,571      | 1,038    |            | 42,571     |
| Other Reserves                      | 0           | 0        |            | 0          |
| Subtotal Reserves                   | 524,742     | 12,799   | 0          | 524,742    |
| Developer Overhead                  | 500,000     | 12,195   |            | 500,000    |
| Developer Profit                    | 250,000     | 6,098    |            | 250,000    |
| Consultant Fee                      | 0           | 0        |            | 0          |
| Other Fees                          | 0           | 0        |            | 0          |
| Subtotal Development Fee            | 750,000     | 18,293   | 0          | 750,000    |
| Total Project Costs                 | 16,434,870  | 400,850  | 0          | 16,434,870 |

| SOURCES & USES              |            |
|-----------------------------|------------|
| MH Subsidy                  | 2,042,583  |
| MH Interest-Only Loan       | 3,506,337  |
| Conventional Mortgage       | 0          |
| City HOME                   | 492,000    |
| City HTF                    | 0          |
| AHP Subsidized Advance      | 0          |
| AHP Direct Subsidy          | 0          |
| Seller Note                 | 0          |
| Sponsor Loan                | 0          |
| Deferred Developer Fee      | 0          |
| -                           | 0          |
| -                           | 0          |
| LIHTC Equity                | 10,393,950 |
| Fed HTC Equity              | 0          |
| State HTC Equity            | 0          |
| State LIHTC Equity          | 0          |
| Capital Funds               | 0          |
| Existing Operating Reserves | 0          |
| Interim Income              | 0          |

|                    |            |
|--------------------|------------|
| Total Sources      | 16,434,870 |
| Construction Costs | 12,763,225 |
| Soft Costs         | 1,478,875  |
| Finance Costs      | 466,828    |
| Miscellaneous      | 226,200    |
| Acquisition        | 225,000    |
| Reserves           | 524,742    |
| Development Fee    | 750,000    |
| Total Uses         | 16,434,870 |

|                         |           |
|-------------------------|-----------|
| MAX DEV'R FEE AVAILABLE | 2,341,481 |
| MAX NET DEV'R FEE/UNIT  | 750,000   |
| ACTUAL DEV'R FEE        | 750,000   |
| % OF MAXIMUM DEV'R FEE  | 32.0%     |
| NET DEV'R FEE COLLECTED | 750,000   |
| % OF MAXIMUM DEV'R FEE  | 100.0%    |

| MaineHousing TDC COST INDEX CAP |         |
|---------------------------------|---------|
| 2x TDC/Unit                     | 390,713 |
| 1x TDC/Bedroom                  | 390,713 |
| TDC Index                       | 390,713 |
| MH Max Cost Index Cap           | 318,750 |

|                                                     |         |
|-----------------------------------------------------|---------|
| Total Development Costs (TDC Cost Index Adjustment) | 390,713 |
|-----------------------------------------------------|---------|

|                  |         |
|------------------|---------|
| MH Passive Boost | 395,000 |
| % of Lower Limit | 123%    |

City of Portland - TIF Model  
202 Woodford St., Lot 3  
[CBL: Part of 124 J005001](#)  
OAV: \$0 as of March 31, 2024  
6/21/2024

| City of Portland- TIF Projection Table - 202 Woodford St., Lot 3 |                      |                                           |                        |                       |                        |                                          |                                                          |                                                           |                                                   |
|------------------------------------------------------------------|----------------------|-------------------------------------------|------------------------|-----------------------|------------------------|------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| TIF Year                                                         | Tax Year-<br>April 1 | Increased<br>Assessed Value<br>Real Prop. | % of Value<br>Captured | Captured<br>Valuation | Projected<br>Mill Rate | Total Projected<br>New Taxes<br>Captured | Captured<br>Revenue to<br>Business<br>Project<br>Account | Captured<br>Revenue to<br>Municipal<br>Project<br>Account | City Non-<br>Captured<br>General Fund<br>Revenues |
| 1                                                                | 2024                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 14.70                  | \$37,921                                 | \$37,921                                                 | \$0                                                       | \$37,921                                          |
| 2                                                                | 2025                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 14.99                  | \$38,680                                 | \$38,680                                                 | \$0                                                       | \$38,680                                          |
| 3                                                                | 2026                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 15.29                  | \$39,453                                 | \$39,453                                                 | \$0                                                       | \$39,453                                          |
| 4                                                                | 2027                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 15.60                  | \$40,242                                 | \$40,242                                                 | \$0                                                       | \$40,242                                          |
| 5                                                                | 2028                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 15.91                  | \$41,047                                 | \$41,047                                                 | \$0                                                       | \$41,047                                          |
| 6                                                                | 2029                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 16.23                  | \$41,868                                 | \$41,868                                                 | \$0                                                       | \$41,868                                          |
| 7                                                                | 2030                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 16.55                  | \$42,706                                 | \$42,706                                                 | \$0                                                       | \$42,706                                          |
| 8                                                                | 2031                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 16.88                  | \$43,560                                 | \$43,560                                                 | \$0                                                       | \$43,560                                          |
| 9                                                                | 2032                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 17.22                  | \$44,431                                 | \$44,431                                                 | \$0                                                       | \$44,431                                          |
| 10                                                               | 2033                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 17.57                  | \$45,320                                 | \$45,320                                                 | \$0                                                       | \$45,320                                          |
| 11                                                               | 2034                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 17.92                  | \$46,226                                 | \$46,226                                                 | \$0                                                       | \$46,226                                          |
| 12                                                               | 2035                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 18.28                  | \$47,150                                 | \$47,150                                                 | \$0                                                       | \$47,150                                          |
| 13                                                               | 2036                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 18.64                  | \$48,093                                 | \$48,093                                                 | \$0                                                       | \$48,093                                          |
| 14                                                               | 2037                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 19.01                  | \$49,055                                 | \$49,055                                                 | \$0                                                       | \$49,055                                          |
| 15                                                               | 2038                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 19.39                  | \$50,036                                 | \$50,036                                                 | \$0                                                       | \$50,036                                          |
| 16                                                               | 2039                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 19.78                  | \$51,037                                 | \$51,037                                                 | \$0                                                       | \$51,037                                          |
| 17                                                               | 2040                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 20.18                  | \$52,058                                 | \$52,058                                                 | \$0                                                       | \$52,058                                          |
| 18                                                               | 2041                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 20.58                  | \$53,099                                 | \$53,099                                                 | \$0                                                       | \$53,099                                          |
| 19                                                               | 2042                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 20.99                  | \$54,161                                 | \$54,161                                                 | \$0                                                       | \$54,161                                          |
| 20                                                               | 2043                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 21.41                  | \$55,244                                 | \$55,244                                                 | \$0                                                       | \$55,244                                          |
| 21                                                               | 2044                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 21.84                  | \$56,349                                 | \$56,349                                                 | \$0                                                       | \$56,349                                          |
| 22                                                               | 2045                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 22.28                  | \$57,476                                 | \$57,476                                                 | \$0                                                       | \$57,476                                          |
| 23                                                               | 2046                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 22.72                  | \$58,626                                 | \$58,626                                                 | \$0                                                       | \$58,626                                          |
| 24                                                               | 2047                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 23.18                  | \$59,798                                 | \$59,798                                                 | \$0                                                       | \$59,798                                          |
| 25                                                               | 2048                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 23.64                  | \$60,994                                 | \$60,994                                                 | \$0                                                       | \$60,994                                          |
| 26                                                               | 2049                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 24.11                  | \$62,214                                 | \$62,214                                                 | \$0                                                       | \$62,214                                          |
| 27                                                               | 2050                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 24.60                  | \$63,458                                 | \$63,458                                                 | \$0                                                       | \$63,458                                          |
| 28                                                               | 2051                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 25.09                  | \$64,727                                 | \$64,727                                                 | \$0                                                       | \$64,727                                          |
| 29                                                               | 2052                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 25.59                  | \$66,022                                 | \$66,022                                                 | \$0                                                       | \$66,022                                          |
| 30                                                               | 2053                 | \$5,160,000                               | 50.00%                 | \$2,580,000           | 26.10                  | \$67,342                                 | \$67,342                                                 | \$0                                                       | \$67,342                                          |
| <b>30 Year TIF Total</b>                                         |                      | <b>\$154,800,000</b>                      |                        | <b>\$77,400,000</b>   |                        | <b>\$1,538,397</b>                       | <b>\$1,538,397</b>                                       | <b>\$0</b>                                                | <b>\$1,538,397</b>                                |
| <b>30 Year TIF Average</b>                                       |                      | <b>\$5,160,000</b>                        |                        | <b>\$2,580,000</b>    |                        | <b>\$51,280</b>                          | <b>\$51,280</b>                                          |                                                           | <b>\$51,280</b>                                   |



| Tax Shifts-Avoided For Ultra Impacts from Altering of Valuation City of Portland- TIF Model |                      |                          |                      |                                                      |                                                       |                                   |                          |
|---------------------------------------------------------------------------------------------|----------------------|--------------------------|----------------------|------------------------------------------------------|-------------------------------------------------------|-----------------------------------|--------------------------|
| 50% Shifted - 30 years - 50% to Developer Project Account - 50% to City General Fund        |                      |                          |                      |                                                      |                                                       |                                   |                          |
| TIF Year                                                                                    | Tax Year-<br>April 1 | Total Added<br>Valuation | Shifted<br>Valuation | Avoided For Ultra Impacts from Altering of Valuation |                                                       |                                   |                          |
|                                                                                             |                      |                          |                      | Avoided Loss of<br>State Aid to Education            | Avoided Loss of<br>State Municipal<br>Revenue Sharing | Avoided Increase<br>in County Tax | Total Avoided<br>Impacts |
| 1                                                                                           | 2024                 | \$5,160,000              | \$2,580,000          | \$0                                                  | \$3,606                                               | \$1,139                           | \$4,745                  |
| 2                                                                                           | 2025                 | \$5,160,000              | \$2,580,000          | \$0                                                  | \$3,606                                               | \$1,139                           | \$4,745                  |
| 3                                                                                           | 2026                 | \$5,160,000              | \$2,580,000          | \$0                                                  | \$3,606                                               | \$1,139                           | \$4,745                  |
| 4                                                                                           | 2027                 | \$5,160,000              | \$2,580,000          | \$5,994                                              | \$3,606                                               | \$1,139                           | \$10,740                 |
| 5                                                                                           | 2028                 | \$5,160,000              | \$2,580,000          | \$11,988                                             | \$3,606                                               | \$1,139                           | \$16,734                 |
| 6                                                                                           | 2029                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 7                                                                                           | 2030                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 8                                                                                           | 2031                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 9                                                                                           | 2032                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 10                                                                                          | 2033                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 11                                                                                          | 2034                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 12                                                                                          | 2035                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 13                                                                                          | 2036                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 14                                                                                          | 2037                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 15                                                                                          | 2038                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 16                                                                                          | 2039                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 17                                                                                          | 2040                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 18                                                                                          | 2041                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 19                                                                                          | 2042                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 20                                                                                          | 2043                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 21                                                                                          | 2044                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 22                                                                                          | 2045                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 23                                                                                          | 2046                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 24                                                                                          | 2047                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 25                                                                                          | 2048                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 26                                                                                          | 2049                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 27                                                                                          | 2050                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 28                                                                                          | 2051                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 29                                                                                          | 2052                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| 30                                                                                          | 2053                 | \$5,160,000              | \$2,580,000          | \$17,983                                             | \$3,606                                               | \$1,139                           | \$22,728                 |
| <b>30 Year TIF Total</b>                                                                    |                      | <b>\$154,800,000</b>     | <b>\$77,400,000</b>  | <b>\$467,548</b>                                     | <b>\$108,181</b>                                      | <b>\$34,179</b>                   | <b>\$609,907</b>         |
| <b>30 Year TIF Average</b>                                                                  |                      | <b>\$5,160,000</b>       | <b>\$2,580,000</b>   | <b>\$15,585</b>                                      | <b>\$3,606</b>                                        | <b>\$1,139</b>                    | <b>\$20,330</b>          |





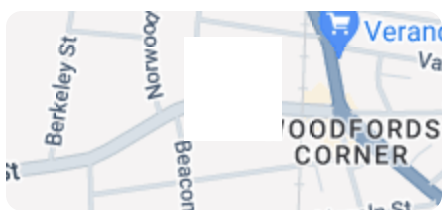
Portland, Maine

Google Street View

Oct 2016 See more dates



Image capture: Oct 2016 © 2024 Google





| SPACE AND BULK STANDARDS                         |                                   |           |            |                |                |
|--------------------------------------------------|-----------------------------------|-----------|------------|----------------|----------------|
| ZONE: B2 - COMMUNITY BUSINESS                    | REQUIRED                          | EXISTING  | LOT 1      | PROPOSED LOT 2 | PROPOSED LOT 3 |
| MIN. LOT AREA                                    | NONE                              | 83,811 SF | 37,208 SF  | 27,961 SF      | 18,641 SF      |
| MIN. LOT AREA PER DWELLING UNIT (OFF-PENINSULA)* | 1,000 SF / UNIT<br>400 SF / UNIT* | N/A       | N/A        | 682*           | 434*           |
| BUILDING (PRINCIPAL): MAX. FRONT SETBACK         | 10'*                              | 46.10'    | EX. 46.10' | 45.61'         | 3.78'          |
| BUILDING MIN. SIDE SETBACK                       | NONE                              | 11.56'    | 11.56'     | 0'             | 5.67'          |
| BUILDING MIN. REAR SETBACK                       | 10'<br>0'                         | 24.42'    | 24.42'     | 11.80'         | 18.56'         |
| BUILDING MIN. SIDE STEPBACK ABOVE 35'            | 5'                                | -         | -          | N/A            | N/A            |
| BUILDING MIN. REAR STEPBACK ABOVE 35'            | 15'                               | -         | -          | N/A            | N/A            |
| MIN. STREET FRONTAGE                             | 20'                               | 628.22'   | 369.13'    | 152.56'        | 106.52'        |
| LOT COVERAGE                                     | N/A                               | 24.1%     | 28.3%      | 37.0%          | 44.0%          |
| MAX. BUILDING HEIGHT                             | 45'<br>70'                        | N/A       | N/A        | 41.07'         | 46.37' *       |
| IMPERVIOUS SURFACE RATIO                         | RESIDENTIAL: NONE                 | 75.3%     | 66.0%      | 75.1%          | 88.7%          |

\* PER CITY OF PORTLAND LAND USE CODE, TABLE 18-C: BONUSES FOR ELIGIBLE PROJECTS: (75% LOW INCOME UNITS GRANTS A 2.5X BONUS DENSITY FROM THE BASE OF 1,000 SF/UNIT TO 400 SF/UNIT) & (GRANTS 10' SETBACK REDUCTIONS) & (GRANTS AN ADDITIONAL 25' BUILDING HEIGHT).

| PARKING SUMMARY                   |                            |                                              |          |          |             |
|-----------------------------------|----------------------------|----------------------------------------------|----------|----------|-------------|
|                                   | UNITS                      | SPACES REQUIRED                              | EXISTING | PROPOSED | PROPOSED EV |
| MULTIFAMILY                       | 84                         | 1 SPACE PER DWELLING UNIT = 84 SPACES*       | -        | -        | -           |
| PLACES OF ASSEMBLY                | APPROX. 5,200SF FLOOR AREA | 1 SPACE PER 150 SF OF FLOOR AREA = 35 SPACES | -        | -        | -           |
| ADA (8'X18')                      | -                          | -                                            | 5        | 5        | -           |
| STANDARD (9'X18')                 | -                          | -                                            | 36       | 10       | -           |
| LOW TURNOVER (8.5' X 18')         | -                          | -                                            | 0        | 34       | 12          |
| PARALLEL (8' X 20')               | -                          | -                                            | 3        | 4        | -           |
| ANGLED 60° (9' X 18')             | -                          | -                                            | 41       | 0        | -           |
| COMPACT LOW TURNOVER (8.5' X 15') | -                          | -                                            | -        | 3        | -           |
| TOTAL SPACES                      | -                          | 119*                                         | 85       | 56*      | 12          |

\* PER THE CITY OF PORTLAND LAND USE CODE, TABLE 19-B: CATEGORICAL EXCEPTIONS TO OFF-STREET PARKING MINIMUMS.

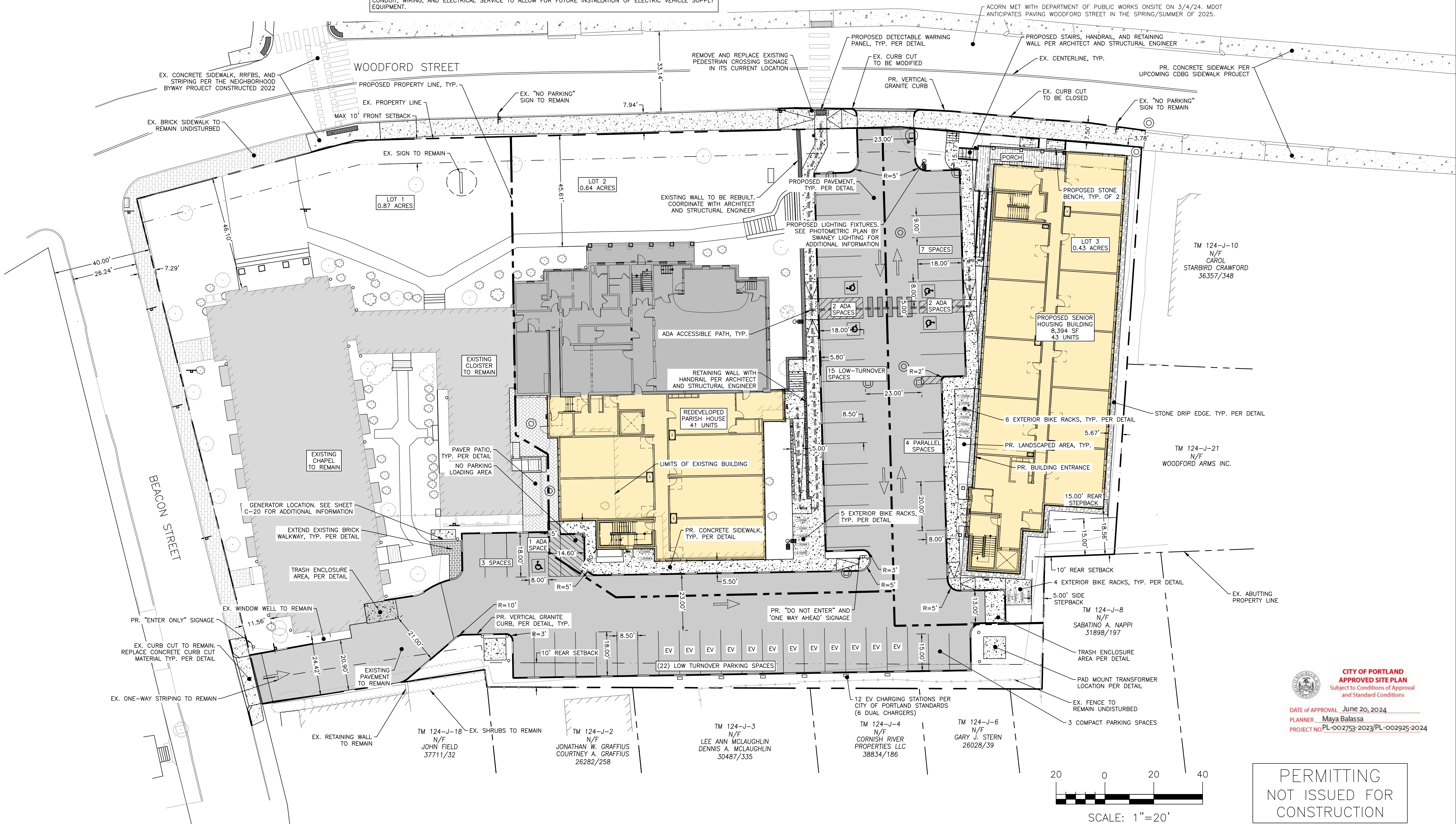
1. NO OFF STREET PARKING SHALL BE REQUIRED FOR NON RESIDENTIAL USES IN THE B-2 ZONE.

2. NO OFF-STREET PARKING SHALL BE REQUIRED WITHIN 1/4 MILE OF FIXED ROUTE TRANSIT SERVICE. NEW USES OR CHANGES OF USE OF MORE THAN 10,000 SF TAKING ADVANTAGE OF THIS EXCEPTION SHALL BE REQUIRED TO PROVIDE A TRANSPORTATION DEMAND MANAGEMENT PLAN IF THEY USE THIS PROVISION IN LIEU OF PARKING REQUIREMENTS.

3. AFFORDABLE HOUSING: THE PLANNING BOARD MAY ESTABLISH A PARKING REQUIREMENT WITHIN THAT IS LESS THAN 1 SPACE PER AFFORDABLE HOUSING UNIT REGARDLESS OF SIZE OF STRUCTURE.

\*\* IN ACCORDANCE WITH SECTION 14.8.1 OF THE CITY OF PORTLAND LAND USE CODE, AND SECTION 1.14 OF THE PORTLAND TECHNICAL MANUAL, NEW PARKING LOTS WITH FIVE OR MORE SPACES SHALL INCLUDE ENERGIZED ELECTRICAL OUTLETS OR INSTALLED CHARGERS CAPABLE OF PROVIDING LEVEL 2 ELECTRIC VEHICLE CHARGING OR HIGHER TO 20% OF PARKING SPACES. REMAINING SPACES MUST BE SERVED BY SUFFICIENT CONDUIT, WIRING, AND ELECTRICAL SERVICE TO ALLOW FOR FUTURE INSTALLATION OF ELECTRIC VEHICLE SUPPLY EQUIPMENT.

- GENERAL NOTES:
- ALL SIDEWALK AND VERTICAL GRANITE CURB TO BE REPLACED SHALL BE REBUILT TO CITY OF PORTLAND STANDARD.
  - ALL PAVEMENT STRIPING AND MARKINGS SHALL COMPLY TO CITY OF PORTLAND STANDARDS.
  - ANY ASPHALT TO BE REMOVED SHALL BE STRIPPED AND PROPERLY DISPOSED OF OFFSITE.
  - CURB TO BE REMOVED, STOCKPILED AND RESET IN ACCORDANCE WITH DETAIL. BROKEN CURB SHALL BE PROPERLY DISPOSED OF AND SHALL BE REPLACED AT THE CONTRACTOR'S EXPENSE.
  - ALL RAMPS TO CONFORM TO ADA GUIDELINES. SLOPE SHALL NOT EXCEED 1 INCH PER FOOT.
  - ALL SITE SIGNAGE TO COMPLY WITH MUTCD STANDARDS. CONTRACTOR TO COORDINATE AND INSTALL.
  - FOLLOWING COMPLETION OF CONSTRUCTION, THE OWNER SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND MANAGEMENT OF DRIVEWAYS, SITE LIGHTING, TRASH REMOVAL AND SNOW REMOVAL.
  - CONTRACTOR SHALL VERIFY BOTTOM AND TOP OF CURB ELEVATIONS ALONG BUILDING FRONTAGES PRIOR TO CONSTRUCTION OF THE FOUNDATIONS. CONTACT ENGINEER PRIOR TO CONSTRUCTION IF DISCREPANCIES ARE FOUND.
  - DURING LARGE SNOW EVENTS, THE PROPERTY OWNER SHALL BE RESPONSIBLE FOR SNOW REMOVAL FOR THE PARCEL.
  - PLAN REFERENCE
  - 10.1. PLAN TITLED ALTA/NSPS LAND TITLE SURVEY MADE BY OWEN HASKELL, INC., FOR COMMUNITY HOUSING OF MAINE, LAST REV. 10/12/2023



| ISSUED FOR                | BY  |
|---------------------------|-----|
| CSS                       | PFH |
| MAJOR SITE PLAN           | PFH |
| COMMENT RESPONSE          | PFH |
| COMMENT RESPONSE          | PFH |
| MAJOR SITE PLAN AMENDMENT | PFH |

|              |                                                    |
|--------------|----------------------------------------------------|
| DRAWING NAME | SITE PLAN                                          |
|              | WOODFORD STREET AFFORDABLE HOUSING REDEVELOPMENT   |
| PROJECT NAME | 186 WOODFORD STREET, PORTLAND, MAINE               |
| CLIENT       | COMMUNITY HOUSING OF MAINE                         |
|              | ONE CITY CENTER, 4TH FLOOR, PORTLAND, MAINE, 04101 |

ACORN ENGINEERING, INC.

REGISTERED PROFESSIONAL ENGINEER

STATE OF MAINE

PETER F. HEIL

15318

PLANNER: Maya Balassa

PROJECT NO: PL-002753-2023/PL-002925-2024

|              |           |
|--------------|-----------|
| FILE:        | 1200_CIVL |
| JN:          | 1200      |
| SCALE:       | AS NOTED  |
| DESIGNED BY: | PFH       |
| DRAWN BY:    | DSH       |
| CHECKED BY:  | WHS       |

STATE OF MAINE

PETER F. HEIL

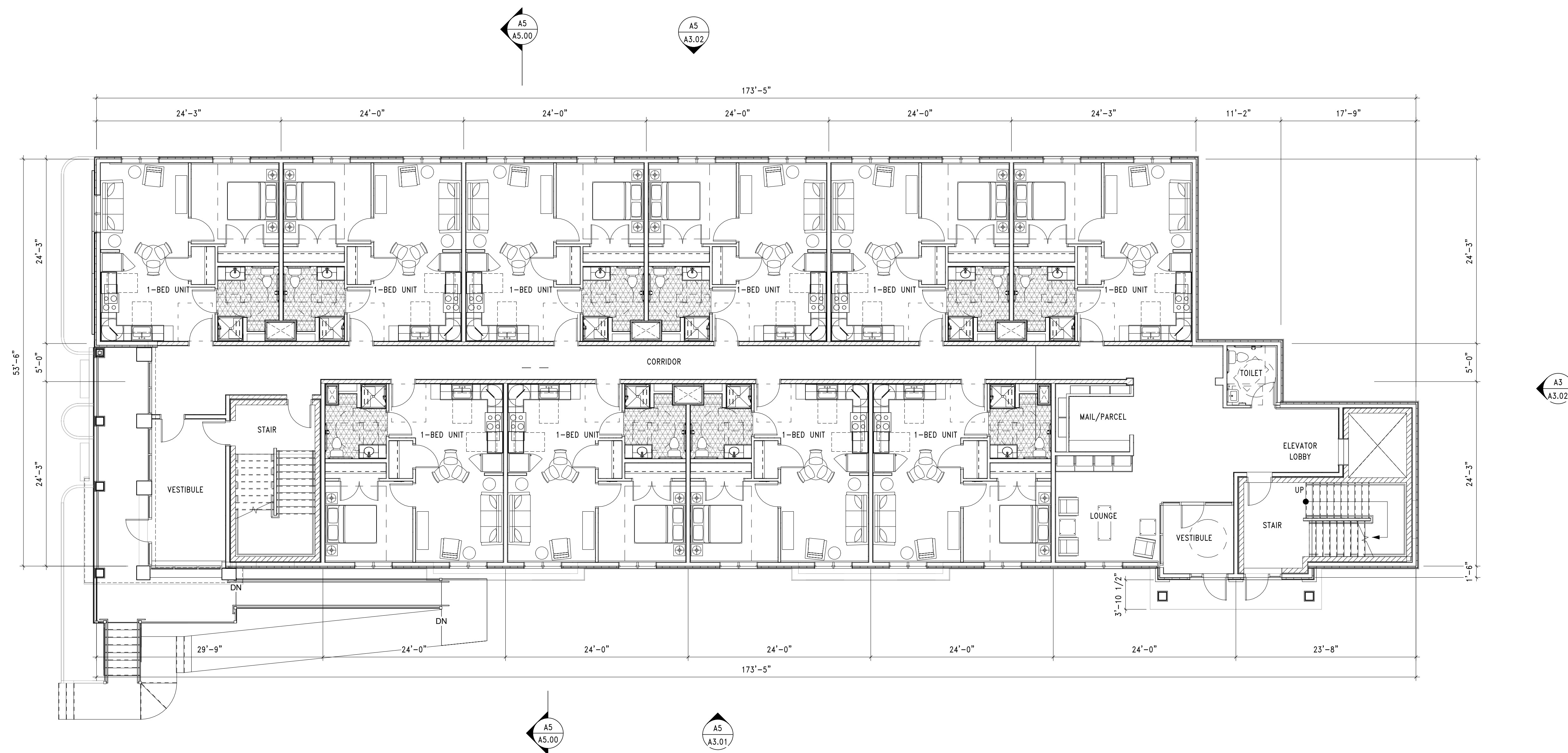
15318

PLANNER: Maya Balassa

PROJECT NO: PL-002753-2023/PL-002925-2024

|             |      |
|-------------|------|
| DRAWING NO. | C-10 |
|-------------|------|





**CWS** ARCHITECTURE +  
INTERIOR DESIGN

PLANNING + DESIGN  
CONSTRUCTION SERVICES

DESIGNER

**CWS** ARCHITECTURE +  
INTERIOR DESIGN

264 US ROUTE ONE, SUITE 100-2A  
SCARBOROUGH, ME 04074  
207 774 4441

WSAPCH.COM

OWNER

**COMMUNITY HOUSING OF  
MAINE**

ONE CITY CENTER, 4TH FLOOR  
PORTLAND, ME 04101

PROJECT

**WOODFORDS NEW SENIOR  
APARTMENTS**

002 WOODFORD STREET  
PORTLAND, ME

## DRAWING

## FIRST FLOOR PLAN

CWS PROJECT NUMBER: 23056

REVISIONS

DRAWING  
**A1.10**

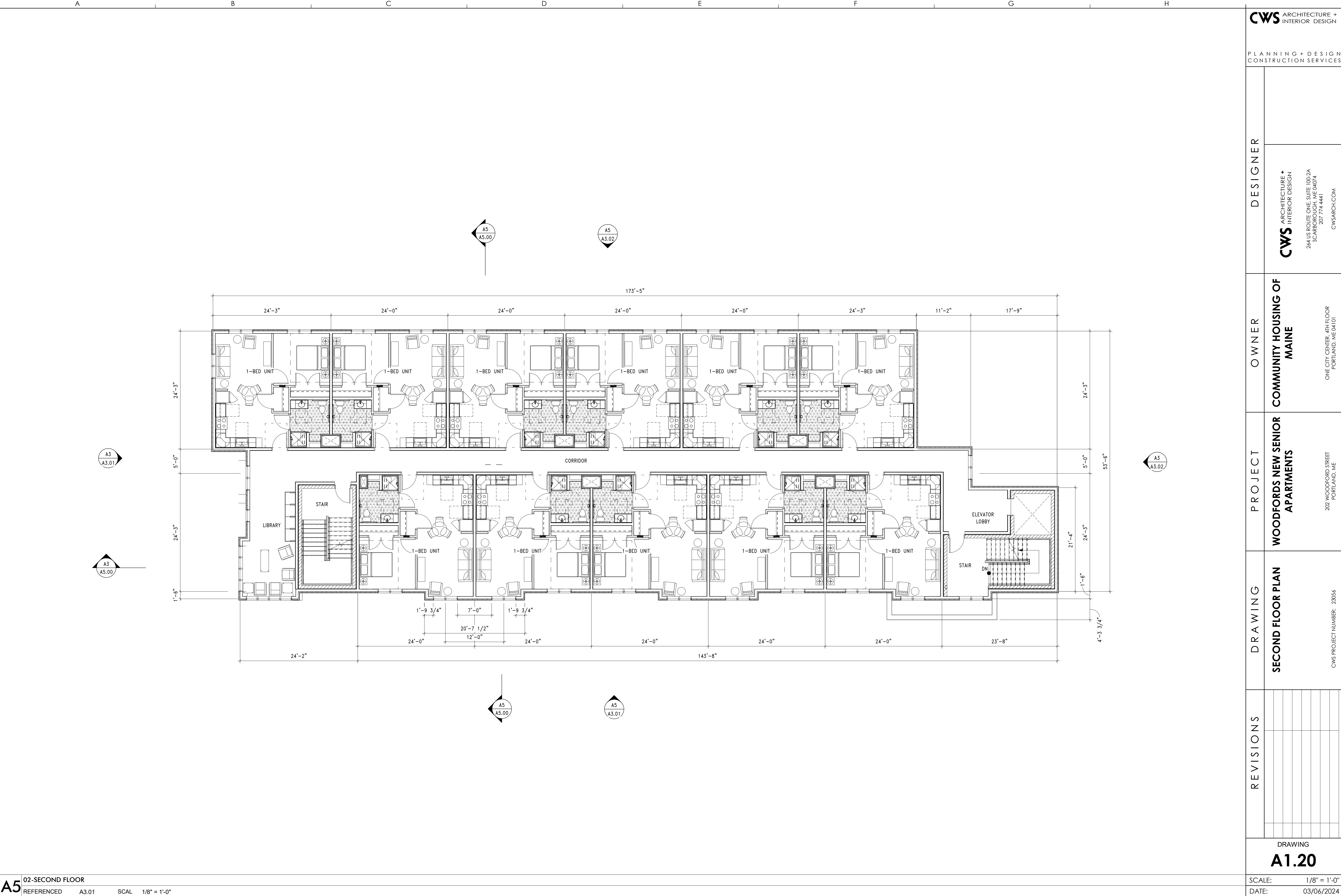
SCALE:  $1/8" = 1'-0"$

|       |            |
|-------|------------|
| DATE: | 03/06/2024 |
|-------|------------|

4

CM REP





DESIGNER

**CWS**  
ARCHITECTURE +  
INTERIOR DESIGN

264 US ROUTE ONE, SUITE 100-2A  
SCARBOROUGH, ME 04074  
207.774.4441  
CWSARCH.COM

OWNER

**COMMUNITY HOUSING OF MAINE**  
  
ONE CITY CENTER, 4TH FLOOR  
PORTLAND, ME 04101

PROJECT

**WOODFORDS NEW SENIOR APARTMENTS**  
  
203 WOODFORD STREET  
PORTLAND, ME

DRAWING

**SECOND FLOOR PLAN**  
  
CWS PROJECT NUMBER: 23056

| REVISIONS |     |             |      |    |
|-----------|-----|-------------|------|----|
|           | NO. | DESCRIPTION | DATE | BY |
|           |     |             |      |    |
|           |     |             |      |    |
|           |     |             |      |    |
|           |     |             |      |    |
|           |     |             |      |    |
|           |     |             |      |    |

DRAWING

**A1.20**  
  
SCALE: 1/8" = 1'-0"  
DATE: 03/06/2024





DESIGNER

**CWS** ARCHITECTURE +  
INTERIOR DESIGN

264 US ROUTE ONE, SUITE 100-2A  
SCARBOROUGH, ME 04074  
207 774 4441

CWSARCH.COM

OWNER  
COMMUNITY HOUSING OF  
MAINE

ONE CITY CENTER, 4TH FLOOR  
PORTLAND, ME 04101

PROJECT  
WOODFORDS NEW SENIOR  
APARTMENTS

202 WOODFORD STREET  
PORTLAND, ME

DRAWING

### THIRD FLOOR PLAN

CWS PROJECT NUMBER: 23056

[illegible]

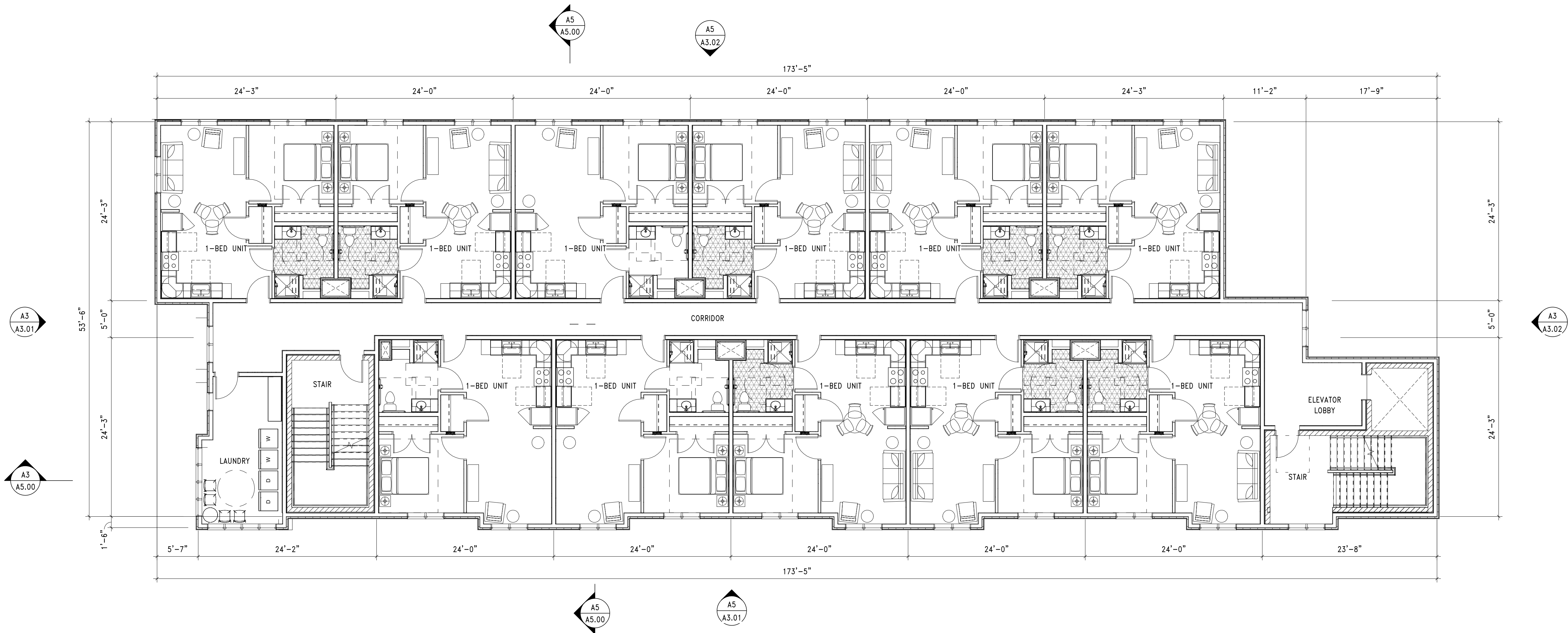
## DRAWING

## A1.30

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

DATE: 03/06/2024

CM REP



A5

03-THIRD FLOOR

|            |       |      |              |
|------------|-------|------|--------------|
| REFERENCED | A3.01 | SCAL | 1/8" = 1'-0" |
|------------|-------|------|--------------|

FROM: C:\egon\Carmichael\Documents\23056\_Woodford\NewSeries\apartments-CHOM\_R23\_CENTRAL\_KCarmichael\5PEY2.rvt









**70 East Oxford (COMB Block Phase 1)**

Portland Housing Development Corporation (PHDC) is requesting an Affordable Housing TIF (75% for 30 years) and subsidy funding of \$650,000 to demolish the four existing ten-unit multifamily buildings located between Cumberland, Oxford, Mayo and Boyd Streets (COMB Block), and construct Phase 1 of a multi-phase project to redevelop the site. During Phase 1, PHDC is proposing to construct a six-story, 55-unit affordable housing building comprised of 5 studio, 15 one-bedroom, 16 two-bedroom, and 19 three-bedroom apartments at 70 East Oxford Street.

Units would be affordable to 17 households earning at or below 60% AMI (i.e. \$68,850 for a three-person household), 33 households earning at or below 50% AMI (i.e. \$57,400 for a three-person household), and the remaining 5 units would be market rate housing. Twenty percent of the units would be set aside for people who have been experiencing homelessness. The property would include a community room with cooking and bathroom facilities, meeting room, and lounge. After completion, the project would be managed by the Portland Housing Authority. The design and construction of the building project would be in accordance with Passive House certification and would exceed Portland's Green Building Ordinance. Construction would begin October 2025 and complete March 2027.

PHDC has requested two forms of financial assistance.

- (1) City Affordable Housing Development fund request: \$650,000
- (2) Affordable Housing Tax Increment Financing request: At 75% for 30 years

The underwriting recommendation is as follows:

- (1) City Affordable Housing Development fund request from the Jill C. Duson Housing Trust Fund in the amount of \$650,000 with a 30 year term, 3% interest, payable out of cashflow with a minimum of 10% of cashflow to the City until the sooner of Deferred Developer Fee loan is retired, or 10 year of operations, which ever is first, then 25% of cashflow to the City.
- (2) Affordable Housing Tax Increment Financing request: At 75% for 20 years, the estimated 20-year total of \$1,849,475 in captured increased assessed-value tax revenue (or 20-year annual average of \$92,474) would be returned to the project/developer. The remaining 25% estimated 20-year total of \$616,492 in non-captured increased assessed-value tax revenue (or 20-year annual average of \$30,825) would be general fund revenue for the City.

Both loan and TIF recommendations include the following conditions:

- Satisfactory review of hazard remediation plan, including funding plan.

Prior to loan closing, satisfactory review of:

1. Appraisal supporting land price;
2. Market Study;
3. Completion of hazard remediation plan and site stabilization;
4. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions not to exceed 14% of net construction cost.

| 70 E Oxford (COMB Block Phase 1) |                                    |    |
|----------------------------------|------------------------------------|----|
| Studio (5)                       | at or below 50% area median income | 5  |
|                                  | at or below 60% area median income | 0  |
| One Bedroom (15)                 | at or below 50% area median income | 3  |
|                                  | at or below 60% area median income | 10 |
| Two Bedroom (16)                 | at market rate                     | 2  |
|                                  | at or below 50% area median income | 10 |
|                                  | at or below 60% area median income | 3  |
|                                  | at market rate                     | 3  |
| Three Bedroom (19)               | at or below 50% area median income | 15 |
|                                  | at or below 60% area median income | 4  |
| Total                            | at or below 50% area median income | 33 |
| Total                            | at or below 60% area median income | 17 |
| Total                            | at market rate                     | 5  |
| Total Units                      |                                    | 55 |

According to the developer's application:

*70 E Oxford Street is a 55 unit mixed-income development in the East Bayside neighborhood that includes units reserved for Low- and Very Low-Income Households while also encouraging income diversity with five market rate units. The project will set aside 20% of the units to create permanent supportive housing for Persons Experiencing Homelessness or persons who have disabilities, are victims of domestic violence, or have other special housing needs. Portland Housing Authority owns and operates some of the only affordable housing with 4-, 5-, and 6-bedroom units in the City of Portland. For larger families, this type of rental housing can be extremely challenging to find. The COMB Block Phase 1 development will include nineteen three-bedroom units restricted to households earning at or below 60% Area Median Income. The development is located on the peninsula and walkable to downtown Portland amenities. Today, the property consists of 40 public housing units that, due to poor construction and deferred maintenance from lack of funding, have extended past their useful life. The existing public housing will be demolished and redeveloped as part of this project to replace the existing unit count and add much needed, deeply affordable housing in the heart of Portland.*

*The development will consist of a 6-story building, handicap parking, and common outdoor greenspace. The building will be constructed to meet Passive House standard with energy efficient building materials, design, and mechanical systems. The proximity of the development to transit lines, bike paths, and recreational opportunities will support households without automobiles. The COMB Block 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 2024 Physical Needs Assessment concluded that the buildings were at the end of their useful life.*



## FINANCIAL IMPACT

When completed, this project's new total assessed-value is estimated at \$6.9 million, which would yield \$99,501 in annual assessed property value in year one at the current FY24 millage rate. Over a twenty year span, assuming a 2% increase to the mill rate each year for twenty years, seventy-five percent (75%) of the increased assessed-value tax revenue would total \$1,849,475 or approximately \$92,474 per year (when averaged over the 20-year term). The increased assessed-value tax revenue (i.e. \$1,849,475 in total after twenty years) is the approximate total amount of tax revenue (aka captured valuation) that would be returned to the project/developer to off-set project operating costs. The remaining twenty-five percent (25%) of non-captured revenue from the increased assessed-value tax revenue would total \$616,492 (over a twenty year span, assuming a 2% increase to the mill rate each year for twenty years) or approximately \$30,825 per year when averaged over the 20-year term. If the project is not constructed, the tax yield on this non-profit property remains at \$0. The tax revenue returned to the project/developer is \$0, and the amount of tax revenue that would be deposited into the general fund is \$0. In summary, the Credit Enhancement Agreement would return approximately \$1,849,475 in captured increased assessed-value tax revenue to the project/developer (averaged at \$92,474 annually over twenty years) to be used by the developer to off-set project operating costs.

Total development costs are estimated at \$19.7 million.

|                   | Increased Assessed Value | 75% of Increased Assessed Value (aka Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on captured valuation | 25% of Increased Assessed Value (aka Non-Captured Valuation) | Total Projected New Taxes at 14.70 mill rate on non-captured valuation |
|-------------------|--------------------------|----------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| TIF Year 1        | \$6,905,000              | \$5,178,750                                              | \$76,118                                                           | \$1,726,250                                                  | \$25,373                                                               |
| 20 Year TIF Total | \$138,100,000            | \$103,575,000                                            | \$1,849,475                                                        |                                                              | \$616,492                                                              |
| 20 Year Average   | \$4,603,333              | \$5,178,750                                              | \$92,474                                                           |                                                              | \$30,825                                                               |

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 \$38,402+, or \$768,035 + 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) |
|-------------------|-----------------------------------------------------|--------------------------------------------|----------------------------------------------------|-----------------------------------|----------------------------------|
| 20 Year TIF Total | \$103,575,000                                       | \$577,534                                  | \$144,766                                          | \$45,735                          | \$768,035                        |
| 20 Year Average   | \$5,178,750                                         | \$28,877                                   | \$7,238                                            | \$2,287                           | \$38,402                         |

70 E Oxford (COMB Block Phase 1) is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

70 E Oxford Street (COMB Block Phase 1) is awaiting Planning Board review.

TIF projections, proposed district map, floor plans, illustrations, and underwriting memo are included in the backup to this memo.

70 E Oxford Street is currently in the Downtown Transit Oriented Development (DOTD) and Omnibus Tax Increment Financing District. The DOTD TIF District will need to be amended by the City Council during the July 15, 2024 meeting to removed .56 acres at 70 E Oxford in order for the property to be made and Affordable Housing Tax Increment Financing District.

## B. Project Information

Completed by [statarczuk@porthouse.org](mailto:statarczuk@porthouse.org) on 6/20/2024 12:46 PM

**Case Id:** 30505

**Name:** Portland Housing Development Corporation -

**Address:** 70 E Oxford Street, Portland, ME 04101

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### B. Project Information

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Please provide the following information.

#### B.1. Property Address

70 E Oxford Street Portland, ME 04101

#### B.2. Project Name

COMB Block Phase 1

#### B.3. Tax chart, block, and lot number

Chart 22, Block H1, Lot 1

#### B.4. Zoning Designation

R6 Residential Zone and R7 Overlay

#### B.5. Is the requested funding type HOME/HTF?

Yes

#### B.6. Requested amount of Affordable Housing Development Funding

\$650,000.00

#### B.7. Is the requested funding type AHTIF?

Yes

#### AHTIF Terms:

This application requests the creation of an AHTIF District and a Credit Enhancement Agreement to convey 75% of the incremental taxable revenue for the entire property towards operating support for the project for a term of 30 years.

#### B.8. Total number of housing units to be constructed:

55

#### B.9. Total number of housing units to be rehabilitated:

0

#### B.10. Total Number of market rate units:

5

#### B.11. Total number of deed restricted units:

50

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**B.12. Total number of Units at 120% AMI:**

0

**B.13. Total number of Units at 110% AMI:**

0

**B.14. Total number of Units at 100% AMI:**

0

**B.15. Total number of Units at 80% AMI:**

0

**B.16. Total number of Units at 60% AMI:**

17

**B.17. Total number of Units at 50% AMI:**

33

**B.18. Total number of Units at 40% AMI:**

0

**B.19. Housing Type**

Rental

**B.20. Total number of studio/efficiency units:**

5

**B.21. Total number of one-bedroom units:**

15

**B.22. Total number of two-bedroom units:**

16

**B.23. Total number of three-bedroom units**

19

**B.24. Total number of four-bedroom units**

0

**B.25. Total number of five-bedroom units**

0

**B.26. Property Manager**

Portland Housing Authority, Cora Lanclos

**B.27. When is construction expected to begin?**

10/10/2025

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**B.28. Please use the box below to answer the remaining questions and provide a narrative description of the project that includes:**

- **Description of municipal housing need and how the development addresses that need;**
- **Requested amount of Affordable Housing Development Funding;**
- **Description of how City's participation is financially necessary in order for the project to proceed;**
- **Description of allowed uses in the zone;**
- **Description of residential and non-residential uses in the area;**
- **Description of accessory uses relating to residential use, if any;**
- **Indicate if this project requires relocation of existing commercial or residential tenants;**
- **Description of relocation plan for persons temporarily or permanently displaced by development activities;**
- **Description of how the development is consistent with the Comprehensive Plan**
- **Description of how housing and facilities in the development will be operated after completion;**
- **Description of planned uses of tax increment revenues from the district (AHTIF projects only).**

#### PROJECT OVERVIEW

This application requests funding to support the construction of 55 unit mixed-income development with 50 affordable housing units located in the East Bayside neighborhood of Portland, Maine. The development will consist of a 6-story building, handicap parking, and common outdoor greenspace. The building will be constructed to meet Passive House standard with energy efficient building materials, design, and mechanical systems. The proximity of the development to transit lines, bike paths, and recreational opportunities will support households without automobiles.

#### COMB Block Phase 1 Project Amenities:

- 55 total housing units (10% market rate, 90% affordable)
- Accessible outdoor green space
- Passive House certified new construction
- Enhancements to the streetscape on Boyd and Oxford Street
- Increased mid-block pedestrian connectivity
- Community Room & Lounge

COMB Block Phase 1 will serve Very Low- and Low-Income households with 60% of the total units (33 units) reserved for Very Low-Income households earning at or below 50% Area Median Income (\$63,750 for a household of four) and an additional 30% of the total units (17 units) reserved for Low-Income households earning at or below 60% Area Median Income (\$97,800 for a household of four). The project will set aside 20% of units for Persons Experiencing Homelessness or persons who have disabilities, are victims of domestic violence, or have other special housing needs, to create permanent supportive housing for persons who require that level of intervention within the special needs population.

#### History of COMB Block:

The COMB Block is a parcel of land bound by Cumberland Ave., Oxford Street, Mayo Street, and Boyd Street in the East Bayside neighborhood of Portland Maine. The block currently consists of four public housing buildings built in 1972, with 40 two-bedroom units serving families. The COMB Block 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 2024 Physical Needs Assessment concluded that the buildings were 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. The Physical Needs Assessment determined that renovations would be costlier than demolition and new construction. Given the age of the property, there are hazardous materials that will need to be removed before the demolition.

PHA will apply to HUD for approval under Section 18 Demolition and Disposition of the Housing Act of 1937 in the spring of 2024 to re-develop the COMB Block public housing. PHA intends to commit approximately 25 Project-Based Vouchers in Phase 1 for returning residents, mostly with Extremely Low-Income. Five units in Phase 1 will be market rate with a goal of protecting existing Extremely Low-Income 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.

COMB Block Phase 1 will obtain Planning Board approval within 3 months and anticipates a LIHTC award this year. The project has been in pre-development since early 2023. Portland Housing expects to close the project and commence construction in October 2025.

\*\*\*\*\*

#### DESCRIPTION OF MUNICIPAL HOUSING NEED AND HOW THE DEVELOPMENT ADDRESSES THAT NEED

Housing need in Maine is on top of minds for communities, families, and policymakers. Housing supply directly impacts economic growth and the region's ability to attract and retain workers and families that contribute to the economy and enhance the vibrancy of our communities. In recent years especially, low, and very low-income families have been facing increased daily challenges due to inflation pressures increasing the cost of daily goods such as groceries and gas. These same families have been entirely priced out of the housing market.

Inflation, supply chain challenges, shortages in workforce, and increasing construction costs have made developing new housing units an increasingly difficult task year over year. In 2023, Maine State Housing Authority, alongside the Governor's Office of Policy Innovation and the Future, and the Department of Economic and Community Development released the State of Maine Housing Production Needs Study. This study identified a need for at least 84,000 new homes within the next seven years to meet anticipated demand.

According to the 2022 US Census ACS 5-year estimate, approximately 44% of renter-occupied households in Portland were cost-burdened, meaning the household pays more than 30% of their total income on housing costs. The city continues to see both renter and homeowner households struggling to compete in the current market. The city recorded 489 total new units completed in 2023, with only 141 of those units affordable to households earning at or below 80% Area Median Income.

The Project proposed in this application is a 55 unit mixed-income development in the East Bayside neighborhood that includes units reserved for Low- and Very Low-Income Households (earning at or below 50% Area Median Income), while also encouraging income diversity with five market rate units. The development is located on the peninsula and walkable to downtown Portland amenities. Today, the property consists of 40 public housing units that, due to poor construction and deferred maintenance from lack of funding, have extended past their useful life. The existing public housing will be demolished and redeveloped as part of this project to replace the existing unit count and add much needed, deeply affordable housing in the heart of Portland.

\*\*\*\*\*

#### REQUESTED AMOUNT OF AFFORDABLE HOUSING DEVELOPMENT FUNDING

\$650,000 is requested for the COMB Block Phase 1 project (\$11,818 per unit or \$13,000 per affordable unit). To fill the funding gap and maintain an acceptable loan-to-value (LTV) ratio on permanent debt, we propose structuring this loan as a non-recourse, cash flow-contingent note with a 30-year term and a 0% interest rate that does not accrue. As cash flow becomes available, the City would receive available debt service payments.

\*\*\*\*\*

#### DESCRIPTION OF HOW CITY'S PARTICIPATION IS FINANCIALLY NECESSARY IN ORDER FOR THE PROJECT TO PROCEED

The COMB Block Phase 1 pro forma has a 1.16 Debt Service Coverage Ratio (DSCR) in year 1. The project cannot support additional permanent loan amount as it is at maximum loan-to-value (LTV) ratio. The City's participation is necessary to fill the remaining funding gap and make this project financially feasible. Without this funding, the COMB

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Block Phase 1 project could not proceed as currently envisioned.

The development budget costs and operating expenses are reasonable, in-line with comparable projects, and reflect actual market conditions, which has seen unprecedented inflation during the past 24-36 months. All development budget and operating expense line items comply with applicable City of Portland and MaineHousing guidelines.

\*\*\*\*\*

#### DESCRIPTION OF ALLOWED USES IN THE ZONE

COMB Block Phase 1 is located within the R6 Residential Zone within the R7 Compact Residential Overlay Zone. The portion of the lot proposed for development and within the R7 zone allows for multi-family residential uses. The COMB Block Phase 1 project is proposed to take advantage of the Affordable Housing bonuses allowed per Section 18.2 of Chapter 14.

The proposed project fully complies with current zoning – including density/lot area, height, setbacks, lot coverage, frontage, floor area, etc. – and does not require any rezoning amendments.

\*\*\*\*\*

#### DESCRIPTION OF RESIDENTIAL AND NON-RESIDENTIAL USES IN THE AREA;

Uses immediately surrounding the COMB Block are primarily residential to the north and west. Easterly to the site there are a variety of uses including commercial and institutional. Directly neighboring the property are two commercial uses, a small restaurant, and a performing arts center. Across Cumberland Avenue you'll find the Cathedral of Immaculate Conception, Portland Adult Education, Peppermint Park, and other small commercial uses.

\*\*\*\*\*

#### DESCRIPTION OF ACCESSORY USES RELATING TO RESIDENTIAL USE, IF ANY

Not Applicable. See Exhibit "15 – Evidence of Commitment of Resident Services" for more information on service need and offerings at the COMB Block and in Bayside East.

\*\*\*\*\*

#### INDICATE IF THIS PROJECT REQUIRES RELOCATION OF EXISTING COMMERCIAL OR RESIDENTIAL TENANTS

The 40 existing Public Housing Units at the COMB Block located within the four buildings, 25 Boyd Street, 9 Boyd Street, 20 Mayo Street, and 24 Mayo Street in Portland, are currently being taken offline due to poor unit conditions that may impact the health and safety of residents. Property Management began relocating residents in March 2024 under the 2023 Portland Housing Authority Admissions and Continued Occupancy Policy, Chapter 12 Transfer Policy; Part I: Emergency Transfers. See Exhibit "19 – Relocation Plan & Budget" for the full Chapter 12 Transfer Policy.

All households residing in COMB Block public housing units will be relocated well ahead of the commencement of this redevelopment project.

\*\*\*\*\*

#### DESCRIPTION OF RELOCATION PLAN FOR PERSONS TEMPORARILY OR PERMANENTLY DISPLACED BY DEVELOPMENT ACTIVITIES

The PHA Relocation Plan for this project can be found in the "19 - Relocation Plan & Budget" attachment.

\*\*\*\*\*

#### DESCRIPTION OF HOW THE DEVELOPMENT IS CONSISTENT WITH THE COMPREHENSIVE PLAN

Policy Guide: Environment

##### 7. Support Sustainable Land Use and Transportation Policies

"Plan for the mitigation and redevelopment of brownfields to support productive uses and a healthier environment for residents." – COMB Block Phase 1 will include the redevelopment of a brownfields site. The redevelopment will include both removal of hazardous building materials in the existing public housing and mitigation of contaminated

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soils on the site.

#### Policy Guide: Housing

##### 3. Remove Housing Barriers

- “Evaluate whether current zoning allows for new development consistent with historic patterns of form, density, and/or use, as well as whether it allows for priority growth areas.” – The zoning of the COMB Block parcel allows for a significant increase in density than what exists on the property today. The project proposes to modestly increase the overall number of rental units available to 55 units from 40, while also expanding community space. The redevelopment of COMB Block Phase 1 is approximately 30% of the overall existing parcel. Future development opportunity hopes to bring even more affordable units to East Bayside. The new units are centrally located in East Bayside, with close proximity to services, transit, recreation, jobs, and neighborhood amenities.

##### 4. Promote Sustainability

- “Encourage energy efficiency in new construction and rehabilitation of our housing stock.” – COMB Block Phase 1 will be built to Passive House standard with efficient building design, materials, and mechanical systems. This means the new building will be significantly more efficient than a code-built building.

##### 8. Support Age-Friendly Housing Options

- “Create, promote, and facilitate safe, affordable, and practical housing solutions that will meet the evolving needs of Portland residents as they age.” – The project will create approximately 11 accessible units for persons with a physical disability. To facilitate aging in place, the new multifamily building will be elevatored and include a diversity of unit sizes, ranging from one-bedroom units to three-bedroom units. Sitework will improve accessible routes throughout the site. A full-time Resident Services Coordination (RSC) will also be available to assist older adults, including connecting them to local service providers as their needs evolve.

##### 9. Adapt Affordable Housing

- “Pursue new opportunities for increased energy efficiency, increased densities, mixed incomes, and greater connectivity to surrounding neighborhoods.” – The project will increase energy-efficiency of the community (see “4. Promote Sustainability” above). The project will increase residential densities of the community to approximately 55 units from 40 units currently. The project will include five market rate units to contribute to the income diversity in the community.

\*\*\*\*\*

DESCRIPTION OF HOW HOUSING AND FACILITIES IN THE DEVELOPMENT WILL BE OPERATED AFTER COMPLETION  
Portland Housing Authority (PHA) will manage COMB Block Phase 1 following construction completion. PHA and its affiliated corporations provide long-term affordable rental housing and rental assistance to more than 2,700 low-income families, seniors and disabled individuals through its Low-Income Public Housing (LIPH) and Housing Choice Voucher (HCV) Programs. This includes management of nearly 1,000 LIPH and market-rate units and administration of over 2,000 housing vouchers. PHA houses over 6,500 residents, close to 10% of the City’s population. PHA believes that providing safe, quality, affordable housing gives residents the stability they need and the opportunity for success they deserve.

PHA’s management has a team approach in its day to day operations that begins and ends with the on-site management and maintenance staff. PHA expects the on-site management and maintenance staff to be fully trained, equipped and educated in all business aspects, and property specific requirements. PHA’s Executive Director, Asset Manager, Facilities Director, Director of Housing Services, Director of Finance and Administration and Director of Property Management oversee the management operations and work together to ensure PHA meets its overall goals.

See Exhibit “18 – Management Plan” for more information on the operations of COMB Block Phase 1 including Resident Services, Maintenance, Facilities, Finance, and Compliance.

\*\*\*\*\*

#### DESCRIPTION OF PLANNED USES OF TAX INCREMENT REVENUES FROM THE DISTRICT (AHTIF PROJECTS ONLY)

This application requests the creation of an AHTIF District and a Credit Enhancement Agreement to convey 75% of the

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incremental taxable revenue for the entire property towards operating support for the project for a term of 30 years. This will reduce operating expenses to this affordable property and allow it to carry additional debt to finance the new construction of 55 units. In order to make the project financially feasible, this project requires multiple subsidy sources in addition to a AHTIF of no less than 75%.

**To:** Mary Davis, City of Portland  
**From:** Anne Boynton, Urban Ventures, Inc.  
**Re:** COMB Block Phase I, PHDC  
**Date:** June 20, 2024

Portland Housing Development Corporation (PHDC) requests a loan of \$650,000 and a 75% TIF for 30 years to support Phase I of the proposed new construction at Portland Housing Authority’s COMB block site. The \$650,000 million loan request is \$13,000 per affordable unit (\$11,818 including the market rate units). The requested 75% 30-year TIF has a value of \$3,027,425, which is a subsidy of \$55,044/unit.

Prior to the transfer of the land from PHA to PHDC, PHA will complete the demolition of four structures with 40 existing PHA units, the cleanup of all environmental hazards on the site, and the stabilization of the site which has significant grade issues. Once the site issues are addressed, Phase I will construct a new 55-unit building. Phase II is expected to include 50-60 additional units, about 1 year behind Phase I. Phase III is expected to include 30-40 units, 1 year behind Phase II. Over all three Phases, the current 40 units will be replaced with 130 - 150 units in 3 buildings

Phase I will provide family housing with a unit mix from efficiency to 3 bedrooms. Project Based Vouchers will support affordability for 25 households in 2- and 3-bedroom units, while 5 units will be market rate.

## Sources and Uses

| Sources:                             |              | Uses:                        |                    |
|--------------------------------------|--------------|------------------------------|--------------------|
| Maine State 1 <sup>st</sup> Mortgage | \$ 9,400,000 | Demo/Site/Environmental      | 0                  |
| City of Portland                     | \$650,000    | Acquisition                  | \$150,000          |
| LIHTC Net Equity                     | \$10,198,980 | New Construction             | 17,498,866         |
| Maine Housing Subsidy                | \$1,986,467  | Soft Costs:                  | 3,440,000          |
| AHP Direct Subsidy                   | \$850,000    | Reserves:                    | 937,234            |
| AHP Subsidized Advance               | \$1,200,000  | Hard & Soft Cost Contingency | 1,485,347          |
| Deferred Developer Fee               | \$ 500,000   | Developer Fee:               | <u>\$1,250,000</u> |
| Total Sources:                       | \$24,785,447 | Total Uses:                  | \$24,785,447       |

PHDC plans to submit a fall application to Maine Housing for 9% LIHTC and permanent mortgage financing. PHDC has a letter of interest from WNC & Associates to purchase the LIHTC at \$.85.

The AHP application will be submitted in July and a decision announced in December. PHDC has received three recent AHP Subsidy awards, at Washington Gardens, Solterra, and Front Street Phase 2. COMB Block Phase 1 meets the goal of the AHP program by targeting low- and very low-income households. COMB Block Phase 1 scores in the mid to low 70s on the self-scoring form which has been a competitive score in previous years.

For analysis of “Uses,” see Development Budget.

## Development Budget

On the face of it, the total development cost per unit look high, at \$450,208 per unit. However, the larger unit size is a mitigating factor. The unit mix with 19 3-bedroom reduces the total number of units in the building, though not the number of people housed. The housing benefit of these larger units is not reflected in the simple cost/unit calculation.

Note that all demolition, hazard remediation and site stabilization is occurring before the transfer of the land to PHDC. None of these expenses are carried in the project budget.

### Construction Costs:

Construction costs are from a construction estimate by Penobscot General Contractor's dated 6/17/24, based on Conceptual Designs and a trades breakdown. This estimate includes provision for prevailing wage labor costs.

Green: The building will be built to Passive House standards. So far, no green funding has been included in the capital stack because the designs are not developed enough to determine the level of funding available. PHDC states available funding for energy efficiency will be incorporated into the capital stack.

### Soft Costs:

Total soft costs are \$105,041 per unit, which is on the high end, primarily driven by higher projected financing costs. Developer fee of \$1,250,000 is reasonable by industry standards at 5.5% of Total Development Cost, excluding reserves and developer fee. It is the only project in this round adding Deferred Developer Fee above the \$750,000 developer fee cap imposed by Maine Housing. Given the larger size of the project and complexity of the site, this fee is reasonable.

A satisfactory relocation plan and budget has been submitted for this project. Due to current potentially hazardous conditions, PHA began transferring residents on an emergency basis in March, and relocation is almost complete. The cost of transferring residents out of the property is outside the project budget. Each tenant will be offered the opportunity to return, if there is an appropriate unit. The relocation budget of \$30,000 will cover the actual moving expenses for returning residents and PHA relocation staffing.

### Contingency:

The hard cost contingency is 8%, carried in part in contractor contingency and in part in developer contingency. This allows for a 5% minimum industry standard hard cost contingency, a 2% estimating contingency to allow for Conceptual Design and potential inflation, and a weather allowance. Given the early stage of development and continued uncertainty of price escalation and supply chain difficulties, this is the minimum contingency I am comfortable recommending.

The soft cost total includes a soft cost contingency of \$50,000, less than 1% of soft costs and far too slender for this complex project at this stage of development. This risk is mitigated by PHDC's substantial available resources to cover unexpected costs, see Developer Financial Analysis below.

### Acquisition and Environmental:

PHA plans to transfer this site after completion of demolition, hazard remediation and site stabilization. This is a complex site with topographic challenges and some areas where the soil samples show



potentially hazardous levels of arsenic, lead, and polycyclic aromatic hydrocarbons (PAH). PAHs are known carcinogens, can cause genetic mutations, and are potent immunosuppressants. The Phase II Environmental Site Assessment recommends immediate action to decrease exposure from a portion of the site with surface level contamination and development of a mitigation plan for the full site. There are also potential hazards associated with the demolition of the structures themselves, including black mold and asbestos containing materials. A Hazardous Building Material Inventory report is expected by the end of June. While PHA will transfer the site after these issues have been addressed, satisfactory review of the hazard mitigation plan, including the plan for funding, is a recommended condition of funding commitment. Successful completion of the plan is a recommended condition of funding.

The public has an interest in insuring that publicly funded projects purchase the property for no more than the market value. This review is especially important in cases like this one where the seller plays multiple roles in the transaction, where PHA controlled entities are both the seller and the buyer. The PHA proposes to sell the land for the value of the outstanding first mortgage on the existing facility of \$150,000. This is a per unit acquisition cost of \$2,727, borne entirely by the Phase I units. Assuming the land transfers free of hazards, this will be a substantially below market sale. An acceptable appraisal which supports the acquisition price is a standard best practice recommended condition of closing.

## Operating Budget & 20 Year Cashflow Projection

### *Project Income and Market:*

There will be a total of 55 residential units in this mixed income development. Five units will be market rate units, with no income limitation on resident households. Seventeen units will be affordable to residents at 60% AMI (30% of units). Thirty-three units will serve households below 50% AMI (60% of units), and Project Based Vouchers will support 25 of those 30 units.

Rents for the 50% and 60% units (LIHTC without additional operating subsidy) are budgeted at the maximum allowable LIHTC rate for each unit type. The rents for the 5 market rate units are budgeted at voucher payment standards, consistent with PHA/PHDC's policy in all their market rate units. Voucher payment standards are reviewed annually and documented by rent comparison studies. This consistent pricing policy makes it possible to size the TIF with some assurance that the rents won't suddenly rise, resulting in an over-subsidy.

A market study has not been submitted for this development. PHA's management team reports that all market units in their portfolio are current leased, with a waiting list. Review of a satisfactory market study is a standard best practice recommended condition of closing. Portland Housing Authority's experience in the Portland market amply demonstrates the need, and effective demand, for the 50% and 60% affordable units. The waiting list for PHA's East Bayside public housing is currently 1,727 and the occupancy rate is 98%. Portland Housing Authority's full waitlist has 11,721 people on it. The current portfolio wide occupancy rate of stabilized units is 97.04%.

There will only be 6 ADA parking places for the entire three phase development, however, this central location is excellent for car free living, with a near perfect walk score of 97 -- considered "walker's paradise." There are grocery, drug store, and neighborhood commercial with 5-minute walk. Kennedy Park soccer and basketball courts are also 5-minute walk. In addition to some on-site services, PHA

provides more for children in PHA/PHDC properties in the immediate vicinity: Head Start is a 2-minute walk, the Study Center a 4 minute walk. The transit score is 51, evaluated as “good transit.”

### Operating Expense

The per unit operating expense of \$10,328 is high by industry standards. However, this includes all utilities and reflects the full tax bill (\$1,990/unit). The supportive services budget is \$21,818, sufficient for the minimum Maine Housing required staffing and a few supplies (and additional services for children are a short walk away, per above).

Utilities look high at \$2,319 per unit for Passive House construction, but these include larger than standard units and water consumption is a significant driver of cost in PHA/PHDC’s family sized units. Based on a comparison of square footage (electric) and per bedroom (water/sewer) costs with current PHA/PHDC property operations in other Passive House projects, these estimates are reasonable. The maintenance budget of \$1,850 per unit per year is reasonable, especially considering many of these are 3-bedroom family units. Reserve for replacement is budgeted at \$500/unit/year, above Maine Housing standard of \$450. This is an appropriate contribution as this property will sustain substantial wear and tear. Despite the high “list price” per unit, the operating costs considered as a whole are reasonable given the needs of the project.

### 30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

DSCR measures the margin within the operating budget to meet expenses. The critical question for TIF sizing is, “How much margin is “Financially Necessary?” which is the statutory language for TIF approval.

**With TIF as originally requested (75%, 30-year, projected value \$3,027,425):** The cashflow projections show a 1.15 debt service coverage ratio in the first full year of operations. By year 21, the DSCR is a very comfortable 1.47, and continues climbing to 1.62 at the end of year 30. A 75% TIF is not financially necessary for years 21-30.

**With the TIF as recommended (75%, 20-year, projected value \$1,813,210):** The cashflow is 1.15 in year one of operations and identical to the requested TIF until the end of year 20. Then in year 21, cashflow makes a single modest downward adjustment when the TIF ends -- from 1.46 in year 20 to a still high 1.30 in year 21. Thereafter, cashflow again climbs steadily. Even without the TIF, in year 30 the DSCR is 1.41. The 75% 20-year TIF meets the definition of “Financial Necessity” as it provides sufficient operating support to meet the cashflow expectations of the syndicator and the first mortgage lender until property operations sustain a very comfortable margin.

### Developer Financials

Portland Housing Authority has submitted audits for FY 2021, 2022 and 2023. The audits include primary (consolidated) entities, which include PHDC, and also reports on “Discrete Component Units,” projects controlled by PHA but reflected separately in the audit. Their fiscal year ends 6/30.

For PHA (consolidated entities), 2023 was a very strong year operationally. Their audit as of 6/30/23 shows strong financial health, with current assets of \$33.5 million and current liabilities of \$2.8 mill, for a very strong current ratio of 12. The Quick Ratio (cash and cash equivalents divided by current liabilities) is a remarkably healthy 5.4. Net position is quite strong at \$25.8 million, up \$3.5 million over

FY22. PHA FY23 operating revenue was up a remarkable 9.7% while core operating expenses (admin, maintenance, utilities) were held to a 7.1% increase.

“Discrete Component Entities” (Bayside Anchor, 58 Boyd, and Washington Gardens) adds substantial additional net position to the already very strong financial picture. The combined net position of the “Discrete Component Entities” is \$11.7 million, bringing the total combined net position to almost \$37.5 million. In 2023, “Discrete Component Entities” tenant rental income grew by \$433,249 (19% over ’22), while operating expenses grew by \$519,087 (25% over ’22) for the 3 projects included in FY22. That’s not a great trend line, but rental revenue still exceeded operating expense for the component entities.

Managements income/expense reports as of March 31, 2024 (unaudited) suggest this year is acceptable for both PHA and PHDC, with both income and expense below budget. PHA’s net operating income is \$584,501 YTD (prior to cashflow adjustments), and PHDC’s net operating income is \$380,702 (prior to cashflow adjustments).

Overall, PHA has very strong financial health. This developer has the financial capacity to intervene in a development facing unexpected setbacks and/or cost over-runs to keep the development process moving forward. Their financial strength as an organization mitigates the risk of the thin soft cost contingency.

## Recommendations :

The developer must at minimum meet three primary criteria for an AHTIF approval:

1. Community Need: “...site specific AHTIF designations must address an identified community need.”

PHDC proposes to redevelop an underinvested site, deeply renovating and creating a total of 182 units of housing for households at 50-80% AM. Affordable housing is identified as a community need in Portland’s Plan 2030 and the City Council’s 2020 Common Goals

2. Financial Necessity: “The applicant must demonstrate the City’s participation is financially necessary in order for the project to proceed.”

The financial projections demonstrate that a TIF will be necessary for the project to proceed. The TIF functions to support the cashflow of the project and demonstrates a cashflow cushion to the mortgage lender to meet the lender’s underwriting standards, in this case Maine Housing’s requirement of 1.15 DSCR in year 1. A 75% TIF for 20 years comfortably meets the financial need of the project. Relative to a 5% TIF for 30 years, the 20-year TIF reserves for the City’s General Fund over \$1.2 million in tax revenue which the project does not need to meet either the syndicator or Maine Housing’s underwriting standards. While a TIF is demonstrably necessary in the early years of the project, a TIF is not needed after year 20.

3. Financial Capacity: “The applicant must demonstrate financial capacity to support their project.”

PHA and PHDC have demonstrated the financial capacity to support their project through their strong organizational financials (see Developer Financials above) and a letter of interest from their syndicator with good pricing, demonstrating the syndicator's strong positive evaluation of the project.

This is an appropriate redevelopment, making good use of a complex site by a developer with the development experience and financial resources to make the project successful.

I recommend a loan in the amount of no more than \$650,000, with a 30-year term, 3% percent interest, payable out of cashflow with a minimum of 10% of cashflow to the City until the sooner of Deferred Developer Fee loan is retired, or 10 years of operations, whichever is first, then with 25% of cashflow to the City.

I also recommend a 75% TIF for 20 years.

Both loan and TIF recommendations with the following conditions:

- Satisfactory review of hazard remediation plan, including funding plan.

Prior to loan closing, satisfactory review of:

1. Appraisal supporting land price;
2. Market Study;
3. Completion of hazard remediation plan and site stabilization;
4. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

# Development Budget with Permanent Sources

Date 6/19/2024  
 Project Name COMB Phase I  
 Project Address 70 Oxford St  
 Developer/Sponsor PHDC

Total Units 55  
 Total Square Feet 60,504

## 6/19/24 Revision

**Total Per Unit Per Sq Ft**

| <b>Sources of Funds</b>                    |                     |                  |              |
|--------------------------------------------|---------------------|------------------|--------------|
| Permanent Financing - 1st Lien             | \$9,400,000         | \$170,909        | \$155        |
| Permanent Financing - City of Portland     | \$650,000           | \$11,818         | \$11         |
| Equity (LIHTC/tenant contributions)        | \$10,198,980        | \$185,436        | \$169        |
| MH Subsidy                                 | \$1,986,467         | \$36,118         | \$33         |
| AHP Direct Subsidy                         | \$850,000           | \$15,455         | \$14         |
| Earmark BECOMES AHP Subsidized Advance     | \$1,200,000         | \$21,818         | \$20         |
| Brownfields BECOMES Deferred Developer Fee | \$500,000           | \$9,091          | \$8          |
| <b>Total Sources of Funds</b>              | <b>\$24,785,447</b> | <b>\$450,644</b> | <b>\$410</b> |

## Uses of Funds

| <b>Hard Costs</b>                                        |      |                     |                  |
|----------------------------------------------------------|------|---------------------|------------------|
| Site Improvements                                        |      | \$0                 | \$0              |
| Rehabilitation                                           |      | \$0                 | \$0              |
| New Construction                                         |      | \$15,562,259        | \$282,950        |
| Contractor's Profit, Overhead, & Gen. Requirements       | 9.8% | \$1,691,640         | \$30,757         |
| Hazardous Materials abatement (if contracted separately) |      | \$0                 | \$0              |
| Demolition Cost (if contracted separately)               |      | \$0                 | \$0              |
| Bond Premium                                             |      | \$294,967           | \$5,363          |
| Other:                                                   |      | \$0                 | \$0              |
| Hard Cost Contingency (% of hard costs)                  | 7.8% | \$1,435,347         | \$26,097         |
| <b>Total Hard Costs</b>                                  |      | <b>\$18,984,213</b> | <b>\$345,168</b> |

8.179%

## **Soft Costs**



|                                                            |      |                    |                 |             |
|------------------------------------------------------------|------|--------------------|-----------------|-------------|
| Building Permit & Fees                                     |      | \$245,000          | \$4,455         | \$4         |
| Survey & Engineering                                       |      | \$178,000          | \$3,236         | \$3         |
| Design & Permitting (% of const exp)                       | 5.7% | \$825,000          | \$15,000        | \$14        |
| Borrower Legal (all closings, excluding syndication legal) |      | \$100,000          | \$1,818         | \$2         |
| Title & Recording                                          |      | \$35,000           | \$636           | \$1         |
| Accounting                                                 |      | \$10,000           | \$182           | \$0         |
| Construction Period Taxes                                  |      | \$7,000            | \$127           | \$0         |
| Construction Period Insurance                              |      | \$175,000          | \$3,182         | \$3         |
| Other: FF&E, Security                                      |      | \$170,000          | \$3,091         | \$3         |
| Other                                                      |      |                    | \$0             | \$0         |
| <b>Total Soft Costs</b>                                    |      | <b>\$1,745,000</b> | <b>\$31,727</b> | <b>\$29</b> |

|                                    |  |                    |                 |             |
|------------------------------------|--|--------------------|-----------------|-------------|
| <b>Financing Costs</b>             |  |                    |                 |             |
| Construction Loan Origination Fees |  | \$20,000           | \$364           | \$0         |
| Construction Period Interest       |  | \$1,200,000        | \$21,818        | \$20        |
| Lender Inspection Fees             |  | \$16,000           | \$291           | \$0         |
| Letter of Credit Fee               |  |                    | \$0             | \$0         |
| Permanent Loan Fee                 |  | \$176,500          | \$3,209         | \$3         |
| Construction Lender Legal          |  |                    | \$0             | \$0         |
| Other                              |  |                    | \$0             | \$0         |
| <b>Total Financing Costs</b>       |  | <b>\$1,412,500</b> | <b>\$25,682</b> | <b>\$23</b> |

|                                                      |       |                  |                |             |
|------------------------------------------------------|-------|------------------|----------------|-------------|
| <b>Miscellaneous</b>                                 |       |                  |                |             |
| Market Survey                                        |       | \$5,000          | \$91           | \$0         |
| Appraisal                                            |       | \$8,000          | \$145          | \$0         |
| Environmental Study                                  |       | \$35,000         | \$636          | \$1         |
| LIHTC Fees -- prepaid monitoring                     |       | \$144,500        | \$2,627        | \$2         |
| Other: Commissioning                                 |       |                  | \$0            | \$0         |
| Relocation Costs                                     |       | \$30,000         | \$545          | \$0         |
| Other                                                |       | \$10,000         | \$182          | \$0         |
| Soft Cost Contingency (% of soft costs excl Dev Fee) | 0.93% | \$50,000         | \$909          | \$1         |
| <b>Total Miscellaneous:</b>                          |       | <b>\$282,500</b> | <b>\$5,136</b> | <b>\$28</b> |

|                          |  |                  |                |            |
|--------------------------|--|------------------|----------------|------------|
| <b>Acquisition</b>       |  |                  |                |            |
| Acquisition: Buildings   |  |                  | \$0            | \$0        |
| Acquisition: Land        |  |                  | \$0            | \$0        |
| Acquisition: Legal       |  |                  | \$0            | \$0        |
| Other                    |  | \$150,000        | \$2,727        | \$2        |
| <b>Total Acquisition</b> |  | <b>\$150,000</b> | <b>\$2,727</b> | <b>\$2</b> |

| <b>Reserves and Developer Fee</b>       |                    |                 |             |
|-----------------------------------------|--------------------|-----------------|-------------|
| Operating Deficit Escrow                | \$580,678          | \$10,558        | \$10        |
| Prefunded Replacement Reserve           | \$179,805          | \$3,269         | \$3         |
| Taxes & Insurance Escrow                | \$126,751          | \$2,305         | \$2         |
| Developer Overhead                      | \$1,250,000        | \$22,727        | \$21        |
| Developer Profit                        |                    | \$0             | \$0         |
| Rent Up Reserve & Marketing             | \$50,000           | \$909           | \$1         |
| Other                                   |                    | \$0             | \$0         |
| <b>Total Reserves and Developer Fee</b> | <b>\$2,187,234</b> | <b>\$39,768</b> | <b>\$36</b> |

|                            |                     |                  |              |
|----------------------------|---------------------|------------------|--------------|
| <b>Total Uses of Funds</b> | <b>\$24,761,447</b> | <b>\$450,208</b> | <b>\$433</b> |
|----------------------------|---------------------|------------------|--------------|

Developer Fee Analysis: Total Fees: \$1,250,000  
(excluding reserves & developer fee) Percent of TDC: 5.54%

# Project Operating Pro Forma

|                   |                    |
|-------------------|--------------------|
| Date              | June 21, 2024      |
| Project Name      | COMB Block Phase I |
| Project Address   | 70 Oxford          |
| Developer/Sponsor | PHDC               |

## Rental Income

### Maximum LIHTC Rents

| Unit Type | Number of Units | Per Unit Sq Ft | Total Sq Ft | Restriction on % Median Inc. | Per Unit Monthly Gross Rent | Utility Deductions | Rent Subsidy | Per Unit Monthly Net Rent | Per Unit Net Rent Per Sq Ft | Total Monthly Net Income | Total Annual Net Rent |
|-----------|-----------------|----------------|-------------|------------------------------|-----------------------------|--------------------|--------------|---------------------------|-----------------------------|--------------------------|-----------------------|
| 0 BR      | 5               |                | 0           | 50%                          | \$1,115                     | \$0                |              | \$1,115                   | #DIV/0!                     | \$5,575                  | \$66,900              |
| 1 BR      | 3               |                | 0           | 50%                          | \$1,195                     | \$0                |              | \$1,195                   | #DIV/0!                     | \$3,585                  | \$43,020              |
| 1 BR      | 10              |                | 0           | 60%                          | \$1,434                     | \$0                |              | \$1,434                   | #DIV/0!                     | \$14,340                 | \$172,080             |
| 1 BR      | 2               |                | 0           | market                       | \$1,663                     | \$0                |              | \$1,663                   | #DIV/0!                     | \$3,326                  | \$39,912              |
| 2 BR      | 0               |                | 0           | 50%                          | \$1,434                     | \$0                |              | \$1,434                   | #DIV/0!                     | \$0                      | \$0                   |
| 2 BR      | 10              | PBV            | 0           | 50%                          | \$2,140                     | \$0                |              | \$2,140                   | #VALUE!                     | \$21,400                 | \$256,800             |
| 2 BR      | 3               |                | 0           | 60%                          | \$1,721                     | \$0                |              | \$1,721                   | #DIV/0!                     | \$5,163                  | \$61,956              |
| 2 BR      | 3               |                | 0           | market                       | \$2,140                     | \$0                |              | \$2,140                   | #DIV/0!                     | \$6,420                  | \$77,040              |
| 3 BR      | 15              | PBV            | 0           | 50%                          | \$2,659                     | \$0                |              | \$2,659                   | #VALUE!                     | \$39,885                 | \$478,620             |
| 3 BR      | 4               |                | 0           | 60%                          | \$1,989                     | \$0                |              | \$1,989                   | #DIV/0!                     | \$7,956                  | \$95,472              |
| Total:    | 55              |                | 0           |                              |                             |                    |              |                           |                             | \$107,650                | \$1,291,800           |

\$0

## Operating Expenses

|                        |      |
|------------------------|------|
| Rent Increase Rate     | 2.0% |
| Expenses Increase Rate | 3.0% |

**TIF As Recommended:** year 1 75% year 11 75% year 21 0%  
**Note: Year 1 is the first full year of stabilized operations**

|                                 | Year 1             | Year 1/Unit     | Year 2             | Year 3             | Year 4             | Year 5             | Year 6             | Year 7             | Year 8             | Year 9             | Year 10            |
|---------------------------------|--------------------|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                   |                    |                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sch. Gross Income - Residential | \$1,291,800        | \$23,487        | \$1,317,636        | \$1,343,989        | \$1,370,868        | \$1,398,286        | \$1,426,252        | \$1,454,777        | \$1,483,872        | \$1,513,550        | \$1,543,821        |
| Vacancy Loss 5.0%               | (\$64,590)         | (\$1,174)       | (\$65,882)         | (\$67,199)         | (\$68,543)         | (\$69,914)         | (\$71,313)         | (\$72,739)         | (\$74,194)         | (\$75,677)         | (\$77,191)         |
| Other income (laundry)          | \$3,040            | \$55            | \$3,101            | \$3,163            | \$3,226            | \$3,291            | \$3,356            | \$3,424            | \$3,492            | \$3,562            | \$3,633            |
| TIF (inflated at 2%) 75%        | \$74,626           | \$1,357         | \$76,118           | \$77,641           | \$79,193           | \$80,777           | \$82,393           | \$84,041           | \$85,722           | \$87,436           | \$89,185           |
| <b>Effective Gross Income</b>   | <b>\$1,304,876</b> | <b>\$23,725</b> | <b>\$1,330,973</b> | <b>\$1,357,593</b> | <b>\$1,384,745</b> | <b>\$1,412,439</b> | <b>\$1,440,688</b> | <b>\$1,469,502</b> | <b>\$1,498,892</b> | <b>\$1,528,870</b> | <b>\$1,559,447</b> |

|                         |          |         |          |          |          |          |          |          |          |          |          |
|-------------------------|----------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Administrative</b>   |          |         |          |          |          |          |          |          |          |          |          |
| Management Fee 4.5%     | \$58,500 | \$1,064 | \$60,255 | \$62,063 | \$63,925 | \$65,842 | \$67,818 | \$69,852 | \$71,948 | \$74,106 | \$76,329 |
| Management Charges 4.5% | \$58,500 | \$1,064 | \$60,255 | \$62,063 | \$63,925 | \$65,842 | \$67,818 | \$69,852 | \$71,948 | \$74,106 | \$76,329 |
| Marketing Expense       | \$500    | \$9     | \$515    | \$530    | \$546    | \$563    | \$580    | \$597    | \$615    | \$633    | \$652    |
| Legal                   | \$1,000  | \$18    | \$1,030  | \$1,061  | \$1,093  | \$1,126  | \$1,159  | \$1,194  | \$1,230  | \$1,267  | \$1,305  |
| Audit & Accounting      | \$7,500  | \$136   | \$7,725  | \$7,957  | \$8,195  | \$8,441  | \$8,695  | \$8,955  | \$9,224  | \$9,501  | \$9,786  |

|                                                            |                  |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Admin Other                                                | \$1,565          | \$28               | \$1,612          | \$1,660          | \$1,710          | \$1,761          | \$1,814          | \$1,869          | \$1,925          | \$1,982          | \$2,042          |
| Total Administrative                                       | \$127,565        | \$2,319            | \$131,392        | \$135,334        | \$139,394        | \$143,576        | \$147,883        | \$152,319        | \$156,889        | \$161,596        | \$166,443        |
| <b>Supportive Services</b>                                 | \$21,818         | \$397              | \$22,473         | \$23,147         | \$23,841         | \$24,556         | \$25,293         | \$26,052         | \$26,833         | \$27,638         | \$28,468         |
| <b>Utilities</b>                                           |                  |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil                                                   | \$11,000         | \$200              | \$11,330         | \$11,670         | \$12,020         | \$12,381         | \$12,752         | \$13,135         | \$13,529         | \$13,934         | \$14,353         |
| Natural Gas                                                | \$0              | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Electric                                                   | \$66,000         | \$1,200            | \$67,980         | \$70,019         | \$72,120         | \$74,284         | \$76,512         | \$78,807         | \$81,172         | \$83,607         | \$86,115         |
| Water / Sewer                                              | \$41,420         | \$753              | \$42,663         | \$43,942         | \$45,261         | \$46,619         | \$48,017         | \$49,458         | \$50,941         | \$52,470         | \$54,044         |
| Other                                                      | \$5,500          | \$100              | \$5,665          | \$5,835          | \$6,010          | \$6,190          | \$6,376          | \$6,567          | \$6,764          | \$6,967          | \$7,176          |
| Total Utilities                                            | \$123,920        | \$2,253            | \$127,638        | \$131,467        | \$135,411        | \$139,473        | \$143,657        | \$147,967        | \$152,406        | \$156,978        | \$161,687        |
| Total incl Utilitiy Allowance                              |                  |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Maintenance</b>                                         | <b>Year 1</b>    | <b>Year 1/Unit</b> | <b>Year 2</b>    | <b>Year 3</b>    | <b>Year 4</b>    | <b>Year 5</b>    | <b>Year 6</b>    | <b>Year 7</b>    | <b>Year 8</b>    | <b>Year 9</b>    | <b>Year 10</b>   |
| Grounds                                                    | \$8,000          | \$145              | \$8,240          | \$8,487          | \$8,742          | \$9,004          | \$9,274          | \$9,552          | \$9,839          | \$10,134         | \$10,438         |
| Janitorial                                                 | \$12,000         | \$218              | \$12,360         | \$12,731         | \$13,113         | \$13,506         | \$13,911         | \$14,329         | \$14,758         | \$15,201         | \$15,657         |
| Trash Removal                                              | \$13,500         | \$245              | \$13,905         | \$14,322         | \$14,752         | \$15,194         | \$15,650         | \$16,120         | \$16,603         | \$17,101         | \$17,614         |
| Security                                                   |                  | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Equipment & Supplies                                       | \$5,000          | \$91               | \$5,150          | \$5,305          | \$5,464          | \$5,628          | \$5,796          | \$5,970          | \$6,149          | \$6,334          | \$6,524          |
| Maintenance                                                | \$40,000         | \$727              | \$41,200         | \$42,436         | \$43,709         | \$45,020         | \$46,371         | \$47,762         | \$49,195         | \$50,671         | \$52,191         |
| Maintenance Contracts                                      | \$23,250         | \$423              | \$23,948         | \$24,666         | \$25,406         | \$26,168         | \$26,953         | \$27,762         | \$28,595         | \$29,452         | \$30,336         |
| Other                                                      |                  | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Maintenance                                          | \$101,750        | \$1,850            | \$104,803        | \$107,947        | \$111,185        | \$114,521        | \$117,956        | \$121,495        | \$125,140        | \$128,894        | \$132,761        |
| <b>Taxes &amp; Insurance</b>                               |                  |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes 2%                                       | \$99,501         | \$1,809            | \$101,491        | \$103,521        | \$105,591        | \$107,703        | \$109,857        | \$112,054        | \$114,295        | \$116,581        | \$118,913        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |                  | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            | \$66,000         | \$1,200            | \$67,980         | \$70,019         | \$72,120         | \$74,284         | \$76,512         | \$78,807         | \$81,172         | \$83,607         | \$86,115         |
| Other                                                      |                  | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Total Taxes & Insurance                                    | \$165,501        | \$3,009            | \$169,471        | \$173,540        | \$177,711        | \$181,987        | \$186,369        | \$190,862        | \$195,467        | \$200,188        | \$205,028        |
| <b>Replacement Reserves</b>                                | \$27,500         | \$500              | \$28,325         | \$29,175         | \$30,050         | \$30,951         | \$31,880         | \$32,836         | \$33,822         | \$34,836         | \$35,881         |
| <b>Operating Reserves</b>                                  |                  | \$0                | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Expenses</b>                                      | <b>\$568,054</b> | <b>\$10,328</b>    | <b>\$584,101</b> | <b>\$600,609</b> | <b>\$617,592</b> | <b>\$635,064</b> | <b>\$653,038</b> | <b>\$671,531</b> | <b>\$690,556</b> | <b>\$710,130</b> | <b>\$730,268</b> |
|                                                            |                  | \$8,519            |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Net Operating Income</b>                                | <b>\$736,822</b> | <b>\$13,397</b>    | <b>\$746,873</b> | <b>\$756,984</b> | <b>\$767,153</b> | <b>\$777,376</b> | <b>\$787,650</b> | <b>\$797,971</b> | <b>\$808,336</b> | <b>\$818,740</b> | <b>\$829,179</b> |
| <b>Debt Service</b>                                        |                  |                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Maine Housing Interest Bearing                             | \$564,000        | \$10,255           | \$564,000        | \$564,000        | \$564,000        | \$564,000        | \$564,000        | \$564,000        | \$564,000        | \$564,000        | \$564,000        |
| Second Lien                                                | \$77,302         | \$1,405            | \$77,302         | \$77,302         | \$77,302         | \$77,302         | \$77,302         | \$77,302         | \$77,302         | \$77,302         | \$77,302         |
| Other                                                      |                  | \$0                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total Debt Service (Must Pay)                              | \$641,302        | \$11,660           | \$641,302        | \$641,302        | \$641,302        | \$641,302        | \$641,302        | \$641,302        | \$641,302        | \$641,302        | \$641,302        |
| Cash Flow (after Must Pay Debt)                            | \$95,520         | \$1,737            | \$105,571        | \$115,682        | \$125,851        | \$136,074        | \$146,348        | \$156,669        | \$167,034        | \$177,438        | \$187,877        |
| <b>Debt Service Coverage Ratio</b>                         | <b>1.15</b>      |                    | <b>1.16</b>      | <b>1.18</b>      | <b>1.20</b>      | <b>1.21</b>      | <b>1.23</b>      | <b>1.24</b>      | <b>1.26</b>      | <b>1.28</b>      | <b>1.29</b>      |

|                                      |       |                 |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--------------------------------------|-------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Cash Flow Debt Payments</b>       |       | \$650,000       |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| City of Portland                     | 10.0% | \$9,552         | \$174        | \$10,557        | \$11,568        | \$12,585        | \$13,607        | \$14,635        | \$15,667        | \$16,703        | \$17,744        | \$18,788        |
| Developer Fee Loan                   | 40.0% | \$38,208        | \$695        | \$42,228        | \$46,273        | \$50,340        | \$54,430        | \$58,539        | \$62,668        | \$66,813        | \$70,975        | \$75,151        |
| <b>Cash Flow Retained by Project</b> |       | <b>\$47,760</b> | <b>\$868</b> | <b>\$52,785</b> | <b>\$57,841</b> | <b>\$62,925</b> | <b>\$68,037</b> | <b>\$73,174</b> | <b>\$78,334</b> | <b>\$83,517</b> | <b>\$88,719</b> | <b>\$93,939</b> |

Retained Cash Flow % 8%

|                    |    |         |    |         |  |            |           |           |           |           |           |           |           |            |
|--------------------|----|---------|----|---------|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Remaining Balance  |    |         |    |         |  |            |           |           |           |           |           |           |           |            |
| City of Portland:  | \$ | 650,000 | \$ | 640,448 |  | \$629,891  | \$618,323 | \$605,738 | \$592,130 | \$577,496 | \$561,829 | \$545,125 | \$527,381 | \$508,594  |
| Developer Fee Loan | \$ | 500,000 | \$ | 461,792 |  | \$ 419,564 | \$373,291 | \$322,951 | \$268,521 | \$209,982 | \$147,314 | \$80,501  | \$9,526   | (\$65,625) |



|                                                            |      | <u>Year 11</u>     | <u>Year 12</u>     | <u>Year 13</u>     | <u>Year 14</u>     | <u>Year 15</u>     | <u>Year 16</u>     | <u>Year 17</u>     | <u>Year 18</u>     | <u>Year 19</u>     | <u>Year 20</u>     |
|------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                                              |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sch. Gross Income - Residential                            |      | \$1,574,697        | \$1,606,191        | \$1,638,315        | \$1,671,081        | \$1,704,503        | \$1,738,593        | \$1,773,365        | \$1,808,832        | \$1,845,009        | \$1,881,909        |
| Vacancy Loss                                               | 5.0% | (\$78,735)         | (\$80,310)         | (\$81,916)         | (\$83,554)         | (\$85,225)         | (\$86,930)         | (\$88,668)         | (\$90,442)         | (\$92,250)         | (\$94,095)         |
| Other income (laundry)                                     |      | \$3,706            | \$3,780            | \$3,855            | \$3,933            | \$4,011            | \$4,091            | \$4,173            | \$4,257            | \$4,342            | \$4,429            |
| TIF                                                        | 75%  | \$90,968           | \$92,788           | \$94,643           | \$96,536           | \$98,467           | \$100,436          | \$102,445          | \$104,494          | \$106,584          | \$108,716          |
| <b>Effective Gross Income</b>                              |      | <b>\$1,590,636</b> | <b>\$1,622,449</b> | <b>\$1,654,898</b> | <b>\$1,687,996</b> | <b>\$1,721,756</b> | <b>\$1,756,191</b> | <b>\$1,791,315</b> | <b>\$1,827,141</b> | <b>\$1,863,684</b> | <b>\$1,900,958</b> |
| <b>Administrative</b>                                      |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Management Fee                                             |      | \$78,619           | \$80,978           | \$83,407           | \$85,909           | \$88,486           | \$91,141           | \$93,875           | \$96,692           | \$99,592           | \$102,580          |
| Management Charges                                         |      | \$78,619           | \$80,978           | \$83,407           | \$85,909           | \$88,486           | \$91,141           | \$93,875           | \$96,692           | \$99,592           | \$102,580          |
| Marketing Expense                                          |      | \$672              | \$692              | \$713              | \$734              | \$756              | \$779              | \$802              | \$826              | \$851              | \$877              |
| Legal                                                      |      | \$1,344            | \$1,384            | \$1,426            | \$1,469            | \$1,513            | \$1,558            | \$1,605            | \$1,653            | \$1,702            | \$1,754            |
| Audit & Accounting                                         |      | \$10,079           | \$10,382           | \$10,693           | \$11,014           | \$11,344           | \$11,685           | \$12,035           | \$12,396           | \$12,768           | \$13,151           |
| Admin Other                                                |      | \$2,103            | \$2,166            | \$2,231            | \$2,298            | \$2,367            | \$2,438            | \$2,511            | \$2,587            | \$2,664            | \$2,744            |
| <b>Total Administrative</b>                                |      | <b>\$171,437</b>   | <b>\$176,580</b>   | <b>\$181,877</b>   | <b>\$187,334</b>   | <b>\$192,954</b>   | <b>\$198,742</b>   | <b>\$204,704</b>   | <b>\$210,846</b>   | <b>\$217,171</b>   | <b>\$223,686</b>   |
| <b>Supportive Services</b>                                 |      | <b>\$29,322</b>    | <b>\$30,201</b>    | <b>\$31,107</b>    | <b>\$32,040</b>    | <b>\$33,002</b>    | <b>\$33,992</b>    | <b>\$35,011</b>    | <b>\$36,062</b>    | <b>\$37,144</b>    | <b>\$38,258</b>    |
| <b>Utilities</b>                                           |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fuel Oil                                                   |      | \$14,783           | \$15,227           | \$15,683           | \$16,154           | \$16,638           | \$17,138           | \$17,652           | \$18,181           | \$18,727           | \$19,289           |
| Electric                                                   |      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Gas                                                        |      | \$88,698           | \$91,359           | \$94,100           | \$96,923           | \$99,831           | \$102,826          | \$105,911          | \$109,088          | \$112,361          | \$115,731          |
| Water / Sewer                                              |      | \$55,665           | \$57,335           | \$59,055           | \$60,827           | \$62,651           | \$64,531           | \$66,467           | \$68,461           | \$70,515           | \$72,630           |
| Other                                                      |      | \$7,392            | \$7,613            | \$7,842            | \$8,077            | \$8,319            | \$8,569            | \$8,826            | \$9,091            | \$9,363            | \$9,644            |
| <b>Total Utilities</b>                                     |      | <b>\$166,538</b>   | <b>\$171,534</b>   | <b>\$176,680</b>   | <b>\$181,981</b>   | <b>\$187,440</b>   | <b>\$193,063</b>   | <b>\$198,855</b>   | <b>\$204,821</b>   | <b>\$210,966</b>   | <b>\$217,294</b>   |
| <b>Maintenance</b>                                         |      | <u>Year 11</u>     | <u>Year 12</u>     | <u>Year 13</u>     | <u>Year 14</u>     | <u>Year 15</u>     | <u>Year 16</u>     | <u>Year 17</u>     | <u>Year 18</u>     | <u>Year 19</u>     | <u>Year 20</u>     |
| Janitorial                                                 |      | \$10,751           | \$11,074           | \$11,406           | \$11,748           | \$12,101           | \$12,464           | \$12,838           | \$13,223           | \$13,619           | \$14,028           |
| Exterminating                                              |      | \$16,127           | \$16,611           | \$17,109           | \$17,622           | \$18,151           | \$18,696           | \$19,256           | \$19,834           | \$20,429           | \$21,042           |
| Trash Removal                                              |      | \$18,143           | \$18,687           | \$19,248           | \$19,825           | \$20,420           | \$21,033           | \$21,664           | \$22,313           | \$22,983           | \$23,672           |
| Security                                                   |      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Grounds                                                    |      | \$6,720            | \$6,921            | \$7,129            | \$7,343            | \$7,563            | \$7,790            | \$8,024            | \$8,264            | \$8,512            | \$8,768            |
| Maintenance                                                |      | \$53,757           | \$55,369           | \$57,030           | \$58,741           | \$60,504           | \$62,319           | \$64,188           | \$66,114           | \$68,097           | \$70,140           |
| Elevator, HVAC, pool contracts                             |      | \$31,246           | \$32,183           | \$33,149           | \$34,143           | \$35,168           | \$36,223           | \$37,309           | \$38,429           | \$39,582           | \$40,769           |
| Other                                                      |      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Total Maintenance</b>                                   |      | <b>\$136,743</b>   | <b>\$140,846</b>   | <b>\$145,071</b>   | <b>\$149,423</b>   | <b>\$153,906</b>   | <b>\$158,523</b>   | <b>\$163,279</b>   | <b>\$168,177</b>   | <b>\$173,223</b>   | <b>\$178,419</b>   |
| <b>Taxes &amp; Insurance</b>                               |      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Real Estate Taxes or PILOT                                 |      | \$121,291          | \$123,717          | \$126,191          | \$128,715          | \$131,289          | \$133,915          | \$136,594          | \$139,325          | \$142,112          | \$144,954          |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. |      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Insurance (property, liability)                            |      | \$88,698           | \$91,359           | \$94,100           | \$96,923           | \$99,831           | \$102,826          | \$105,911          | \$109,088          | \$112,361          | \$115,731          |
| Other                                                      |      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Total Taxes &amp; Insurance</b>                         |      | <b>\$209,990</b>   | <b>\$215,076</b>   | <b>\$220,292</b>   | <b>\$225,638</b>   | <b>\$231,120</b>   | <b>\$236,741</b>   | <b>\$242,504</b>   | <b>\$248,413</b>   | <b>\$254,473</b>   | <b>\$260,686</b>   |

|                      |          |          |          |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$36,958 | \$38,066 | \$39,208 | \$40,385 | \$41,596 | \$42,844 | \$44,129 | \$45,453 | \$46,817 | \$48,221 |
| Operating Reserves   | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |

|                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Expenses</b> | <b>\$750,987</b> | <b>\$772,304</b> | <b>\$794,236</b> | <b>\$816,801</b> | <b>\$840,018</b> | <b>\$863,906</b> | <b>\$888,484</b> | <b>\$913,772</b> | <b>\$939,792</b> | <b>\$966,565</b> |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Net Operating Income</b> | <b>\$839,649</b> | <b>\$850,145</b> | <b>\$860,662</b> | <b>\$871,195</b> | <b>\$881,738</b> | <b>\$892,285</b> | <b>\$902,831</b> | <b>\$913,369</b> | <b>\$923,892</b> | <b>\$934,393</b> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

|                                |           |           |           |           |           |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Debt Service</b>            |           |           |           |           |           |           |           |           |           |           |
| Maine Housing Interest Bearing | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 | \$564,000 |
| Second Lien                    | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  | \$77,302  |
| Other                          |           |           |           |           |           |           |           |           |           |           |
| Total Debt Service (Must Pay)  | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 | \$641,302 |

|                                    |             |             |             |             |             |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt)    | \$198,347   | \$208,843   | \$219,360   | \$229,893   | \$240,436   | \$250,983   | \$261,529   | \$272,067   | \$282,590   | \$293,091   |
| <b>Debt Service Coverage Ratio</b> | <b>1.31</b> | <b>1.33</b> | <b>1.34</b> | <b>1.36</b> | <b>1.37</b> | <b>1.39</b> | <b>1.41</b> | <b>1.42</b> | <b>1.44</b> | <b>1.46</b> |

|                                      |       |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------|-------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Cash Flow Debt Payments</b>       |       |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| City of Portland                     | 25.0% | \$49,587         | \$52,211         | \$54,840         | \$57,473         | \$60,109         | \$62,746         | \$65,382         | \$68,017         | \$70,647         |
| Developer Fee Loan                   | 0.0%  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Cash Flow Retained by Project</b> |       | <b>\$148,760</b> | <b>\$156,632</b> | <b>\$164,520</b> | <b>\$172,420</b> | <b>\$180,327</b> | <b>\$188,238</b> | <b>\$196,147</b> | <b>\$204,050</b> | <b>\$211,942</b> |
| Retained Cash Flow %                 | 8%    |                  |                  |                  |                  |                  |                  |                  |                  |                  |

\$459,007      \$406,796      \$351,956      \$294,483      \$234,374      \$171,628      \$106,246      \$38,229      (\$32,418)

|                                 | <u>Year 21</u>     | <u>Year 22</u>     | <u>Year 23</u>     | <u>Year 24</u>     | <u>Year 25</u>     | <u>Year 26</u>     | <u>Year 27</u>     | <u>Year 28</u>     | <u>Year 29</u>     | <u>Year 30</u>     |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sch. Gross Income - Residential | \$1,919,547        | \$1,957,938        | \$1,997,097        | \$2,037,038        | \$2,077,779        | \$2,119,335        | \$2,161,722        | \$2,204,956        | \$2,249,055        | \$2,294,036        |
| Vacancy Loss                    | (\$95,977)         | (\$97,897)         | (\$99,855)         | (\$101,852)        | (\$103,889)        | (\$105,967)        | (\$108,086)        | (\$110,248)        | (\$112,453)        | (\$114,702)        |
| Other income (laundry)          | \$4,517            | \$4,608            | \$4,700            | \$4,794            | \$4,890            | \$4,987            | \$5,087            | \$5,189            | \$5,293            | \$5,399            |
| TIF 0%                          | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Effective Gross Income</b>   | <b>\$1,828,087</b> | <b>\$1,864,649</b> | <b>\$1,901,941</b> | <b>\$1,939,980</b> | <b>\$1,978,780</b> | <b>\$2,018,356</b> | <b>\$2,058,723</b> | <b>\$2,099,897</b> | <b>\$2,141,895</b> | <b>\$2,184,733</b> |

|                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Administrative</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Management Fee              | \$105,658        | \$108,827        | \$112,092        | \$115,455        | \$118,918        | \$122,486        | \$126,161        | \$129,945        | \$133,844        | \$137,859        |
| Management Charges          | \$105,658        | \$108,827        | \$112,092        | \$115,455        | \$118,918        | \$122,486        | \$126,161        | \$129,945        | \$133,844        | \$137,859        |
| Marketing Expense           | \$903            | \$930            | \$958            | \$987            | \$1,016          | \$1,047          | \$1,078          | \$1,111          | \$1,144          | \$1,178          |
| Legal                       | \$1,806          | \$1,860          | \$1,916          | \$1,974          | \$2,033          | \$2,094          | \$2,157          | \$2,221          | \$2,288          | \$2,357          |
| Audit & Accounting          | \$13,546         | \$13,952         | \$14,371         | \$14,802         | \$15,246         | \$15,703         | \$16,174         | \$16,660         | \$17,159         | \$17,674         |
| Admin Other                 | \$2,827          | \$2,911          | \$2,999          | \$3,089          | \$3,181          | \$3,277          | \$3,375          | \$3,476          | \$3,581          | \$3,688          |
| <b>Total Administrative</b> | <b>\$230,397</b> | <b>\$237,308</b> | <b>\$244,428</b> | <b>\$251,761</b> | <b>\$259,313</b> | <b>\$267,093</b> | <b>\$275,106</b> | <b>\$283,359</b> | <b>\$291,859</b> | <b>\$300,615</b> |

|                            |          |          |          |          |          |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Supportive Services</b> | \$39,406 | \$40,588 | \$41,806 | \$43,060 | \$44,352 | \$45,682 | \$47,053 | \$48,464 | \$49,918 | \$51,416 |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|

|                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Utilities</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Fuel Oil               | \$19,867         | \$20,463         | \$21,077         | \$21,709         | \$22,361         | \$23,032         | \$23,723         | \$24,434         | \$25,167         | \$25,922         |
| Electric               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Gas                    | \$119,203        | \$122,779        | \$126,463        | \$130,257        | \$134,164        | \$138,189        | \$142,335        | \$146,605        | \$151,003        | \$155,533        |
| Water / Sewer          | \$74,809         | \$77,053         | \$79,365         | \$81,746         | \$84,198         | \$86,724         | \$89,326         | \$92,006         | \$94,766         | \$97,609         |
| Other                  | \$9,934          | \$10,232         | \$10,539         | \$10,855         | \$11,180         | \$11,516         | \$11,861         | \$12,217         | \$12,584         | \$12,961         |
| <b>Total Utilities</b> | <b>\$223,813</b> | <b>\$230,528</b> | <b>\$237,444</b> | <b>\$244,567</b> | <b>\$251,904</b> | <b>\$259,461</b> | <b>\$267,245</b> | <b>\$275,262</b> | <b>\$283,520</b> | <b>\$292,026</b> |

|                                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Maintenance</b>             | <u>Year 21</u>   | <u>Year 22</u>   | <u>Year 23</u>   | <u>Year 24</u>   | <u>Year 25</u>   | <u>Year 26</u>   | <u>Year 27</u>   | <u>Year 28</u>   | <u>Year 29</u>   | <u>Year 30</u>   |
| Janitorial                     | \$14,449         | \$14,882         | \$15,329         | \$15,789         | \$16,262         | \$16,750         | \$17,253         | \$17,770         | \$18,303         | \$18,853         |
| Exterminating                  | \$21,673         | \$22,324         | \$22,993         | \$23,683         | \$24,394         | \$25,125         | \$25,879         | \$26,655         | \$27,455         | \$28,279         |
| Trash Removal                  | \$24,383         | \$25,114         | \$25,867         | \$26,643         | \$27,443         | \$28,266         | \$29,114         | \$29,987         | \$30,887         | \$31,814         |
| Security                       | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Grounds                        | \$9,031          | \$9,301          | \$9,581          | \$9,868          | \$10,164         | \$10,469         | \$10,783         | \$11,106         | \$11,440         | \$11,783         |
| Maintenance                    | \$72,244         | \$74,412         | \$76,644         | \$78,943         | \$81,312         | \$83,751         | \$86,264         | \$88,852         | \$91,517         | \$94,263         |
| Elevator, HVAC, pool contracts | \$41,992         | \$43,252         | \$44,549         | \$45,886         | \$47,262         | \$48,680         | \$50,141         | \$51,645         | \$53,194         | \$54,790         |
| Other                          | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Maintenance</b>       | <b>\$183,772</b> | <b>\$189,285</b> | <b>\$194,964</b> | <b>\$200,812</b> | <b>\$206,837</b> | <b>\$213,042</b> | <b>\$219,433</b> | <b>\$226,016</b> | <b>\$232,797</b> | <b>\$239,781</b> |

|                                                            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Taxes &amp; Insurance</b>                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Taxes or PILOT                                 | \$147,853        | \$150,810        | \$153,827        | \$156,903        | \$160,041        | \$163,242        | \$166,507        | \$169,837        | \$173,234        | \$176,698        |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Insurance (property, liability)                            | \$119,203        | \$122,779        | \$126,463        | \$130,257        | \$134,164        | \$138,189        | \$142,335        | \$146,605        | \$151,003        | \$155,533        |
| Other                                                      | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| <b>Total Taxes &amp; Insurance</b>                         | <b>\$267,057</b> | <b>\$273,590</b> | <b>\$280,289</b> | <b>\$287,160</b> | <b>\$294,206</b> | <b>\$301,431</b> | <b>\$308,842</b> | <b>\$316,442</b> | <b>\$324,237</b> | <b>\$332,232</b> |

|                                      |                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Replacement Reserves                 | \$49,668         | \$51,158           | \$52,693           | \$54,274           | \$55,902           | \$57,579           | \$59,306           | \$61,085           | \$62,918           | \$64,806           |
| Operating Reserves                   | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Total Expenses</b>                | <b>\$994,112</b> | <b>\$1,022,457</b> | <b>\$1,051,623</b> | <b>\$1,081,633</b> | <b>\$1,112,513</b> | <b>\$1,144,288</b> | <b>\$1,176,984</b> | <b>\$1,210,629</b> | <b>\$1,245,249</b> | <b>\$1,280,874</b> |
| <b>Net Operating Income</b>          | <b>\$833,975</b> | <b>\$842,192</b>   | <b>\$850,319</b>   | <b>\$858,347</b>   | <b>\$866,267</b>   | <b>\$874,068</b>   | <b>\$881,739</b>   | <b>\$889,269</b>   | <b>\$896,646</b>   | <b>\$903,859</b>   |
| <b>Debt Service</b>                  |                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Maine Housing Interest Bearing       | \$564,000        | \$564,000          | \$564,000          | \$564,000          | \$564,000          | \$564,000          | \$564,000          | \$564,000          | \$564,000          | \$564,000          |
| Second Lien                          | \$77,302         | \$77,302           | \$77,302           | \$77,302           | \$77,302           | \$77,302           | \$77,302           | \$77,302           | \$77,302           | \$77,302           |
| Other                                |                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Debt Service (Must Pay)        | \$641,302        | \$641,302          | \$641,302          | \$641,302          | \$641,302          | \$641,302          | \$641,302          | \$641,302          | \$641,302          | \$641,302          |
| Cash Flow (after Must Pay Debt)      | \$192,673        | \$200,890          | \$209,017          | \$217,045          | \$224,965          | \$232,766          | \$240,437          | \$247,967          | \$255,344          | \$262,557          |
| <b>Debt Service Coverage Ratio</b>   | <b>1.30</b>      | <b>1.31</b>        | <b>1.33</b>        | <b>1.34</b>        | <b>1.35</b>        | <b>1.36</b>        | <b>1.37</b>        | <b>1.39</b>        | <b>1.40</b>        | <b>1.41</b>        |
| <b>Cash Flow Debt Payments</b>       |                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| City of Portland                     | \$19,267         | \$20,089           | \$20,902           | \$21,705           | \$22,497           | \$23,277           | \$24,044           | \$24,797           | \$25,534           | \$26,256           |
| Developer Fee Loan                   | \$77,069         | \$80,356           | \$83,607           | \$86,818           | \$89,986           | \$93,106           | \$96,175           | \$99,187           | \$102,138          | \$105,023          |
| <b>Cash Flow Retained by Project</b> | <b>\$96,336</b>  | <b>\$100,445</b>   | <b>\$104,508</b>   | <b>\$108,523</b>   | <b>\$112,483</b>   | <b>\$116,383</b>   | <b>\$120,218</b>   | <b>\$123,983</b>   | <b>\$127,672</b>   | <b>\$131,278</b>   |

PROJECT & SITE INFORMATION

Project Name  
Project Address  
City, State, Zip  
Project Type  
Population  
Area Median Income (100%)

| Info                                       |                  |
|--------------------------------------------|------------------|
| COMB Block Phase 1 (55u, 90%LIHTC, 25 PBV) |                  |
| 70 E Oxford Street                         |                  |
| Portland, Maine 04101                      |                  |
|                                            | New Construction |
|                                            | Family           |
|                                            | 127,500          |

CONSTRUCTION SCHEDULE

Construction Duration  
Duration per Quarter

| # Mo.  | # Days   |
|--------|----------|
| 16 mo. | 486 days |
|        | 122 days |

TIMING ASSUMPTIONS

Acq/CLC/Construction Start  
25% Construction Completion  
50% Construction Completion  
75% Construction Completion  
100% Construction Completion  
Qualified Occupancy  
PLC  
Stabilization  
8609  
PIS - First Building  
PIS - Last Building

| # Mo.            | Date    |
|------------------|---------|
|                  | 10/1/25 |
|                  | 2/1/26  |
|                  | 6/1/26  |
|                  | 10/1/26 |
|                  | 2/1/27  |
| 3 mo. after 100% | 5/1/27  |
| 5 mo. after 100% | 7/1/27  |
| 5 mo. after 100% | 7/1/27  |
| 8 mo. after 100% | 10/1/27 |
|                  | 2/1/27  |
|                  | 2/1/27  |

DEVELOPMENT ASSUMPTIONS

Rent Inflation  
Operating Expense Inflation  
Other Income Inflation  
Reserve Deposit Inflation  
Debt Service Coverage Ratio  
Vacancy Rate

LIHTC Units:  
Market Units:

| Yr 1-5 | Yr 6-15     | Yr 16-30 |
|--------|-------------|----------|
| 2.0%   | 2.0%        | 2.0%     |
| 3.0%   | 3.0%        | 3.0%     |
| 2.0%   | 2.0%        | 2.0%     |
| 3.0%   |             |          |
| 1.15   |             |          |
| 5.0%   | PBV Units:  | 5.0%     |
| 5.0%   | Other Inc.: | 5.0%     |

OWNERSHIP ASSUMPTIONS

Share of Ownership  
Cash Flow Split

| LP     | SLP    | GP     |
|--------|--------|--------|
| 99.99% | 0.001% | 0.009% |
| 10.00% | 0.00%  | 90.00% |

ENTITIES

Owner  
Developer  
Seller  
Limited Partner  
Other Partner

| Name  |
|-------|
| Owner |
| PHDC  |
| PHA   |
| LP    |
| Other |

MAINEHOUSING INDEX CAP

New Construction  
Rehabilitation  
N/C & Rehab Blend

| \$/Unit |
|---------|
| 370,000 |
| 340,000 |
| 0       |



| Unit Type           | UNIT INFORMATION |            |            |          |                      | RENTAL INCOME        |                        |                         |                        |                      | OPERATING SUBSIDY INCOME |                        |                        |                                 |
|---------------------|------------------|------------|------------|----------|----------------------|----------------------|------------------------|-------------------------|------------------------|----------------------|--------------------------|------------------------|------------------------|---------------------------------|
|                     | # of BR          | # of Units | LIHTC Unit | PBV Unit | Income Limit (% AMI) | Max Gross LIHTC Rent | Less Utility Allowance | Max Contract LIHTC Rent | Proposed Contract Rent | Annual Rental Income | PBV Rent                 | Monthly PBV Diff. PUPM | Annual PBV Diff. Total | Total Annual Rent. + PBV Income |
|                     |                  |            |            | PBV      |                      |                      |                        |                         |                        |                      |                          |                        |                        |                                 |
| 0BR @ 50% AMI       | 0                | 5          | Y          | N        | 50%                  | 1,115                | 0                      | 1,115                   | 1,115                  | 66,900               | -                        | -                      | -                      | 66,900                          |
| 1BR @ 60% AMI       | 1                | 10         | Y          | N        | 60%                  | 1,434                | 0                      | 1,434                   | 1,434                  | 172,080              | -                        | -                      | -                      | 172,080                         |
| 1BR @ Market        | 1                | 2          | N          | N        |                      | -                    | 0                      | -                       | 1,663                  | 39,912               | -                        | -                      | -                      | 39,912                          |
| 1BR @ 50% AMI       | 1                | 3          | Y          | N        | 50%                  | 1,195                | 0                      | 1,195                   | 1,195                  | 43,020               | -                        | -                      | -                      | 43,020                          |
| 2BR @ 60% AMI       | 2                | 3          | Y          | N        | 60%                  | 1,721                | 0                      | 1,721                   | 1,721                  | 61,956               | -                        | -                      | -                      | 61,956                          |
| 2BR @ 50% AMI - PBV | 2                | 10         | Y          | Y        | 50%                  | 1,434                | 0                      | 1,434                   | 1,434                  | 172,080              | 2,140                    | 706                    | 84,720                 | 256,800                         |
| 2BR @ Market        | 2                | 3          | N          | N        |                      | -                    | 0                      | -                       | 2,140                  | 77,040               | -                        | -                      | -                      | 77,040                          |
| 3BR @ 50% AMI - PBV | 3                | 15         | Y          | Y        | 50%                  | 1,657                | 0                      | 1,657                   | 1,657                  | 298,260              | 2,659                    | 1,002                  | 180,360                | 478,620                         |
| 3BR @ 60% AMI       | 3                | 4          | Y          | N        | 60%                  | 1,989                | 0                      | 1,989                   | 1,989                  | 95,472               | -                        | -                      | -                      | 95,472                          |
| TOTAL               | 109              | 55         | 50         | 25       |                      |                      |                        |                         |                        | 1,026,720            |                          |                        | 265,080                | 1,291,800                       |

| OTHER INCOME       |       |
|--------------------|-------|
| Description        | Yr 1  |
| Laundry            | 3,200 |
|                    |       |
|                    |       |
|                    |       |
| TOTAL OTHER INCOME | 3,200 |

| TAX INCREMENT FINANCING |        |
|-------------------------|--------|
| 75% TIF                 | 74,626 |

| COMMERCIAL INCOME       |      |
|-------------------------|------|
| Description             | Yr 1 |
|                         |      |
|                         |      |
| TOTAL COMMERCIAL INCOME | 0    |

| UNIT INFO |      |             |          |
|-----------|------|-------------|----------|
| BR Size   | U.A. | Mrkt. Study | PBV Rent |
| 0 BR      | 0    | 1,450       | 1,450    |
| 1 BR      | 0    | 1,663       | 1,663    |
| 2 BR      | 0    | 2,140       | 2,140    |
| 3 BR      | 0    | 2,659       | 2,659    |
| 4 BR      | 0    | 0           | 3,016    |
| 5 BR      | 0    | 0           | 3,468    |
| 6 BR      | 0    | 0           | 3,920    |

| UTILITIES   |       |      |
|-------------|-------|------|
| Utility     | Payee | Type |
| Electricity | Owner |      |
| Heat        | Owner |      |
| Hot Water   | Owner |      |
| Cooking     | Owner |      |
| Water/Sewer | Owner |      |
| Trash       | Owner |      |

| EFFECTIVE GROSS INCOME         |           |
|--------------------------------|-----------|
| Description                    | Yr 1      |
| Rental Income: LIHTC Units     | 439,428   |
| Vac. Loss - LIHTC (5.0%)       | (21,971)  |
| Rental Income: PBV Units       | 735,420   |
| Vac. Loss - PBV (5.0%)         | (36,771)  |
| Rental Income: Market Units    | 116,952   |
| Vac. Loss - Market-Rate (5.0%) | (5,848)   |
| Other Income                   | 3,200     |
| Vac. Loss - Other Inc. (5.0%)  | (160)     |
| Tax Increment Financing        | 74,626    |
| Commercial Income              | 0         |
| EFFECTIVE GROSS INCOME         | 1,304,876 |

| SQUARE FOOTAGE AND APPLICABLE FRACTION |       |         |
|----------------------------------------|-------|---------|
| Description                            | Units | Sq. Ft. |
| LIHTC Units                            | 50    | 49,130  |
| Non-LIHTC Units                        | 5     | 5,460   |
| TOTAL UNITS                            | 55    | 54,590  |

|                        |          |           |
|------------------------|----------|-----------|
| Applicable Fraction    | By Units | By Sq.Ft. |
| by Calculation Method: | 91%      | 90%       |

|                     |     |
|---------------------|-----|
| APPLICABLE FRACTION | 90% |
|---------------------|-----|

|                                  |        |
|----------------------------------|--------|
| Residential Units Sq. Ft.        | 54,590 |
| Residential Common Areas Sq. Ft. | 5,914  |
| Commercial Rental Sq. Ft.        |        |
| Other Sq. Ft.                    |        |
| TOTAL PROJECT SQUARE FOOTAGE     | 60,504 |

| Line Item                               | Total          | Per Unit     |
|-----------------------------------------|----------------|--------------|
| <b>ADMINISTRATIVE EXPENSES</b>          |                |              |
| Management Fees                         | 58,500         | 1,064        |
| Management Charges                      | 58,500         | 1,064        |
| Marketing                               | 500            | 9            |
| Legal                                   | 1,000          | 18           |
| Background Checks                       | 500            | 9            |
| Property Postage/Copier                 | 250            | 5            |
| Interpreting                            | 815            | 15           |
| Bank Charges                            | 0              | 0            |
| Rent Comp Study                         | 0              | 0            |
| Software and Maintenance of Computers   | 0              | 0            |
| Auditing                                | 7,500          | 136          |
| Other Admin.                            |                | 0            |
| <b>Subtotal Administrative Expenses</b> | <b>127,565</b> | <b>2,319</b> |

**UTILITY EXPENSES**

|                                              |                |              |
|----------------------------------------------|----------------|--------------|
| Heating Fuel                                 | 11,000         | 200          |
| Electricity                                  | 66,000         | 1,200        |
| Water/Sewer                                  | 41,420         | 753          |
| Property Internet for Tenants (Telemed Wifi) | 5,500          | 100          |
| Other Utility                                | Stormwater     | 0            |
| <b>Subtotal Utility Expenses</b>             | <b>123,920</b> | <b>2,253</b> |

**MAINTENANCE EXPENSES**

|                                      |                |              |
|--------------------------------------|----------------|--------------|
| Janitorial Payroll                   | 8,000          | 145          |
| Janitorial Supplies and Equipment    | 4,000          | 73           |
| Janitorial Contractual Services      | 0              | 0            |
| Garbage and Trash Removal            | 13,500         | 245          |
| Vehicle and Equipment                | 0              | 0            |
| Grounds Maintenance Payroll          | 0              | 0            |
| Grounds Tools and Supplies           | 0              | 0            |
| Grounds Contractual Services         | 8,000          | 145          |
| Miscellaneous Ground Maintenance     | 0              | 0            |
| Building Maintenance Payroll         | 40,000         | 727          |
| Building Tools and Supplies          | 5,000          | 91           |
| Building Contractual Services        | 12,000         | 218          |
| Building Systems Maintenance         | 11,250         | 205          |
| Miscellaneous Building Maintenance   | 0              | 0            |
| Other Maint.                         | 0              | 0            |
| <b>Subtotal Maintenance Expenses</b> | <b>101,750</b> | <b>1,850</b> |

| Line Item                        | Total          | Per Unit     |
|----------------------------------|----------------|--------------|
| <b>GENERAL EXPENSES</b>          |                |              |
| Property Taxes                   | 99,501         | 1,809        |
| Property and Liability Insurance | 66,000         | 1,200        |
| Other Financial Expenses         | 0              | 0            |
| Resident Services                | 21,818         | 397          |
| Other General                    | 0              | 0            |
| <b>Subtotal General Expenses</b> | <b>187,319</b> | <b>3,406</b> |

|                     |                |              |
|---------------------|----------------|--------------|
| <b>HOUSING OPEX</b> | <b>540,554</b> | <b>9,828</b> |
|---------------------|----------------|--------------|

**COMMERCIAL EXPENSES**

|                                     |          |          |
|-------------------------------------|----------|----------|
| Admin Expenses                      |          | 0        |
| Operating Expenses                  |          | 0        |
| Maintenance Expenses                |          | 0        |
| General Expenses                    |          | 0        |
| Other Comm.                         |          | 0        |
| <b>Subtotal Commercial Expenses</b> | <b>0</b> | <b>0</b> |

|                   |                |              |
|-------------------|----------------|--------------|
| <b>TOTAL OPEX</b> | <b>540,554</b> | <b>9,828</b> |
|-------------------|----------------|--------------|

**RESERVE CONTRIBUTIONS**

|                     |        |     |
|---------------------|--------|-----|
| Replacement Reserve | 27,500 | 500 |
| Other Reserve       | 0      |     |

|                              |                |               |
|------------------------------|----------------|---------------|
| <b>TOTAL OPEX + RESERVES</b> | <b>568,054</b> | <b>10,328</b> |
|------------------------------|----------------|---------------|

|                                    |            |          | LIHTC Basis |           |             | T-E Bonds  | HTC Basis  |           |           |
|------------------------------------|------------|----------|-------------|-----------|-------------|------------|------------|-----------|-----------|
| Line Item                          | Total      | Per Unit | NC/R Basis  | Acq Basis | Non-Deprec. | 50% Test   | QRE        | Non-QRE   | Allocable |
| CONSTRUCTION COSTS                 |            |          |             |           |             |            |            |           |           |
| Off-Site Improvements              | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Site Improvements                  | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Construction: Residential          | 15,562,259 | 282,950  | 15,562,259  | 0         | 0           | 15,562,259 | 14,006,033 | 1,556,226 | 0         |
| Construction: Commercial           | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Demolition                         | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| General Requirements (5.84%)       | 1,135,850  | 20,652   | 1,135,850   | 0         | 0           | 1,135,850  | 1,135,850  | 0         | 0         |
| P&P Bond Premium                   | 294,967    | 5,363    | 294,967     | 0         | 0           | 294,967    | 294,967    | 0         | 0         |
| Builder Overhead                   | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Builder Profit (3%)                | 555,790    | 10,105   | 555,790     | 0         | 0           | 555,790    | 555,790    | 0         | 0         |
| Solar PV Array                     | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Other: Estimating Contingency (5%) | 1,022,085  | 18,583   | 1,022,085   | 0         | 0           | 1,022,085  | 1,022,085  | 0         | 0         |
| Other: Weather Conditions          | 50,000     | 909      | 50,000      | 0         | 0           | 50,000     | 50,000     | 0         | 0         |
| Other:                             | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Other:                             | 0          | 0        | 0           | 0         | 0           | 0          | 0          | 0         | 0         |
| Construction Contingency (2%)      | 363,262    | 6,605    | 363,262     | 0         | 0           | 363,262    | 363,262    | 0         | 0         |
| Subtotal Construction Costs        | 18,984,213 | 345,168  | 18,984,213  | 0         | 0           | 18,984,213 | 17,427,987 | 1,556,226 | 0         |

**SOFT COSTS**

|                            |                  |               |                  |              |          |                  |                  |              |          |
|----------------------------|------------------|---------------|------------------|--------------|----------|------------------|------------------|--------------|----------|
| Building Permits & Fees    | 245,000          | 4,455         | 245,000          | 0            | 0        | 245,000          | 245,000          | 0            | 0        |
| Survey & Engineering       | 178,000          | 3,236         | 178,000          | 0            | 0        | 178,000          | 178,000          | 0            | 0        |
| Architectural & Design     | 825,000          | 15,000        | 825,000          | 0            | 0        | 825,000          | 825,000          | 0            | 0        |
| Legal                      | 100,000          | 1,818         | 100,000          | 0            | 0        | 100,000          | 100,000          | 0            | 0        |
| Title & Recording          | 35,000           | 636           | 35,000           | 0            | 0        | 35,000           | 35,000           | 0            | 0        |
| Accounting                 | 10,000           | 182           | 10,000           | 0            | 0        | 10,000           | 10,000           | 0            | 0        |
| Construction Period Tax    | 7,000            | 127           | 5,000            | 2,000        | 0        | 7,000            | 0                | 7,000        | 0        |
| Insurance                  | 175,000          | 3,182         | 175,000          | 0            | 0        | 175,000          | 175,000          | 0            | 0        |
| Soft Cost Contingency      | 50,000           | 909           | 50,000           | 0            | 0        | 50,000           | 50,000           | 0            | 0        |
| <b>Subtotal Soft Costs</b> | <b>1,625,000</b> | <b>29,545</b> | <b>1,623,000</b> | <b>2,000</b> | <b>0</b> | <b>1,625,000</b> | <b>1,618,000</b> | <b>7,000</b> | <b>0</b> |

**FINANCING COSTS**

|                               |           |        |         |   |         |           |         |         |   |
|-------------------------------|-----------|--------|---------|---|---------|-----------|---------|---------|---|
| CL Origination Fees           | 20,000    | 364    | 20,000  | 0 | 0       | 20,000    | 20,000  | 0       | 0 |
| CL Inspections                | 16,000    | 291    | 16,000  | 0 | 0       | 16,000    | 16,000  | 0       | 0 |
| CL Interest                   | 1,200,000 | 21,818 | 900,000 | 0 | 300,000 | 1,200,000 | 900,000 | 300,000 | 0 |
| Perf. Guarantee LOC Fee       | 0         | 0      | 0       | 0 | 0       | 0         | 0       | 0       | 0 |
| MSHA Bond Issuance Fee        | 0         | 0      | 0       | 0 | 0       | 0         | 0       | 0       | 0 |
| Other Bond Fees               | 0         | 0      | 0       | 0 | 0       | 0         | 0       | 0       | 0 |
| Other Construction Loan Costs | 0         | 0      | 0       | 0 | 0       | 0         | 0       | 0       | 0 |
| MSHA Perm Loan Fees           | 4,500     | 82     | 0       | 0 | 4,500   | 4,500     | 0       | 4,500   | 0 |
| Perm Lender Application Fees  | 0         | 0      | 0       | 0 | 0       | 0         | 0       | 0       | 0 |

| Line Item                    | Total     | Per Unit | LIHTC Basis |           |             | T-E Bonds | HTC Basis |         |           |
|------------------------------|-----------|----------|-------------|-----------|-------------|-----------|-----------|---------|-----------|
|                              |           |          | NC/R Basis  | Acq Basis | Non-Deprec. | 50% Test  | QRE       | Non-QRE | Allocable |
| Perm Lender Origination Fees | 172,000   | 3,127    | 0           | 0         | 172,000     | 172,000   | 0         | 172,000 | 0         |
| Other Perm Loan Costs        | 0         | 0        | 0           | 0         | 0           | 0         | 0         | 0       | 0         |
| Subtotal Financing Costs     | 1,412,500 | 25,682   | 936,000     | 0         | 476,500     | 1,412,500 | 936,000   | 476,500 | 0         |

MISCELLANEOUS COSTS

|                                 |         |       |         |   |         |         |        |         |   |
|---------------------------------|---------|-------|---------|---|---------|---------|--------|---------|---|
| Market Study                    | 5,000   | 91    | 5,000   | 0 | 0       | 0       | 5,000  | 0       | 0 |
| Appraisal                       | 8,000   | 145   | 8,000   | 0 | 0       | 0       | 8,000  | 0       | 0 |
| Environmental                   | 35,000  | 636   | 35,000  | 0 | 0       | 35,000  | 0      | 35,000  | 0 |
| LIHTC Process & Monitoring Fees | 144,500 | 2,627 | 0       | 0 | 144,500 | 0       | 0      | 144,500 | 0 |
| Relocation                      | 30,000  | 545   | 30,000  | 0 | 0       | 30,000  | 0      | 30,000  | 0 |
| FF&E                            | 170,000 | 3,091 | 170,000 | 0 | 0       | 170,000 | 0      | 170,000 | 0 |
| Other Misc Costs                | 10,000  | 182   | 0       | 0 | 10,000  | 10,000  | 0      | 10,000  | 0 |
| Subtotal Miscellaneous Costs    | 402,500 | 7,318 | 248,000 | 0 | 154,500 | 245,000 | 13,000 | 389,500 | 0 |

ACQUISITION COSTS

|                                 |         |       |   |   |         |   |   |         |   |
|---------------------------------|---------|-------|---|---|---------|---|---|---------|---|
| Building                        | 0       | 0     | 0 | 0 | 0       | 0 | 0 | 0       | 0 |
| Land                            | 0       | 0     | 0 | 0 | 0       | 0 | 0 | 0       | 0 |
| Repay Existing Mortgage Balance | 150,000 | 2,727 | 0 | 0 | 150,000 | 0 | 0 | 150,000 | 0 |
| Other Acquisition Costs         | 0       | 0     | 0 | 0 | 0       | 0 | 0 | 0       | 0 |
| Subtotal Acquisition Costs      | 150,000 | 2,727 | 0 | 0 | 150,000 | 0 | 0 | 150,000 | 0 |

RESERVES

|                                       |         |        |   |   |         |   |   |         |   |
|---------------------------------------|---------|--------|---|---|---------|---|---|---------|---|
| Operating Deficit Escrow (ODE)        | 604,678 | 10,994 | 0 | 0 | 604,678 | 0 | 0 | 604,678 | 0 |
| Replacement Reserve (RR)              | 179,805 | 3,269  | 0 | 0 | 179,805 | 0 | 0 | 179,805 | 0 |
| Tax & Insurance Reserve (T&I)         | 126,751 | 2,305  | 0 | 0 | 126,751 | 0 | 0 | 126,751 | 0 |
| Rent Up & Marketing / Working Capital | 50,000  | 909    | 0 | 0 | 50,000  | 0 | 0 | 50,000  | 0 |
| Other                                 | 0       | 0      | 0 | 0 | 0       | 0 | 0 | 0       | 0 |
| Subtotal Reserves                     | 961,234 | 17,477 | 0 | 0 | 961,234 | 0 | 0 | 961,234 | 0 |

DEVELOPMENT FEES

|                                      |            |         |            |       |           |           |           |   |   |
|--------------------------------------|------------|---------|------------|-------|-----------|-----------|-----------|---|---|
| Subtotal Development Overhead & Fees | 1,250,000  | 22,727  | 1,250,000  | 0     | 0         | 1,250,000 | 1,250,000 | 0 | 0 |
| TOTAL DEVELOPMENT COSTS              | 24,785,447 | 450,644 | 23,041,213 | 2,000 | 1,742,234 | 0         | 0         | 0 | 0 |
| MAINEHOUSING TDC INDEX               |            | 354,654 |            |       |           |           |           |   |   |

| Equity Source                        | Program Used? | Credit Rate | Annual Allocation | Total Credits | Equity Price | Total Equity |
|--------------------------------------|---------------|-------------|-------------------|---------------|--------------|--------------|
| LIHTC New Construction/Rehab Credits | Y             | 9.00%       | 1,200,000         | 12,000,000    | 0.85         | 10,198,980   |
| LIHTC Acquisition Credits            | N             | 4.00%       |                   | 0             | 0.85         | 0            |
| Subtotal LIHTC Equity                |               |             | 1,200,000         | 12,000,000    |              | 10,198,980   |
| Federal Historic Tax Credits         | N             | 20.00%      |                   | 0             | 0.00         | 0            |
| State Historic Tax Credits           | N             | 25.00%      |                   | 0             | 0.00         | 0            |
| State Low Income Tax Credits         | N             |             |                   | 0             | 1.00         | 0            |
| Solar Investment Tax Credits         | N             | 50.00%      |                   | 0             | 1.00         | 0            |
| TOTAL LIMITED PARTNER EQUITY         |               |             |                   | 12,000,000    | 0.85         | 10,198,980   |

MAX LIHTC NEW CONSTRUCTION/REHAB CREDITS

|                                       |            |
|---------------------------------------|------------|
| Eligible Basis                        | 23,041,213 |
| Basis Boost                           | 130%       |
| Applicable Fraction                   | 90%        |
| Qualified Basis                       | 26,957,671 |
| Applicable Rate                       | 9.00%      |
| 1) NC/REHAB CREDIT CALC - or -        | 2,426,190  |
| 2) MAX ALLOWABLE 9% ALLOCATION - or - | 1,200,000  |
| 3) ACTUAL ALLOCATION                  | 1,200,000  |
| ANNUAL NC/REHAB ALLOCATION            | 1,200,000  |
| x 10 Years                            | 10         |
| TOTAL POSSIBLE NC/REHAB CREDITS       | 12,000,000 |
| Approx. Excess Basis                  | 12,261,903 |

MAX LIHTC ACQUISITION CREDITS

|                            |       |
|----------------------------|-------|
| Eligible Basis             | 0     |
| Applicable Fraction        | 90%   |
| Qualified Basis            | 0     |
| Applicable Rate            | 4.00% |
| ANNUAL ACQ ALLOCATION      | 0     |
| x 10 Years                 | 10    |
| TOTAL POSSIBLE ACQ CREDITS | 0     |

FEDERAL HISTORIC TAX CREDITS

|                              |       |
|------------------------------|-------|
| Qualified Rehab Expenditures | 0     |
| HTC Rate                     | 20.0% |
| TOTAL FEDERAL HTC            | 0     |

STATE HISTORIC TAX CREDITS

|                              |           |
|------------------------------|-----------|
| Qualified Rehab Expenditures | 0         |
| HTC Rate                     | 25.0%     |
| 1) STATE HTC CALC - or -     | 0         |
| 2) MAX ALLOWABLE STATE HTC   | 5,000,000 |
| TOTAL STATE HTC              | 0         |

SOLAR INVESTMENT TAX CREDIT

|                  |     |
|------------------|-----|
| Solar Investment | 0   |
| Credit Rate      | 50% |
| TOTAL STATE HTC  | 0   |

FINANCING

| Source                 | Amount     | Rate  | Term | Amort. | Lien | Loan Type     | Repayment Type | Annual Payment |
|------------------------|------------|-------|------|--------|------|---------------|----------------|----------------|
| MH Subsidy             | 1,986,467  | 0.00% | 30   | 0      |      | No Interest   | CF Contingent  | 0              |
| MH Interest-Only Loan  | 9,400,000  | 6.00% | 30   | 40     |      | Interest-Only | Must-Pay       | 564,000        |
| City HTF               | 650,000    | 0.00% | 30   | 0      |      | No Interest   | CF Contingent  | 0              |
| AHP Subsidized Advance | 1,200,000  | 5.00% | 20   | 30     |      | Amortizing    | Must-Pay       | 77,302         |
| AHP Direct Subsidy     | 850,000    | 0.00% | 30   | 0      |      | No Interest   | CF Contingent  | 0              |
| Deferred Developer Fee | 500,000    | 0.00% | 10   | 10     |      | Amortizing    | CF Contingent  | 0              |
|                        |            |       |      |        |      |               |                | 0              |
|                        |            |       |      |        |      |               |                | 0              |
|                        |            |       |      |        |      |               |                | 0              |
| Total Financing        | 14,586,467 |       |      |        |      |               |                | 641,302        |

EQUITY

| Source                       | Amount     | Yield |
|------------------------------|------------|-------|
| LIHTC Equity                 | 10,198,980 | 0.85  |
| Fed HTC Equity               | 0          | 0.00  |
| State HTC Equity             | 0          | 0.00  |
| State LIHTC Equity           | 0          | 0.00  |
| Solar Investment Tax Credits | 0          | 0.00  |
| Capital Funds                |            |       |
| Existing Operating Reserves  |            |       |
| Interim Income               |            |       |
| Total Equity                 | 10,198,980 |       |

SOURCES & USES

|                                | Total      | Per Unit |
|--------------------------------|------------|----------|
| Total Sources                  | 24,785,447 | 450,644  |
| Total Uses                     | 24,785,447 | 450,644  |
| CAPITALIZATION (GAP) / SURPLUS | 0          | 0        |



Cash Flow - COMB Block Phase 1 (55u, 90%LIHTC, 25 PBV)

|                                |         | 6 Mo.    |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
|--------------------------------|---------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                |         | 0        | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        | 11        | 12        | 13        | 14        | 15        |
| % Infl.                        |         | 2027     | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034      | 2035      | 2036      | 2037      | 2038      | 2039      | 2040      | 2041      | 2042      |
| <b>INCOME</b>                  |         |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Rental Income: LIHTC Units     | 2.0%    | 219,714  | 448,217   | 457,181   | 466,325   | 475,651   | 485,164   | 494,867   | 504,765   | 514,860   | 525,157   | 535,660   | 546,373   | 557,301   | 568,447   | 579,816   | 591,412   |
| Vacancy Loss - LIHTC Units     | 5.0%    | (10,986) | (22,411)  | (22,859)  | (23,316)  | (23,783)  | (24,258)  | (24,743)  | (25,238)  | (25,743)  | (26,258)  | (26,783)  | (27,319)  | (27,865)  | (28,422)  | (28,991)  | (29,571)  |
| Rental Income: PBV Units       | 2.0%    | 367,710  | 750,128   | 765,131   | 780,434   | 796,042   | 811,963   | 828,202   | 844,766   | 861,662   | 878,895   | 896,473   | 914,402   | 932,690   | 951,344   | 970,371   | 989,778   |
| Vacancy Loss - PBV Units       | 5.0%    | (18,386) | (37,506)  | (38,257)  | (39,022)  | (39,802)  | (40,598)  | (41,410)  | (42,238)  | (43,083)  | (43,945)  | (44,824)  | (45,720)  | (46,635)  | (47,567)  | (48,519)  | (49,489)  |
| Rental Income: Market Units    | 2.0%    | 58,476   | 119,291   | 121,677   | 124,110   | 126,593   | 129,124   | 131,707   | 134,341   | 137,028   | 139,768   | 142,564   | 145,415   | 148,323   | 151,290   | 154,316   | 157,402   |
| Vacancy Loss - Market Units    | 5.0%    | (2,924)  | (5,965)   | (6,084)   | (6,206)   | (6,330)   | (6,456)   | (6,585)   | (6,717)   | (6,851)   | (6,988)   | (7,128)   | (7,271)   | (7,416)   | (7,564)   | (7,716)   | (7,870)   |
| Other Income                   | 2.0%    | 1,600    | 3,264     | 3,329     | 3,396     | 3,464     | 3,533     | 3,604     | 3,676     | 3,749     | 3,824     | 3,901     | 3,979     | 4,058     | 4,140     | 4,222     | 4,307     |
| Vacancy Loss - Other Income    | 5.0%    | (80)     | (163)     | (166)     | (170)     | (173)     | (177)     | (180)     | (184)     | (187)     | (191)     | (195)     | (199)     | (203)     | (207)     | (211)     | (215)     |
| Tax Increment Financing        | 2.0%    | 37,313   | 76,118    | 77,641    | 79,193    | 80,777    | 82,393    | 84,041    | 85,722    | 87,436    | 89,185    | 90,968    | 92,788    | 94,643    | 96,536    | 98,467    | 100,436   |
| Commercial Income              | 2.0%    | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| EFFECTIVE GROSS INCOME         |         | 652,438  | 1,330,973 | 1,357,593 | 1,384,745 | 1,412,439 | 1,440,688 | 1,469,502 | 1,498,892 | 1,528,870 | 1,559,447 | 1,590,636 | 1,622,449 | 1,654,898 | 1,687,996 | 1,721,756 | 1,756,191 |
| <b>OPERATING EXPENSES</b>      |         |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Administrative Expenses        | 3.0%    | 63,783   | 131,392   | 135,334   | 139,394   | 143,576   | 147,883   | 152,319   | 156,889   | 161,596   | 166,443   | 171,437   | 176,580   | 181,877   | 187,334   | 192,954   | 198,742   |
| Utility Expenses               | 3.0%    | 61,960   | 127,638   | 131,467   | 135,411   | 139,473   | 143,657   | 147,967   | 152,406   | 156,978   | 161,687   | 166,538   | 171,534   | 176,680   | 181,981   | 187,440   | 193,063   |
| Maintenance Expenses           | 3.0%    | 50,875   | 104,803   | 107,947   | 111,185   | 114,521   | 117,956   | 121,495   | 125,140   | 128,894   | 132,761   | 136,743   | 140,846   | 145,071   | 149,423   | 153,906   | 158,523   |
| General Expenses               | 3.0%    | 93,660   | 192,939   | 198,727   | 204,689   | 210,829   | 217,154   | 223,669   | 230,379   | 237,290   | 244,409   | 251,741   | 259,293   | 267,072   | 275,084   | 283,337   | 291,837   |
| Commercial Expenses            | 3.0%    | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL OPEX                     | 3.0%    | 270,277  | 556,771   | 573,474   | 590,678   | 608,398   | 626,650   | 645,450   | 664,813   | 684,758   | 705,300   | 726,459   | 748,253   | 770,701   | 793,822   | 817,636   | 842,166   |
| NET OPERATING INCOME           |         | 382,161  | 774,203   | 784,119   | 794,067   | 804,041   | 814,038   | 824,052   | 834,079   | 844,112   | 854,147   | 864,177   | 874,196   | 884,197   | 894,174   | 904,119   | 914,025   |
| <b>RESERVE DEPOSITS</b>        |         |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Deposit to Replacement Reserve | 3.0%    | 13,750   | 28,325    | 29,175    | 30,050    | 30,951    | 31,880    | 32,836    | 33,822    | 34,836    | 35,881    | 36,958    | 38,066    | 39,208    | 40,385    | 41,596    | 42,844    |
| Deposit to Other Reserve       | 3.0%    | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL OPEX + RESERVES          |         | 284,027  | 585,096   | 602,648   | 620,728   | 639,350   | 658,530   | 678,286   | 698,635   | 719,594   | 741,182   | 763,417   | 786,320   | 809,909   | 834,206   | 859,233   | 885,010   |
| NOI AFTER RESERVES             |         | 368,411  | 745,878   | 754,944   | 764,017   | 773,090   | 782,158   | 791,216   | 800,257   | 809,276   | 818,266   | 827,219   | 836,129   | 844,989   | 853,789   | 862,523   | 871,181   |
| <b>DEBT SERVICE</b>            |         |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| MH Subsidy                     | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| MH Interest-Only Loan          | 282,000 | 564,000  | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   |
| MH Amortizing Loan             | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| City HOME                      | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| City HTF                       | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| AHP Subsidized Advance         | 38,651  | 77,302   | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    |
| AHP Direct Subsidy             | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Seller Note                    | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Deferred Developer Fee         | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              | 0       | 0        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL DEBT SERVICE             |         | 320,651  | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   |
| DSCR                           |         | 1.15     | 1.16      | 1.18      | 1.19      | 1.21      | 1.22      | 1.23      | 1.25      | 1.26      | 1.28      | 1.29      | 1.30      | 1.32      | 1.33      | 1.34      | 1.36      |
| NET CASH FLOW                  |         | 47,760   | 104,575   | 113,642   | 122,714   | 131,787   | 140,856   | 149,914   | 158,955   | 167,974   | 176,963   | 185,917   | 194,827   | 203,686   | 212,487   | 221,221   | 229,879   |
| CASH FLOW PER UNIT             |         | 868      | 1,901     | 2,066     | 2,231     | 2,396     | 2,561     | 2,726     | 2,890     | 3,054     | 3,218     | 3,380     | 3,542     | 3,703     | 3,863     | 4,022     | 4,180     |

|                         |
|-------------------------|
| Rent & Income Inflation |
| Yr 1-5: 2.0%            |
| Yr 6-15: 2.0%           |
| Yr 16-30: 2.0%          |

|                                |      | 16        | 17        | 18        | 19        | 20        | 21        | 22        | 23        | 24        | 25        | 26        | 27        | 28        | 29        | 30        |
|--------------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| % Infl.                        |      | 2043      | 2044      | 2045      | 2046      | 2047      | 2048      | 2049      | 2050      | 2051      | 2052      | 2053      | 2054      | 2055      | 2056      | 2057      |
| INCOME                         |      |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Rental Income: LIHTC Units     | 2.0% | 603,240   | 615,305   | 627,611   | 640,164   | 652,967   | 666,026   | 679,347   | 692,934   | 706,792   | 720,928   | 735,347   | 750,054   | 765,055   | 780,356   | 795,963   |
| Vacancy Loss - LIHTC Units     | 5.0% | (30,162)  | (30,765)  | (31,381)  | (32,008)  | (32,648)  | (33,301)  | (33,967)  | (34,647)  | (35,340)  | (36,046)  | (36,767)  | (37,503)  | (38,253)  | (39,018)  | (39,798)  |
| Rental Income: PBV Units       | 2.0% | 1,009,574 | 1,029,766 | 1,050,361 | 1,071,368 | 1,092,795 | 1,114,651 | 1,136,944 | 1,159,683 | 1,182,877 | 1,206,534 | 1,230,665 | 1,255,278 | 1,280,384 | 1,305,992 | 1,332,112 |
| Vacancy Loss - PBV Units       | 5.0% | (50,479)  | (51,488)  | (52,518)  | (53,568)  | (54,640)  | (55,733)  | (56,847)  | (57,984)  | (59,144)  | (60,327)  | (61,533)  | (62,764)  | (64,019)  | (65,300)  | (66,606)  |
| Rental Income: Market Units    | 2.0% | 160,550   | 163,761   | 167,036   | 170,377   | 173,785   | 177,260   | 180,805   | 184,422   | 188,110   | 191,872   | 195,710   | 199,624   | 203,616   | 207,689   | 211,842   |
| Vacancy Loss - Market Units    | 5.0% | (8,028)   | (8,188)   | (8,352)   | (8,519)   | (8,689)   | (8,863)   | (9,040)   | (9,221)   | (9,405)   | (9,594)   | (9,785)   | (9,981)   | (10,181)  | (10,384)  | (10,592)  |
| Other Income                   | 2.0% | 4,393     | 4,481     | 4,570     | 4,662     | 4,755     | 4,850     | 4,947     | 5,046     | 5,147     | 5,250     | 5,355     | 5,462     | 5,571     | 5,683     | 5,796     |
| Vacancy Loss - Other Income    | 5.0% | (220)     | (224)     | (229)     | (233)     | (238)     | (243)     | (247)     | (252)     | (257)     | (262)     | (268)     | (273)     | (279)     | (284)     | (290)     |
| Tax Increment Financing        | 2.0% | 102,445   | 104,494   | 106,584   | 108,716   | 110,890   | 113,108   | 115,370   | 117,677   | 120,031   | 122,431   | 124,880   | 127,378   | 129,925   | 132,524   | 135,174   |
| Commercial Income              | 2.0% | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| EFFECTIVE GROSS INCOME         |      | 1,791,315 | 1,827,141 | 1,863,684 | 1,900,958 | 1,938,977 | 1,977,756 | 2,017,311 | 2,057,658 | 2,098,811 | 2,140,787 | 2,183,603 | 2,227,275 | 2,271,820 | 2,317,257 | 2,363,602 |
| OPERATING EXPENSES             |      |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Administrative Expenses        | 3.0% | 204,704   | 210,846   | 217,171   | 223,686   | 230,397   | 237,308   | 244,428   | 251,761   | 259,313   | 267,093   | 275,106   | 283,359   | 291,859   | 300,615   | 309,634   |
| Utility Expenses               | 3.0% | 198,855   | 204,821   | 210,966   | 217,294   | 223,813   | 230,528   | 237,444   | 244,567   | 251,904   | 259,461   | 267,245   | 275,262   | 283,520   | 292,026   | 300,786   |
| Maintenance Expenses           | 3.0% | 163,279   | 168,177   | 173,223   | 178,419   | 183,772   | 189,285   | 194,964   | 200,812   | 206,837   | 213,042   | 219,433   | 226,016   | 232,797   | 239,781   | 246,974   |
| General Expenses               | 3.0% | 300,592   | 309,610   | 318,898   | 328,465   | 338,319   | 348,469   | 358,923   | 369,690   | 380,781   | 392,204   | 403,971   | 416,090   | 428,572   | 441,429   | 454,672   |
| Commercial Expenses            | 3.0% | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL OPEX                     | 3.0% | 867,430   | 893,453   | 920,257   | 947,865   | 976,301   | 1,005,590 | 1,035,757 | 1,066,830 | 1,098,835 | 1,131,800 | 1,165,754 | 1,200,727 | 1,236,748 | 1,273,851 | 1,312,066 |
| NET OPERATING INCOME           |      | 923,884   | 933,688   | 943,427   | 953,093   | 962,676   | 972,167   | 981,554   | 990,828   | 999,976   | 1,008,987 | 1,017,849 | 1,026,548 | 1,035,072 | 1,043,406 | 1,051,535 |
| RESERVE DEPOSITS               |      |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Deposit to Replacement Reserve | 3.0% | 44,129    | 45,453    | 46,817    | 48,221    | 49,668    | 51,158    | 52,693    | 54,274    | 55,902    | 57,579    | 59,306    | 61,085    | 62,918    | 64,806    | 66,750    |
| Deposit to Other Reserve       | 3.0% | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL OPEX + RESERVES          |      | 911,560   | 938,907   | 967,074   | 996,086   | 1,025,969 | 1,056,748 | 1,088,450 | 1,121,104 | 1,154,737 | 1,189,379 | 1,225,060 | 1,261,812 | 1,299,666 | 1,338,656 | 1,378,816 |
| NOI AFTER RESERVES             |      | 879,755   | 888,234   | 896,610   | 904,871   | 913,008   | 921,008   | 928,861   | 936,554   | 944,074   | 951,408   | 958,542   | 965,463   | 972,154   | 978,600   | 984,786   |
| DEBT SERVICE                   |      |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| MH Subsidy                     |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| MH Interest-Only Loan          |      | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   | 564,000   |
| MH Amortizing Loan             |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| City HOME                      |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| City HTF                       |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| AHP Subsidized Advance         |      | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    | 77,302    |
| AHP Direct Subsidy             |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Seller Note                    |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Deferred Developer Fee         |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| -                              |      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| TOTAL DEBT SERVICE             |      | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   | 641,302   |
| DSCR                           |      | 1.37      | 1.39      | 1.40      | 1.41      | 1.42      | 1.44      | 1.45      | 1.46      | 1.47      | 1.48      | 1.49      | 1.51      | 1.52      | 1.53      | 1.54      |
| NET CASH FLOW                  |      | 238,453   | 246,932   | 255,308   | 263,569   | 271,706   | 279,706   | 287,559   | 295,252   | 302,772   | 310,106   | 317,240   | 324,160   | 330,851   | 337,298   | 343,483   |
| CASH FLOW PER UNIT             |      | 4,336     | 4,490     | 4,642     | 4,792     | 4,940     | 5,086     | 5,228     | 5,368     | 5,505     | 5,638     | 5,768     | 5,894     | 6,015     | 6,133     | 6,245     |

Rent & Income Inflation  
Yr 1-5: 2.0%  
Yr 6-15: 2.0%  
Yr 16-30: 2.0%

City of Portland - TIF Model  
70 . Oxford St., Lot 1  
[CBL: Part of 022 H001001, .56 Acres](#)  
OAV: \$0 as of March 31, 2024  
6/21/2024

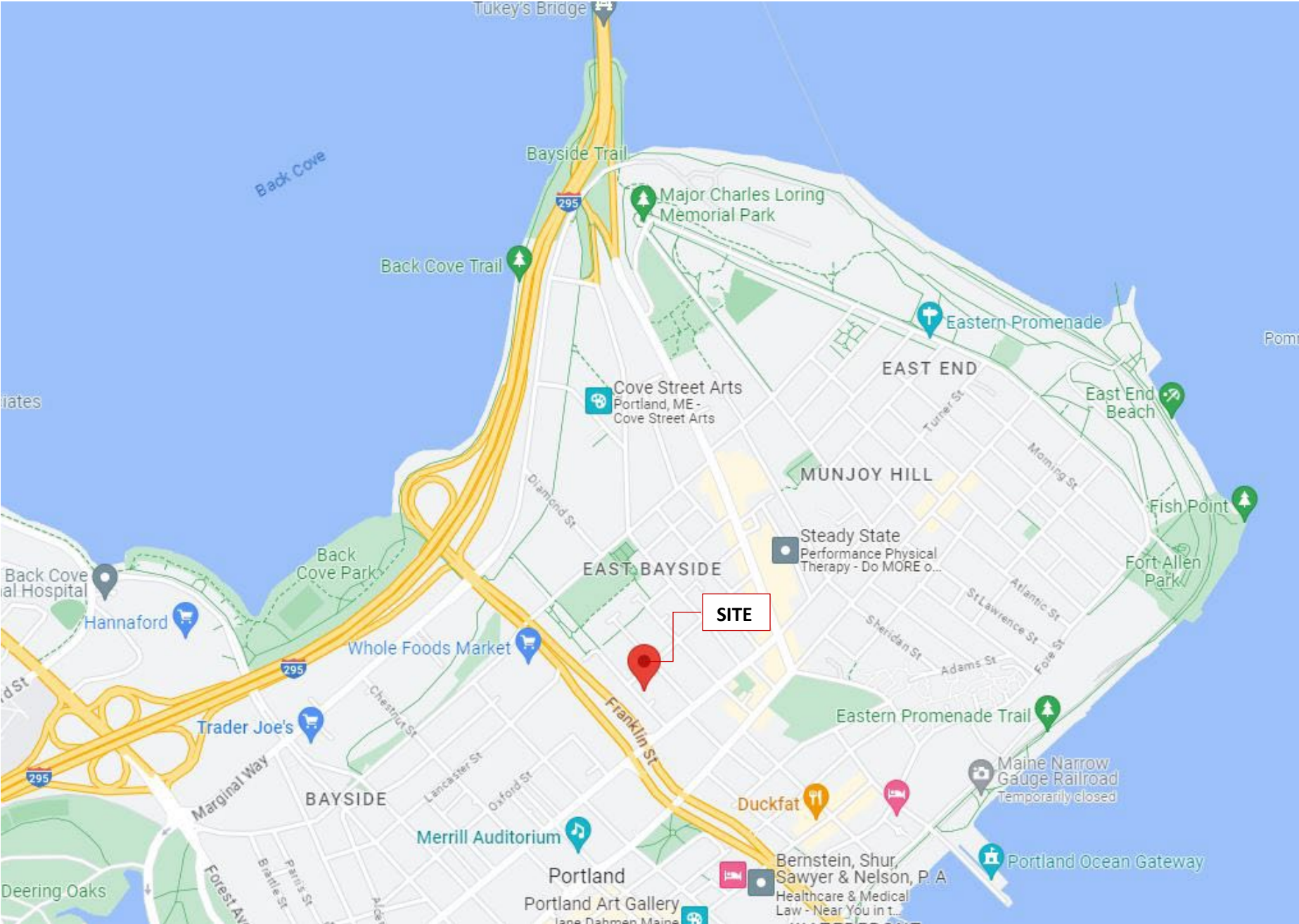
| City of Portland- TIF Projection Table - 70 . Oxford St., Lot 1, .56 Acres |                      |                                           |                        |                       |                        |                                          |                                                          |                                                           |                                                   |
|----------------------------------------------------------------------------|----------------------|-------------------------------------------|------------------------|-----------------------|------------------------|------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|
| TIF Year                                                                   | Tax Year-<br>April 1 | Increased<br>Assessed Value<br>Real Prop. | % of Value<br>Captured | Captured<br>Valuation | Projected<br>Mill Rate | Total Projected<br>New Taxes<br>Captured | Captured<br>Revenue to<br>Business<br>Project<br>Account | Captured<br>Revenue to<br>Municipal<br>Project<br>Account | City Non-<br>Captured<br>General Fund<br>Revenues |
| 1                                                                          | 2024                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 14.70                  | \$76,118                                 | \$76,118                                                 | \$0                                                       | \$25,373                                          |
| 2                                                                          | 2025                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 14.99                  | \$77,641                                 | \$77,641                                                 | \$0                                                       | \$25,880                                          |
| 3                                                                          | 2026                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 15.29                  | \$79,193                                 | \$79,193                                                 | \$0                                                       | \$26,398                                          |
| 4                                                                          | 2027                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 15.60                  | \$80,777                                 | \$80,777                                                 | \$0                                                       | \$26,926                                          |
| 5                                                                          | 2028                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 15.91                  | \$82,393                                 | \$82,393                                                 | \$0                                                       | \$27,464                                          |
| 6                                                                          | 2029                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 16.23                  | \$84,041                                 | \$84,041                                                 | \$0                                                       | \$28,014                                          |
| 7                                                                          | 2030                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 16.55                  | \$85,722                                 | \$85,722                                                 | \$0                                                       | \$28,574                                          |
| 8                                                                          | 2031                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 16.88                  | \$87,436                                 | \$87,436                                                 | \$0                                                       | \$29,145                                          |
| 9                                                                          | 2032                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 17.22                  | \$89,185                                 | \$89,185                                                 | \$0                                                       | \$29,728                                          |
| 10                                                                         | 2033                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 17.57                  | \$90,968                                 | \$90,968                                                 | \$0                                                       | \$30,323                                          |
| 11                                                                         | 2034                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 17.92                  | \$92,788                                 | \$92,788                                                 | \$0                                                       | \$30,929                                          |
| 12                                                                         | 2035                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 18.28                  | \$94,644                                 | \$94,644                                                 | \$0                                                       | \$31,548                                          |
| 13                                                                         | 2036                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 18.64                  | \$96,536                                 | \$96,536                                                 | \$0                                                       | \$32,179                                          |
| 14                                                                         | 2037                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 19.01                  | \$98,467                                 | \$98,467                                                 | \$0                                                       | \$32,822                                          |
| 15                                                                         | 2038                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 19.39                  | \$100,436                                | \$100,436                                                | \$0                                                       | \$33,479                                          |
| 16                                                                         | 2039                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 19.78                  | \$102,445                                | \$102,445                                                | \$0                                                       | \$34,148                                          |
| 17                                                                         | 2040                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 20.18                  | \$104,494                                | \$104,494                                                | \$0                                                       | \$34,831                                          |
| 18                                                                         | 2041                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 20.58                  | \$106,584                                | \$106,584                                                | \$0                                                       | \$35,528                                          |
| 19                                                                         | 2042                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 20.99                  | \$108,716                                | \$108,716                                                | \$0                                                       | \$36,239                                          |
| 20                                                                         | 2043                 | \$6,905,000                               | 75.00%                 | \$5,178,750           | 21.41                  | \$110,890                                | \$110,890                                                | \$0                                                       | \$36,963                                          |
| <b>20 Year TIF Total</b>                                                   |                      | <b>\$138,100,000</b>                      |                        | <b>\$103,575,000</b>  |                        | <b>\$1,849,475</b>                       | <b>\$1,849,475</b>                                       | <b>\$0</b>                                                | <b>\$616,492</b>                                  |
| <b>20 Year TIF Average</b>                                                 |                      | <b>\$4,603,333</b>                        |                        | <b>\$5,178,750</b>    |                        | <b>\$92,474</b>                          | <b>\$92,474</b>                                          |                                                           | <b>\$30,825</b>                                   |

70 . Oxford St., Lot 1, .56 Acres  
Part of 022 H001001  
OAV as of 3/31/2024: \$0

| Tax Shifts-Avoided For Formula Impacts from Selecting of Valuation City of Portland- TIF Model |                      |                          |                       |                                                         |                                                       |                                   |                          |
|------------------------------------------------------------------------------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------|-------------------------------------------------------|-----------------------------------|--------------------------|
| 75% Selected - 20 years - 75% to Developer Project Account - 25% to City General Fund          |                      |                          |                       |                                                         |                                                       |                                   |                          |
| TIF Year                                                                                       | Tax Year-<br>April 1 | Total Added<br>Valuation | Selected<br>Valuation | Avoided For Formula Impacts from Selecting of Valuation |                                                       |                                   |                          |
|                                                                                                |                      |                          |                       | Avoided Loss of<br>State Aid to for<br>ducation         | Avoided Loss of<br>State Municipal<br>Revenue Sharing | Avoided Increase<br>in County Tax | Total Avoided<br>Impacts |
| 1                                                                                              | 2024                 | \$6,905,000              | \$5,178,750           | \$0                                                     | \$7,238                                               | \$2,286                           | \$9,525                  |
| 2                                                                                              | 2025                 | \$6,905,000              | \$5,178,750           | \$0                                                     | \$7,238                                               | \$2,287                           | \$9,525                  |
| 3                                                                                              | 2026                 | \$6,905,000              | \$5,178,750           | \$0                                                     | \$7,238                                               | \$2,287                           | \$9,525                  |
| 4                                                                                              | 2027                 | \$6,905,000              | \$5,178,750           | \$12,032                                                | \$7,238                                               | \$2,287                           | \$21,557                 |
| 5                                                                                              | 2028                 | \$6,905,000              | \$5,178,750           | \$24,064                                                | \$7,238                                               | \$2,287                           | \$33,589                 |
| 6                                                                                              | 2029                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 7                                                                                              | 2030                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 8                                                                                              | 2031                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 9                                                                                              | 2032                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 10                                                                                             | 2033                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 11                                                                                             | 2034                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 12                                                                                             | 2035                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 13                                                                                             | 2036                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 14                                                                                             | 2037                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 15                                                                                             | 2038                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 16                                                                                             | 2039                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 17                                                                                             | 2040                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 18                                                                                             | 2041                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 19                                                                                             | 2042                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 20                                                                                             | 2043                 | \$6,905,000              | \$5,178,750           | \$36,096                                                | \$7,238                                               | \$2,287                           | \$45,621                 |
| 20 Year TIF Total                                                                              |                      | \$138,100,000            | \$103,575,000         | \$577,534                                               | \$144,766                                             | \$45,735                          | \$768,035                |
| 20 Year TIF Average                                                                            |                      | \$6,905,000              | \$5,178,750           | \$28,877                                                | \$7,238                                               | \$2,287                           | \$38,402                 |

# COMB BLOCK

Cumberland Ave, Oxford St, Mayo St, Boyd St





## COMB BLOCK

Cumberland Ave, Oxford St, Mayo St, Boyd St



Portland H

115 of 123



# COMB BLOCK

Cumberland Ave, Oxford St, Mayo St, Boyd St







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ARCHITECTURE

APARTMENTS  
COMB BLOCK  
PORTLAND, MAINE



RYAN SENATORE  
**ARCHITECTURE**  
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PORTLAND, MAINE 04101  
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C: 207-650-6414  
senatorearchitecture.com

CONSULTANTS:

PROGRESS PRINT ONLY  
Not for Construction  
MARCH 8TH, 2024

REVISIONS

DATE:

PROJECT No. 2336

DRAWN BY: RRT

CHECKED BY: RJS

SCALE: AS NOTED

SHEET TITLE:  
PERSPECTIVE  
IMAGE 5

P5

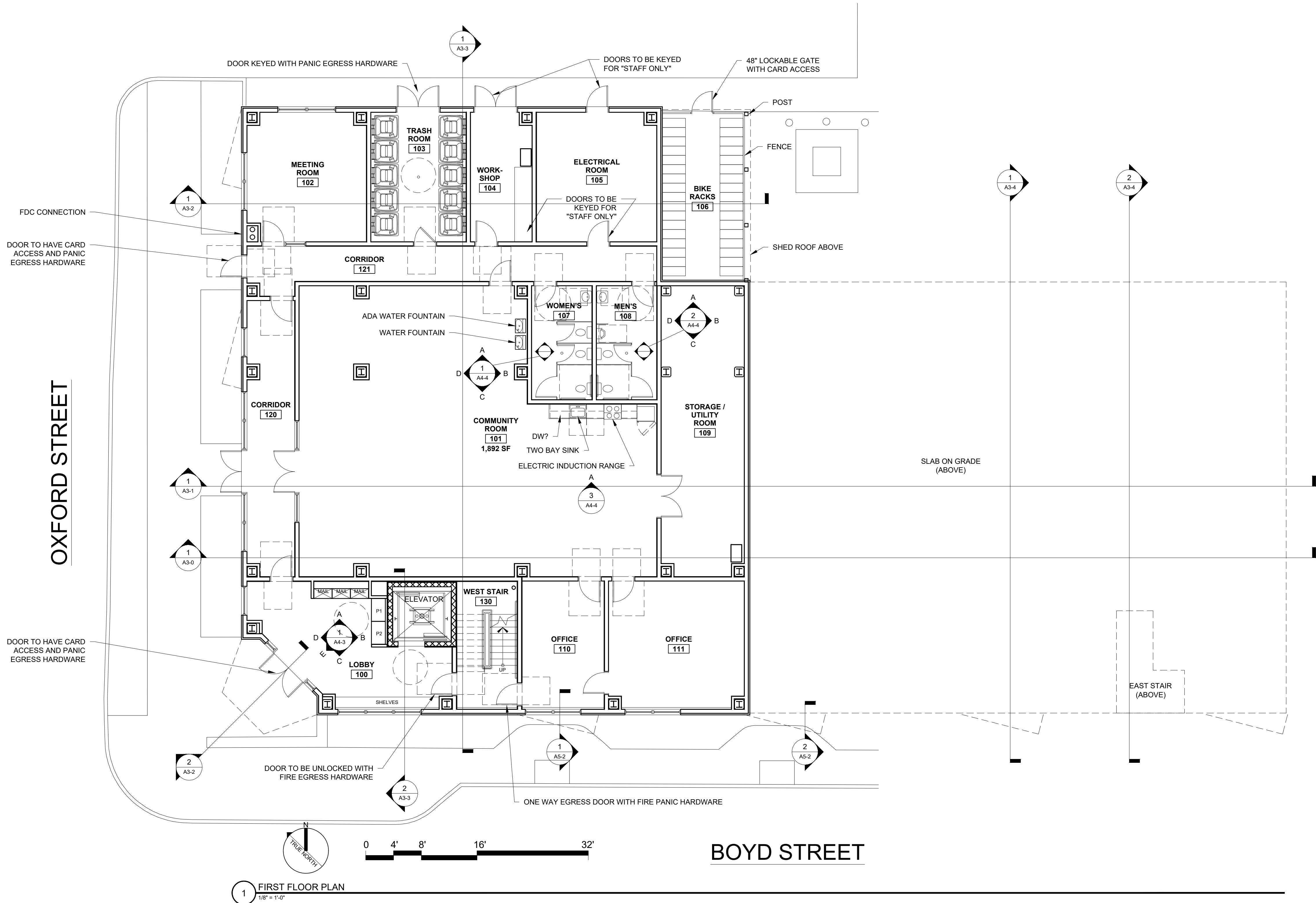


NOTE: AT ALL EXTERIOR WALL PANELS, ALL PANEL JOINTS, BOTH VERTICAL AND HORIZONTAL, TO HAVE TWO CONTINUOUS BEADS OF ELASTOMERIC SEALANT INSTALLED.

| UNIT ACCESSIBILITY SUMMARY                                                                            |                                        |                             |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|
| REGULATION: HUD 504 AND ADA, STANDARD: ADAAG 2010                                                     | PROVIDED IN PROJECT                    | EXCESS UNITS                |
| SCOPING REQUIREMENT: 5% units accessible and additional 2% of units to be hearing and vision impaired |                                        |                             |
| 55 units within building X 5% = 3 units to meet ADAAG                                                 | 3 ADAAG units                          | 0 Excess                    |
| 55 units within building X 2% = 2 units to be hearing and vision impaired                             | 2 Hearing and Vision Impaired Units    | 0 Excess                    |
| REGULATION: MAINE HUMAN RIGHTS ACT (MHRA), STANDARD: ANSI A117.1-2009                                 |                                        |                             |
| SCOPING REQUIREMENT: 10% of Ground Floor units to be Type A                                           |                                        |                             |
| 11 Ground Floor (2nd Floor) Units X 10% = 2 units                                                     | 2 Type-A units (includes 1 ADAAG)      | 0 Excess                    |
| SCOPING REQUIREMENT: 10% of Upper Floor units to be Type A                                            |                                        |                             |
| 44 Upper Floor (3rd,4th,5th,6th Floors) Units X 10% = 5 units                                         | 11 Type-A units (includes 2 ADAAG)     | 6 Excess                    |
|                                                                                                       | 13 Type-A units total (INCLUDES ADAAG) | 6 Excess Type-A units total |
| All the rest to be Type B                                                                             | 42 Type-B units (includes 1 H/V)       |                             |
| MHRA requires ALL units to either be Type A or B units                                                |                                        |                             |
| All units to meet Federal Fair Housing Act                                                            |                                        |                             |

| UNIT TYPES - 55 TOTAL UNITS |                |                      |                      |                        |
|-----------------------------|----------------|----------------------|----------------------|------------------------|
| SECOND FLOOR                | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 4 TWO BEDROOM UNITS  | 3 THREE BEDROOM UNITS  |
| THIRD FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| FOURTH FLOOR                | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| FIFTH FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| SIXTH FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| TOTALS                      | 5 STUDIO UNITS | 15 ONE BEDROOM UNITS | 16 TWO BEDROOM UNITS | 19 THREE BEDROOM UNITS |

| ACCESSIBLE UNIT TYPES |                      |                  |                      |                      |                  |                      |                    |                        |
|-----------------------|----------------------|------------------|----------------------|----------------------|------------------|----------------------|--------------------|------------------------|
| FLOOR                 | H/V IMPAIRED ONE BED | TYPE - A ONE BED | TYPE - ADDAG ONE BED | H/V IMPAIRED TWO BED | TYPE - A TWO BED | TYPE - ADDAG TWO BED | TYPE - A THREE BED | TYPE - ADDAG THREE BED |
| SECOND FLOOR          | 0                    | 0                | 1                    | 1                    | 1                | 0                    | 0                  | 0                      |
| THIRD FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| FOURTH FLOOR          | 0                    | 1                | 0                    | 0                    | 0                | 1                    | 1                  | 0                      |
| FIFTH FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| SIXTH FLOOR           | 1                    | 0                | 0                    | 0                    | 1                | 0                    | 0                  | 1                      |
| TOTALS                | 1                    | 3                | 1                    | 1                    | 4                | 1                    | 3                  | 1                      |





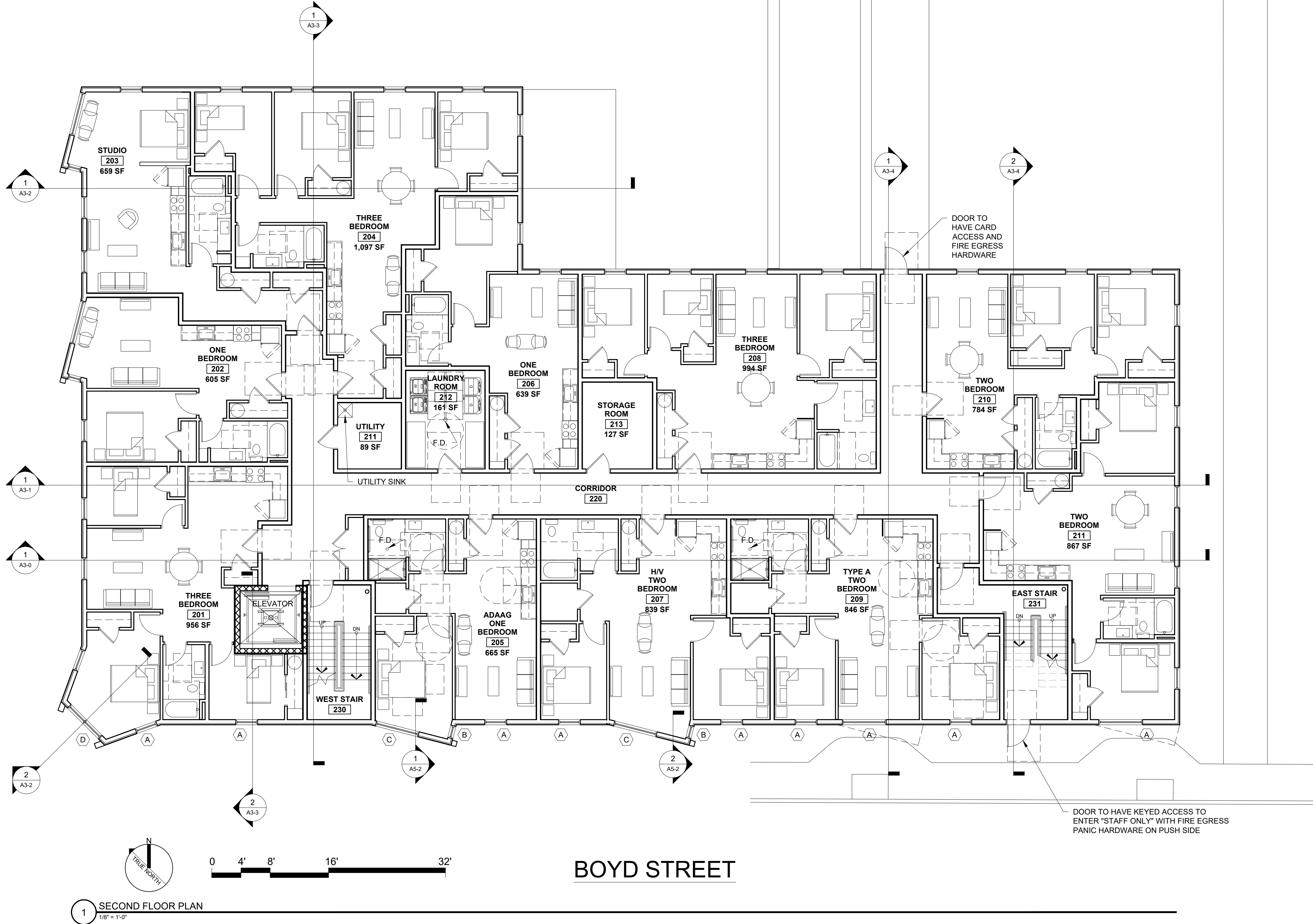
NOTE: AT ALL EXTERIOR WALL PANELS, ALL PANEL JOINTS, BOTH VERTICAL AND HORIZONTAL, TO HAVE TWO CONTINUOUS BEADS OF ELASTOMERIC SEALANT INSTALLED.

| UNIT ACCESSIBILITY SUMMARY                                                                            |                                        |                             |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|
| REGULATION: HUD 504 AND ADA, STANDARD: ADAAG 2010                                                     | PROVIDED IN PROJECT                    | EXCESS UNITS                |
| SCOPING REQUIREMENT: 5% units accessible and additional 2% of units to be hearing and vision impaired |                                        |                             |
| 55 units within building X 5% = 3 units to meet ADAAG                                                 | 3 ADAAG units                          | 0 Excess                    |
| 55 units within building X 2% = 2 units to be hearing and vision impaired                             | 2 Hearing and Vision Impaired Units    | 0 Excess                    |
| REGULATION: MAINE HUMAN RIGHTS ACT (MHRA), STANDARD: ANSI A117.1-2009                                 |                                        |                             |
| SCOPING REQUIREMENT: 10% of Ground Floor units to be Type A                                           |                                        |                             |
| 11 Ground Floor (2nd Floor) Units X 10% = 2 units                                                     | 2 Type-A units (includes 1 ADAAG)      | 0 Excess                    |
| SCOPING REQUIREMENT: 10% of Upper Floor units to be Type A                                            |                                        |                             |
| 44 Upper Floor (3rd,4th,5th,6th Floors) Units X 10% = 5 units                                         | 11 Type-A units (includes 2 ADAAG)     | 6 Excess                    |
|                                                                                                       | 13 Type-A units total (INCLUDES ADAAG) | 6 Excess Type-A units total |
| All the rest to be Type B                                                                             | 42 Type-B units (includes 1 H/V)       |                             |
| MHRA requires ALL units to either be Type A or B units                                                |                                        |                             |
| All units to meet Federal Fair Housing Act                                                            |                                        |                             |

| UNIT TYPES - 55 TOTAL UNITS |                |                      |                      |                        |
|-----------------------------|----------------|----------------------|----------------------|------------------------|
| SECOND FLOOR                | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 4 TWO BEDROOM UNITS  | 3 THREE BEDROOM UNITS  |
| THIRD FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| FOURTH FLOOR                | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| FIFTH FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| SIXTH FLOOR                 | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 3 TWO BEDROOM UNITS  | 4 THREE BEDROOM UNITS  |
| TOTALS                      | 5 STUDIO UNITS | 15 ONE BEDROOM UNITS | 16 TWO BEDROOM UNITS | 19 THREE BEDROOM UNITS |

| ACCESSIBLE UNIT TYPES |                      |                  |                      |                      |                  |                      |                    |                        |
|-----------------------|----------------------|------------------|----------------------|----------------------|------------------|----------------------|--------------------|------------------------|
| FLOOR                 | H/V IMPAIRED ONE BED | TYPE - A ONE BED | TYPE - ADDAG ONE BED | H/V IMPAIRED TWO BED | TYPE - A TWO BED | TYPE - ADDAG TWO BED | TYPE - A THREE BED | TYPE - ADDAG THREE BED |
| SECOND FLOOR          | 0                    | 0                | 1                    | 1                    | 1                | 0                    | 0                  | 0                      |
| THIRD FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| FOURTH FLOOR          | 0                    | 1                | 0                    | 0                    | 0                | 1                    | 1                  | 0                      |
| FIFTH FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| SIXTH FLOOR           | 1                    | 0                | 0                    | 0                    | 1                | 0                    | 0                  | 1                      |
| TOTALS                | 1                    | 3                | 1                    | 1                    | 4                | 1                    | 3                  | 1                      |

OXFORD STREET



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APARTMENTS  
9 BOYD STREET  
PORTLAND, MAINE

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C: 207-650-6414  
senatorearchitecture.com

CONSULTANTS:  
REVISIONS:  
PROGRESS PRINT ONLY  
Not for Construction  
JUNE 14TH, 2024

DATE:  
PROJECT No. 2336  
DRAWN BY: RRT  
CHECKED BY: RJS  
SCALE: AS NOTED  
SHEET TITLE:  
SECOND FLOOR PLAN

A1-3



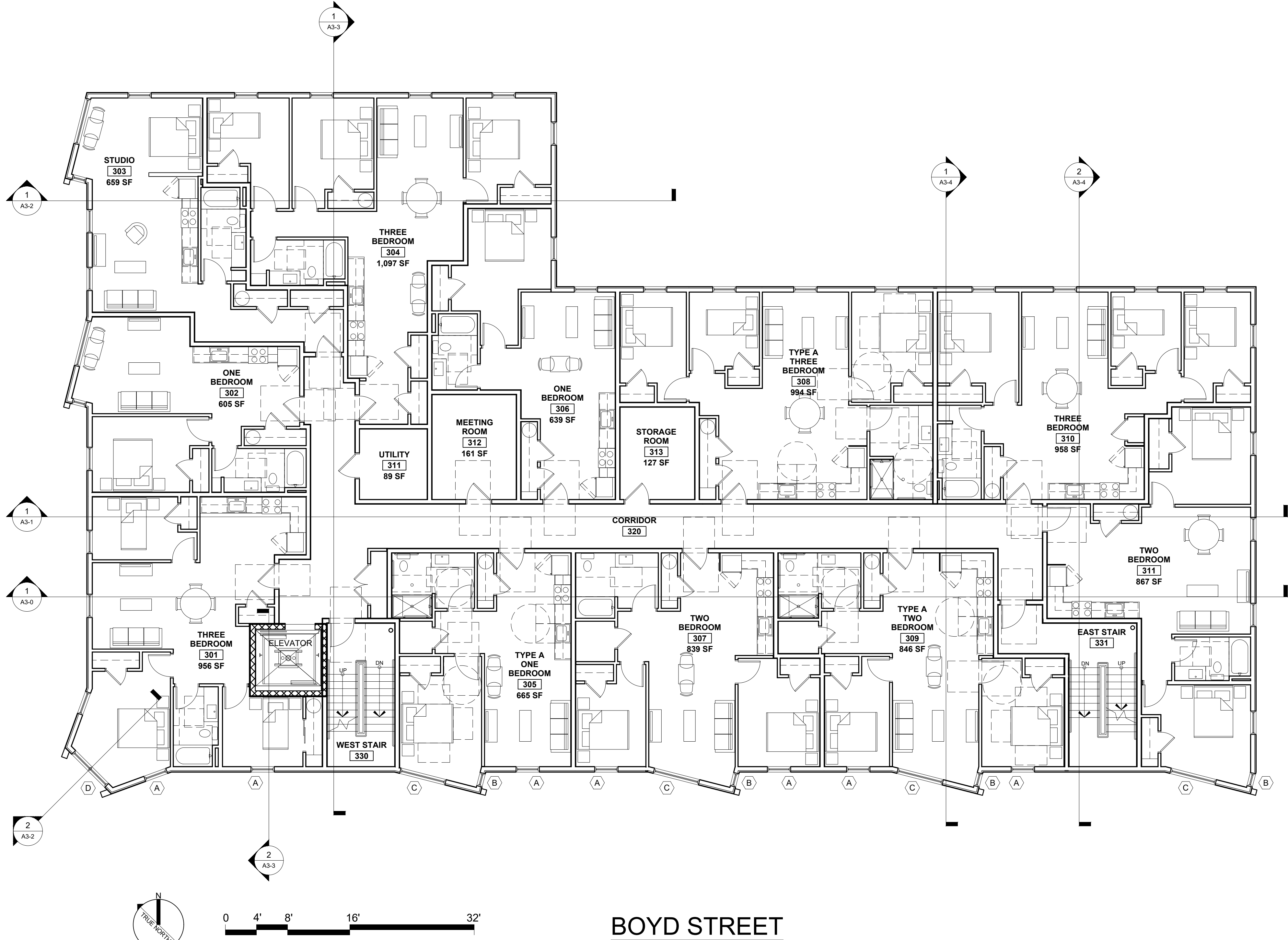
NOTE: AT ALL EXTERIOR WALL PANELS, ALL PANEL JOINTS, BOTH VERTICAL AND HORIZONTAL, TO HAVE TWO CONTINUOUS BEADS OF ELASTOMERIC SEALANT INSTALLED.

| UNIT ACCESSIBILITY SUMMARY                                                                            |                                        |                             |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|
| REGULATION: HUD 504 AND ADA, STANDARD: ADAAG 2010                                                     | PROVIDED IN PROJECT                    | EXCESS UNITS                |
| SCOPING REQUIREMENT: 5% units accessible and additional 2% of units to be hearing and vision impaired |                                        |                             |
| 55 units within building X 5% = 3 units to meet ADAAG                                                 | 3 ADAAG units                          | 0 Excess                    |
| 55 units within building X 2% = 2 units to be hearing and vision impaired                             | 2 Hearing and Vision Impaired Units    | 0 Excess                    |
| REGULATION: MAINE HUMAN RIGHTS ACT (MHRA), STANDARD: ANSI A117.1-2009                                 |                                        |                             |
| SCOPING REQUIREMENT: 10% of Ground Floor units to be Type A                                           |                                        |                             |
| 11 Ground Floor (2nd Floor) Units X 10% = 2 units                                                     | 2 Type-A units (includes 1 ADAAG)      | 0 Excess                    |
| SCOPING REQUIREMENT: 10% of Upper Floor units to be Type A                                            |                                        |                             |
| 44 Upper Floor (3rd,4th,5th,6th Floors) Units X 10% = 5 units                                         | 11 Type-A units (includes 2 ADAAG)     | 6 Excess                    |
|                                                                                                       | 13 Type-A units total (INCLUDES ADAAG) | 6 Excess Type-A units total |
| All the rest to be Type B                                                                             | 42 Type-B units (includes 1 H/V)       |                             |
| MHRA requires ALL units to either be Type A or B units                                                |                                        |                             |
| All units to meet Federal Fair Housing Act                                                            |                                        |                             |

| UNIT TYPES - 55 TOTAL UNITS |                |                      |                      |                        |
|-----------------------------|----------------|----------------------|----------------------|------------------------|
| SECOND FLOOR                | 1 STUDIO UNIT  | 3 ONE BEDROOM UNITS  | 4 TWO BEDROOM UNITS  | 3 THREE BEDROOM UNITS  |
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| ACCESSIBLE UNIT TYPES |                      |                  |                      |                      |                  |                      |                    |                        |
|-----------------------|----------------------|------------------|----------------------|----------------------|------------------|----------------------|--------------------|------------------------|
| FLOOR                 | H/V IMPAIRED ONE BED | TYPE - A ONE BED | TYPE - ADDAG ONE BED | H/V IMPAIRED TWO BED | TYPE - A TWO BED | TYPE - ADDAG TWO BED | TYPE - A THREE BED | TYPE - ADDAG THREE BED |
| SECOND FLOOR          | 0                    | 0                | 1                    | 1                    | 1                | 0                    | 0                  | 0                      |
| THIRD FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| FOURTH FLOOR          | 0                    | 1                | 0                    | 0                    | 0                | 1                    | 1                  | 0                      |
| FIFTH FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| SIXTH FLOOR           | 1                    | 0                | 0                    | 0                    | 1                | 0                    | 0                  | 1                      |
| TOTALS                | 1                    | 3                | 1                    | 1                    | 4                | 1                    | 3                  | 1                      |

OXFORD STREET



1 THIRD FLOOR PLAN  
1/8" = 1'-0"

BOYD STREET



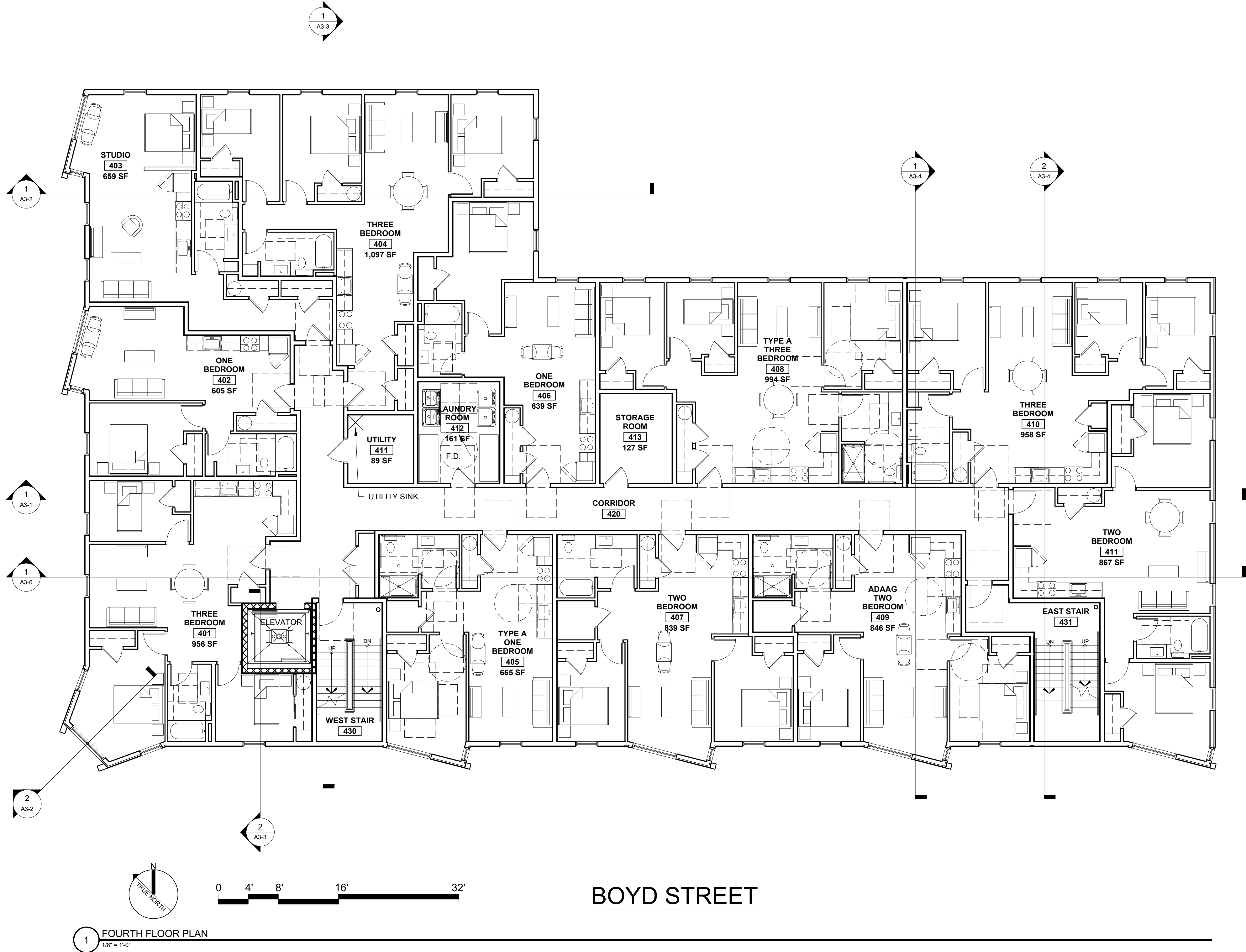
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| UNIT ACCESSIBILITY SUMMARY                                                                            |                                        |                             |
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| REGULATION: HUD 504 AND ADA, STANDARD: ADAAG 2010                                                     | PROVIDED IN PROJECT                    | EXCESS UNITS                |
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| 55 units within building X 5% = 3 units to meet ADAAG                                                 | 3 ADAAG units                          | 0 Excess                    |
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| SCOPING REQUIREMENT: 10% of Ground Floor units to be Type A                                           |                                        |                             |
| 11 Ground Floor (2nd Floor) Units X 10% = 2 units                                                     | 2 Type-A units (includes 1 ADAAG)      | 0 Excess                    |
| SCOPING REQUIREMENT: 10% of Upper Floor units to be Type A                                            |                                        |                             |
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|                                                                                                       | 13 Type-A units total (INCLUDES ADAAG) | 6 Excess Type-A units total |
| All the rest to be Type B                                                                             | 42 Type-B units (includes 1 H/V)       |                             |
| MHRA requires ALL units to either be Type A or B units                                                |                                        |                             |
| All units to meet Federal Fair Housing Act                                                            |                                        |                             |

| UNIT TYPES - 55 TOTAL UNITS |                |                      |                      |                        |
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OXFORD STREET



1 FOURTH FLOOR PLAN  
1/8" = 1'-0"

BOYD STREET

APARTMENTS  
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PORTLAND, MAINE

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ARCHITECTURE  
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senatorearchitecture.com

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REVISIONS:  
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JUNE 14TH, 2024

DATE:  
PROJECT No. 2336  
DRAWN BY: RRT  
CHECKED BY: RJS  
SCALE: AS NOTED  
SHEET TITLE:  
FOURTH FLOOR  
PLAN

A1-5



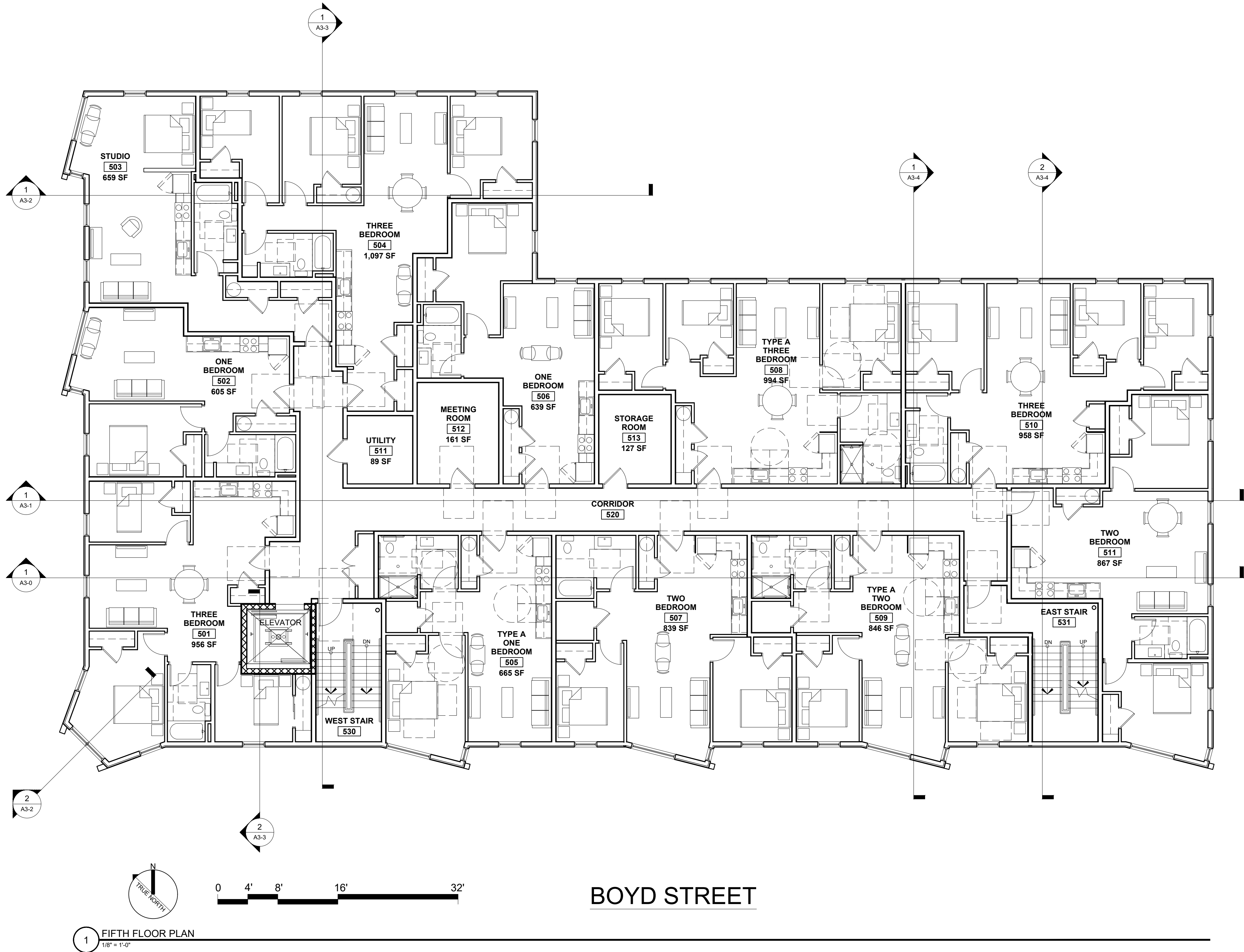
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| MHRA requires ALL units to either be Type A or B units                                                |                                        |                             |
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OXFORD STREET



BOYD STREET

© 2024 RYAN SENATORE ARCHITECTURE

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PORTLAND, MAINE

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SHEET TITLE:  
FIFTH FLOOR  
PLAN

A1-6



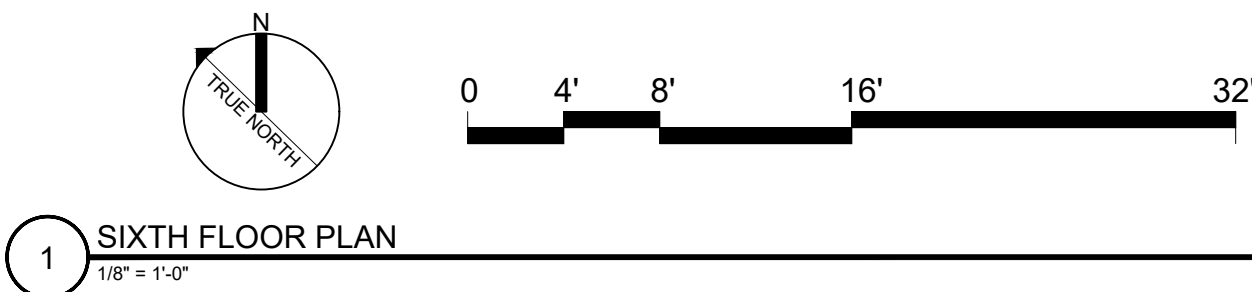
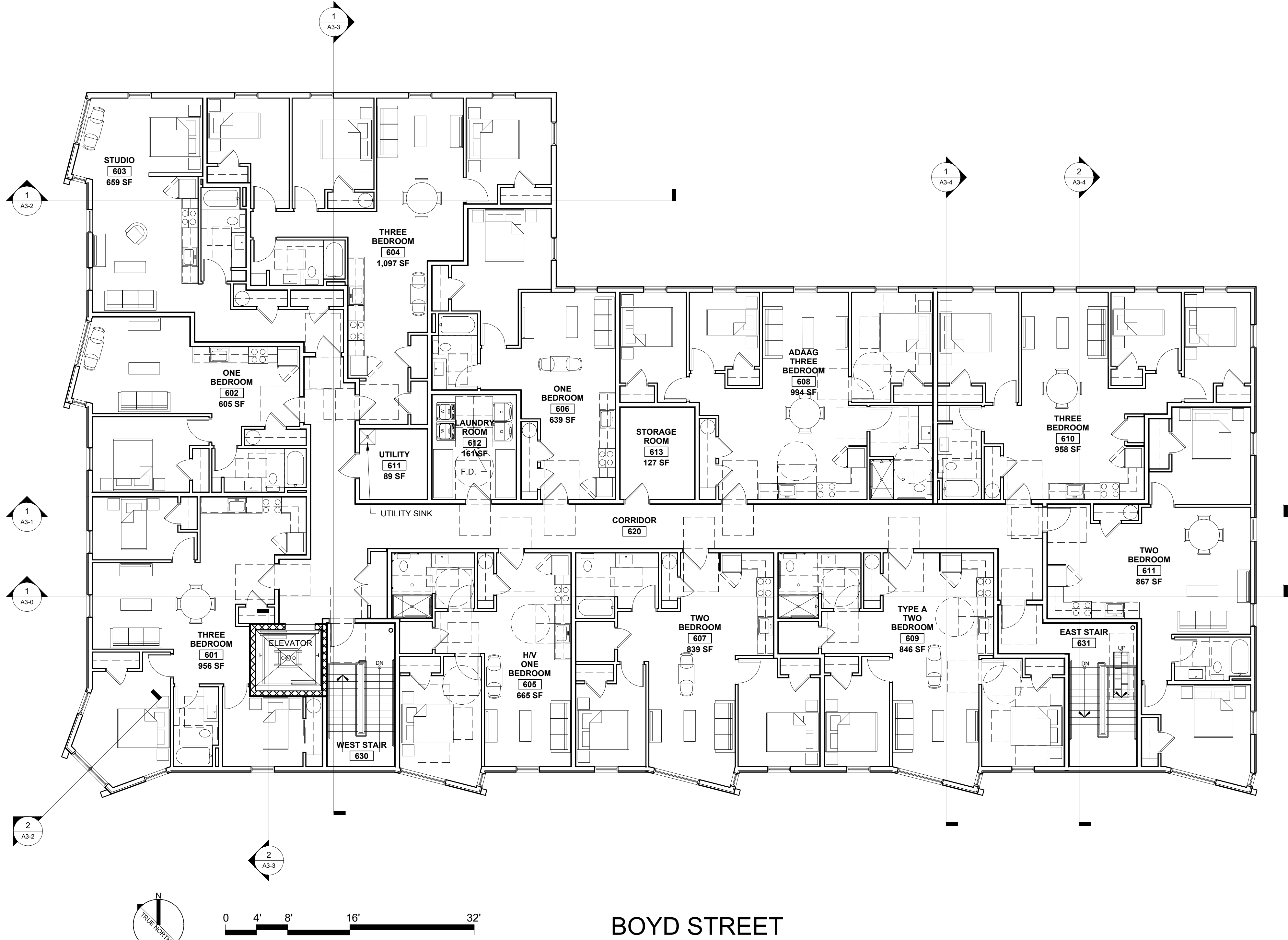
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| FIFTH FLOOR           | 0                    | 1                | 0                    | 0                    | 1                | 0                    | 1                  | 0                      |
| SIXTH FLOOR           | 1                    | 0                | 0                    | 0                    | 1                | 0                    | 0                  | 1                      |
| TOTALS                | 1                    | 3                | 1                    | 1                    | 4                | 1                    | 3                  | 1                      |

OXFORD STREET



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SHEET TITLE:  
SIXTH FLOOR  
PLAN

A1-7

# Municipal Tax Increment Financing Overview

*Housing & Economic Development Committee Meeting*

May 21, 2024



# What is Tax Increment Financing?

A public economic development financing program, funded by property taxes on the incremental new assessed value generated by a development project.



# Why is TIF Used?

- To stimulate private sector investment and job creation;
- Expand existing or fund new transit service capital costs and limited operational costs, invest in public infrastructure, staff salaries, workforce training, housing programs and services to address homelessness for examples.
- To support Affordable Housing- up to 120% Area Median Income (AMI).
- To 'shelter' against adverse adjustments to State subsidies and County taxes based on total municipal valuation.

# How Does TIF Work?

- A municipality designates a specific geographic area as a municipal development tax increment financing district.
- This "freezes" the assessed value of taxable property within the district (the original assessed value or "OAV").
- TIF revenues derive from taxes on incremental new assessed value above OAV.
- Municipality adopts a development program describing authorized uses of revenue.

# Establishing the TIF District

TIF law places limitations on the size and assessed value of TIF districts

## Size (Based on FY 2023 Annual TIF Report)

- 2% of City's total acreage for single district
- 5% of total acreage for all municipal, commercial, and affordable housing districts (619 acres total with 238 acres available) combined.

## Value (Based on FY 2023 Annual TIF Report)

- Commercial Districts: All commercial districts combined may not exceed 5% of total value of taxable property (\$743.5 Million total, with \$585 Million in value remaining for new districts).
- Affordable Housing Districts: All affordable housing districts combined may not exceed 5% of total value of taxable property (\$743.5 Million total, with \$739 Million in value remaining for new districts).

# Establishing the TIF District

TIF districts may be designated for a maximum of 30 years and at least 25% of the district area must include property that is:

- Blighted
- In need of rehabilitation, redevelopment or conservation;
- Suitable for commercial;
- Affordable Housing with 25% suitable for residential use

# Authorized Uses of TIF Revenue

- Costs within the District (most flexible)
- Costs outside District but directly related to or made necessary by the District (less flexible)
- Community wide economic development (narrow list of uses)



# Within The District

- Capital Costs
- Financing Costs
- Professional Services Costs
- Other Administrative or Organizational Costs

Outside The District - Directly related to the district, or made necessary by its establishment.

- Infrastructure improvements
- Other improvements related to Public Safety

# How Does 'Sheltering' Work?

- With new investment, real estate valuation goes 
- As a result, State Subsidies go  and county taxes go 
- TIF 'shelters' captured new value by excluding it from total municipal value reported to the State for the length of the TIF

# Funding Mechanisms

- **Municipal Bonds**
  - Municipality established a Development Sinking Fund for debt service requirements
- **Credit Enhancement Agreement**
  - TIF revenues placed in a Project Cost Account for direct payment to company for authorized project costs
- **Municipal Economic Development**
  - TIF revenues placed in a Project Cost Account for direct payments by municipality for authorized project costs



# TIF Approval Process

## TIF Program

- District Boundaries
- Development Program
- Financial Plan

## City Council Approval followed by:

- State DECD Approval for Commercial & Industrial Projects  
**OR**
- Maine State Housing Authority for Affordable Housing TIFs
- Credit Enhancement Agreement with Projected Developer then executed after approvals.



# Portland's Experience With TIF's

- Adopted Updated Council TIF Policy as of 02/22/2021
- As of FY 2023 Portland active TIF Districts include:
  - 3 area-wide TIF Districts (Bayside, Waterfront, and Downtown Transit Oriented District)
  - 18 Affordable Housing District
  - 2 Commercial Districts
  - 1 Commercial District supporting housing projects (market and affordable)
  - 1 Transit Oriented Commercial District

# Compliance With City TIF Policy

TIF Credit Enhancement Agreement (CEA) maximum terms include

- Affordable Housing TIFs: 30 years; 75% capture rate over term
- Commercial TIFs: 20 years; 65% capture rate over term

Additional CEA requirements:

- Compliance With The City Green Building Ordinance
- Affordable Housing TIF State Law and City TIF Policy – Requires that at least 33.3% of the units for households at or below 120% of AMI, which in Portland for a family of four is approximately \$120,000
- Meet State Prevailing Wage standards
- Applicants must demonstrate financial capacity and need.



## *Questions & Answers*

Contact [edd@portlandmaine.gov](mailto:edd@portlandmaine.gov)

City of Portland | Office of the Mayor and City Council  
Kate Sykes, *Councilor (District 5)*



**To: Chair Councilor Pious Ali and Members of the Housing and Economic Development Committee**

**From:** Kate Sykes, Councilor

**Date:** June 7, 2024

**Re:** Short Term Rental Ordinance Amendments

As you know, in the last four years, three ballot initiatives addressing Short-Term Rentals have come before Portland voters, all of them narrowly defeated. These campaigns have not yielded the kind of thoughtful consideration and measured action that I believe we are capable of as a City, but they did send a powerful message that Council action is urgently needed on this matter.

In part because of the significant and ongoing civic engagement around this issue, Short-Term Rental regulation reform emerged as one of the top City Council goals for this year, the result of a full-council workshop. In response, the Housing and Economic Development Committee has added it to our work plan. I've met with a diverse set of stakeholders as well as my fellow Councilors to seek input on potential changes to the ordinance. I've tried to summarize the likely changes that came out of those conversations below, and I've attached a rough markup of the ordinance with tracked changes and comments to give you an idea of how some of these changes might be made.

As I'm sure you are aware, the overlap between long-term and short term rental regulations and terminology in this chapter makes an elegant revision difficult. There may be better ways to word some of these changes, and I look forward to working with you on those. I also anticipate we will receive staff input on these changes. Still, I believe this represents a reasonable starting place for our committee work.

Because two recent Rent Control citizen initiatives have limited the amendments the Council can make without seeking voter ratification, I submit these changes for deliberation by the Housing and Economic Development Committee, recommendation to the Council, and placement on the ballot for the November 2024 election.

## **STR Ordinance Amendment Goals and Summary of Changes**

### *Background:*

Portland faces a severe housing affordability crisis. We have approximately 19,000 registered long-term rental units in the City and the rental vacancy rate is around 2.5% according to the most recent US Census Bureau's American Community Survey. It's estimated that 70% of Portland residents are rent burdened. It is further estimated that we are 9,000 units of housing short of what we need to adequately house our workforce.

Our parks, schools, libraries, tax base, and local workforce all depend on the availability of affordable long-term housing. Short term rentals take hundreds of units of housing away from Portland's already low housing stock and can undermine the residential character of neighborhoods and buildings. Under our current ordinance, the Islands bear a disproportionate number of Short Term Rental Licenses relative to the mainland communities. Many of the homes on the islands are seasonal, leaving few housing options for year-round residents and workers. The Peaks Island school, businesses and labor markets are particularly vulnerable to disruption when long-term housing stock is lost to vacation rentals.

### *Policy Goals:*

- Restore and/or preserve Portland's existing long-term housing stock
- Give law-abiding citizens the option use their primary residence as a short term rental
- Limit the number of non-owner occupied short-term rentals, in proportion to the amount of rental housing stock/vacancy rate
- Ensure that speculators do not buy up single family homes, including condominiums, to turn them into pseudo hotels
- Prevent rental arbitrage from eroding long term rental housing stock
- Protect the year-round community, labor force, and economy on Peaks Island by preserving their existing year-round housing stock



- Prevent the disruption of the residential character of neighborhoods and buildings
- Leverage legal precedent that has been set by other communities in requiring booking services to verify registration with the City before charging for services
- Decrease the threat or harm to public health, safety, or general welfare that results from unlawful vacation rentals
- Provide greater public transparency into Short Term rental registrations
- Create a clear public complaint process that aids enforcement

*Summary of Amendments:*

**Sec. 6-150.1. Definitions.**

Add definitions for Mainland Accessory Dwelling Units, Mainland New Construction Accessory Dwelling Units, Booking Service, Outer Island Short Term Rental, Peaks Island Short Term Rental, Seasonal Property, Year-Round Property.

Remove definition for tenant registration of units.

**Sec. 6-151. Registration required.**

Add section that requires booking services to get registration info from the City before listing units and/or charging fees. See City of New York:

<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4950986&GUID=584F2A6A-6793-480E-A315-F0C8BDA98092&Options=ID%7cText%7c&Search=>

Delete references to tenant-registered/tenant-occupied units. (Grandfather in existing tenant registered units, but allow no new tenant-occupied units to be registered after this year in order to close the rental arbitrage loophole.)

Make the Homestead Exemption (as documented through the City Tax Assessor's office) and State of Maine-issued ID the only allowable proof of primary (Owner-Occupied) residence.

Add documentation of Seasonal/Year-round property status for Peak's Island units using Tax Assessor land use codes and/or Portland Water District map.

Add requirement of City to publish a list of all short term rental unit registrations and addresses on the City website for easy public viewing.

Add requirement of City to notify all property owners within 500 feet of a registered short term rental.

Add requirement of City to create web-based intake process and follow-up protocols for public complaints about short term rentals. See South Portland:

<https://www.southportland.org/186/Short-Term-Residential-Rentals-Registrat>

### **Sec. 6-152. Registration Fees.**

See chart in attached document for fee increases across the board.

Add seasonal Peaks Island Units, and Outer Island Units into the fee schedule for Owner-Occupied units.

Add Non-Owner occupied Peaks Island Units, New Construction Accessory Dwelling Units into the fee schedule for non-owner occupied units.

### **Sec. 6-153. Limitations on Short Term Rental Units.**

Keep current cap on mainland Non-Owner Occupied registrations the same for 2025.

Beginning in 2026, limit the number of Non-Owner Occupied registrations to no more than 2% of the total number of registered long-term rental units on the mainland in the prior year. To be determined annually on a date that makes sense for the Permitting Office. Exception: Mainland New Construction Accessory Dwelling Units which will not be subject to the cap, but are only temporary (5 years) to incentivize and help people recoup the cost of building an ADU on their property. (Mainland ONLY.)

Limit Non-owner occupied Peaks Island short term rentals to no more than 40 registered units in any one calendar year, provided those properties are year-round residences.

No limits on owner-occupied Peaks Island short term rentals, or Peaks Island seasonal properties.

No limits on Outer Island short term rentals.

Peaks Island and Outer Island units are still included in the 5-per-person/entity registration limit.

On the Mainland, limit the total number of short term rental units that may be operated in a multi-unit building to no more than half the total units in the building. (see chart)

On Peaks Island, limit the number of owner-occupied short term rental units to one per property

On Peaks, short term rental units are not allowed in year-round properties that have 3 or more units.

**Miscellaneous items to research and possibly add:**

Add a section that BETE and BETR taxes should be collected/claimed for all STRs

STR units must comply with fire codes comparable to bed-and-breakfasts, namely that the **locations of fire extinguishers, emergency exits, and fire alarms are posted** clearly on the inside of the front door.

Attachment: Current Short Term Rental Ordinance

**ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS**

**Sec. 6-150. Purpose.**

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential long term rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. Non-owner occupied short term rental units may remove housing units from the long term rental market and may contribute to the increase in the cost of rental housing in the City.

This article is intended to require the disclosure of the ownership of such property, and to regulate the renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, to ensure that housing units remain available for rent to those who reside or seek to reside within the City, to ensure that residential areas are not unduly impacted by the operation of short term rentals, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-150.1. Definitions.**

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

*Island Short Term Rental* shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.

*Long Term Rental* shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

*Mainland Short Term Rental* shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

*Multi-Unit* shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting

and Inspections Department.

*Owner-Occupied* shall mean a rental unit owned and occupied by the registrant as his or her primary residence. Accessory dwelling units as defined in Chapter 14 of this Code, are not considered owner-occupied units for purposes of short term rental registration and regulation.

*Owner* shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation; that is the record owner of a building or property.

*Primary Residence* shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

*Registrant* shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

*Rental unit* is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a *rental unit*. *Dwelling units* and *rooming units* as defined in §6-106 are, without limitation, *rental units*. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a *rental unit*.

*Short Term Rental* is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

*Single Family Home* shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

*Tenant-Occupied* shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.  
(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-151. Registration required.**



(a) *Registration of Ownership.*

1. Rental units must be registered in accordance with this article by January 1st of each year; Rental units entering the rental housing market must be registered within fourteen days. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.
2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rental.
3. Each owner, manager, and person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this article. Any new owner, manager, or responsible person/entity must apply to register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility. New owners or tenants applying to register an existing short term rental unit are considered new applicants and shall be subject to all limitations and regulations in effect at the time of the application.
4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.
5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;
2. The unit number of the rental unit;
3. The tax assessor's chart, block and lot of the property on which the building is located;

4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:
  - a. The name of each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and
  - b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;
5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity; and
6. The person designated as the agent of the owner or owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec. 6-152, and a registration number has been issued.

In addition to the information required in Section 6-151(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City's Permitting and Inspections Department or their designee:

1. A short term rental application;
2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;
  - a. For Short Term Rental units that are owner-occupied, the owner must provide a notarized

primary residence affidavit, on forms provided by the City. The owner must also produce for review one of the following demonstrating residency at the owner-occupied unit:

- i. Valid driver's license or other state-issued identification;
  - II. Valid motor vehicle registration;
  - iii. Proof of homestead exemption; or
  - iv. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.
- b. For Short Term Rental units that are tenant-occupied, the tenant must provide a notarized primary residence affidavit, and a notarized statement of permission by his/her landlord, both on forms supplied by the City. The tenant must also produce for review one of the following demonstrating residency at the tenant-occupied unit:
  - i. Valid driver's license or other state-issued identification;
  - ii. Valid motor vehicle registration; or
  - iii. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.
3. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;
4. For short term rental units that are within a condominium or homeowner's association, an attestation that use of the unit as a short term rental is allowed under the relevant documents; and
5. If the application is for renewal, the number of nights the unit was rented on a short-term basis and the number of nights the unit was rented on a long-term basis in the previous reporting year. For purposes of reporting this

information, November 1 through October 31 is the reporting period for a renewal of January 1.

*(d) Display of Short Term Rental Registration Number Required.*

Once registration is approved by the City, each short term rental shall be given a registration number, which must be displayed in the rental unit and in any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

*(f) Additional Information Required for Covered Units.* A Covered Unit, as defined by Section 6-232 of this Chapter, shall not be considered registered unless and until the registrant has submitted the following additional information:

1. The current rent charged at the time of registration;
2. The increase in rent (if any) when compared to the previous registration;
3. Whether the increase (if any) is attributable to: (1) the Allowable Increase Percentage and Tax Rate Rent Adjustment, as defined in Section 6-232; or (2) also includes Banked Rent, as defined in Section 6-232;
4. The amount of Banked Rent, if any, accumulated since the previous registration;
5. The amount of security deposits or other payments demanded in addition to rent for each Covered Unit; and
6. The number of bedrooms, number of bathrooms, and the presence or absence of a kitchen from each Covered Unit.

*(g) Registration data made available.* The City's Permitting and Inspections Department or its designee is required to make anonymized data from the registration of Covered Units available to the Rent Board at the Board's request. Such data shall not

include the names, or street and unit numbers of any reported units.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. No. 246-97, 4-9-97; Ord. 298-14/15, 7-6-2015; Ord. 69-15/16, 10/5/2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018; By Referendum, 11-3-2020; By Referendum, 11-8-2022)

#### **Sec. 6-152. Registration Fees.**

(a) *Annual Registration Fee.* Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay fifty dollars (\$50.00) to the City by January 1st of each year. Regardless of any discount a Landlord may be entitled to under subsection (d) below, thirty dollars (\$30) from each registration fee shall be appropriated to Housing Safety Office to cover the administrative expenses of the Rent Board, including the hiring of additional administrative staff if necessary.

(c) *Short Term Rental Registration Fee Structure.* The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any owner occupied, tenant occupied, and/or island rentals first, and then fees will be attributed at the higher rate for any non-owner occupied mainland units.

Owners and tenants may register more than one owner occupied or tenant occupied unit (bedrooms, separate spaces, etc.) within their primary residence.



|                                                                        |                                                                                                                                                                    |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Owner Occupied Units, Tenant Occupied Units, Island Short Term Rentals | 1 <sup>st</sup> Unit - \$100<br>2 <sup>nd</sup> Unit - \$250<br>3 <sup>rd</sup> Unit - \$500<br>4 <sup>th</sup> Unit - \$1,000<br>5 <sup>th</sup> Unit - \$2,000   |
| Non-Owner Occupied Mainland Units                                      | 1 <sup>st</sup> Unit - \$200<br>2 <sup>nd</sup> Unit - \$500<br>3 <sup>rd</sup> Unit - \$1,000<br>4 <sup>th</sup> Unit - \$2,000<br>5 <sup>th</sup> Unit - \$4,000 |

(d) *Registration and Renewal Fee Discounts.* The following discounts shall apply to the registration and renewal fees:

1. \$10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;
2. \$7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;
3. \$5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;
4. \$10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection

report, which shall be provided at the time of registration and upon each registration renewal;

5. \$2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of this provision may be verified through an inspections of each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed \$20.00 per unit.

(e) Registrations that are not received by January 15, or within 14 days after entering the rental housing market, whichever is later, shall be subject to a late fee of \$50 per unit, and registrations that are not received by February 15, or within 45 days after entering the rental housing market, whichever is later, shall be subject to a late fee of \$200 per unit. Registrations shall not be renewed unless and until the registrant pays any applicable late fee. Incomplete or inaccurate registrations may be rejected and subject to all applicable late fees upon resubmission. The Permitting and Inspections Director may waive a late fee upon a showing of both hardship and good cause as to why the renewal was not timely.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018; Ord. No. 244-18/19, 5-30-2019; By Referendum, 11-3-2020; By Referendum, 11-8-2022)

#### **Sec. 6-153. Limitations on Short Term Rental Units.**

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 400 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

A mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner,

shall be counted as a non-owner occupied unit.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rental unit in the City, including owner occupied, non-owner occupied, and island short term rental units, in any one (1) calendar year. For purposes of this section, short term rental units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

| Total # of Units in a Building | # of Short Term Rental Units Allowed in a Building |                    |
|--------------------------------|----------------------------------------------------|--------------------|
|                                | Owner Occupied                                     | Non-Owner Occupied |
| 2                              | 1                                                  | 1                  |
| 3                              | 2                                                  | 2                  |
| 4                              | 3                                                  | 2                  |
| 5                              | 4                                                  | 2                  |
| 6-9                            | 5                                                  | 4                  |
| 10+                            | 5                                                  | 5                  |

1. Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.
2. Owner-occupied units shall be counted towards these limits.

(f) Notwithstanding the requirements of subsections (c) and (e), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence. (Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

#### **Sec. 6-154. Allocation of Short Term Rentals.**

(a) Non-owner occupied mainland short term rental units, which are limited by section 6-153(b), shall be allocated on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand.

(b) Notwithstanding the limitations in section 6-153, current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

1. Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and any subsequent application shall be treated as a new application for registration.
2. The renewal date for 2019 only shall be February 1, 2019.

(c) No registration under this Article shall be transferrable or assignable.

(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-155. Violations.**

Specific violations of this article, subject to the provisions of section 6-1, include, but are not limited to:

(a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee;

(b) Any person, business entity, or other organization failing to timely file any required update to the registration;

(c) Any person, business entity, or other organization failing to acquire and/or display the required short term rental registration number;

(d) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be \$1,000.00;

(e) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permitting the occupancy of such premises without registration;

(f) Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period;  
(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-156. Enforcement.**

(a) The building authority as defined in section 6-1 or his or her designee is authorized to institute or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to remedy the disorderly house as required by section 6-202, shall, at the discretion of the City Manager or his or her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal. Upon the second designation of the short term rental property as a disorderly house, the City shall, at the discretion of the City Manager or his or her designee, prohibit the registered owner from operating the property as a short term rental or post the property against occupancy pursuant to section 6-201.

(d) Fines may be attributed to Property Management firms found operating short term rental units in violation of this article. These fines may be in addition to fines levied against owners of property.

(e) Violations of the provisions of this article shall be grounds to deny an application or renewal application for a short term rental registration.

(Ord. 179-16/17, 3-27-2017; Ord. No. 29-17/18, 9-18-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-157. Revenue Allocation.**

Notwithstanding section 6-1(b), all revenue generated from short term rental registration fees and penalties shall be used to first fund short term rental related administrative costs. Any remaining revenue shall be deposited in the Housing Trust Fund, as defined in Section 14-489.

(Ord. 179-16/17, 3-27-2017)

**Sec. 6-158. Reserved.**



**Sec. 6-159. Reserved.**  
**Sec. 6-160. Reserved.**  
**Sec. 6-161. Reserved.**  
**Sec. 6-162. Reserved.**  
**Sec. 6-163. Reserved.**  
**Sec. 6-164. Reserved.**

## **ARTICLE VII. GREEN BUILDING CODE**

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**\*Editor's Note:** Article VII (Green Building Code) was adopted in its entirety by Council Order 187-08/09 and passed on 4-6-09)  
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### **Sec. 6-165. Purpose.**

The purpose of this article is to establish the energy performance and roofing requirements for constructing and renovating city buildings and certain publicly-funded building projects with the goal of planning, designing, constructing, and managing to maximize energy performance, minimize adverse environmental impacts, provide healthy work places, conserve natural resources, and promote sustainable development in Portland.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; By Referendum, 11-3-2020)

### **Sec. 6-166. Definitions.**

The following words and phrases shall be defined as set forth below for use in this article.

*American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standards:* ASHRAE is a building technology society which publishes a recognized series of standards and guidelines relating to HVAC systems and performance. The Maine Uniform Building and Energy Code currently references ASHRAE Standard 90.1 which is an energy standard for buildings except low-rise residential buildings.

*Conditioned Space:* Any area within a building that is artificially heated or cooled by fixed equipment.

*Funded in whole or in part:* (a) Receipt of tax increment financing in an amount greater than fifty thousand dollars (\$50,000); or (b) receipt of grants by the City, HOME loans, Community Development Block Grant loans or Neighborhood Stabilization Program loans, the sum of which is greater than

**Office of Corporation Counsel**

Michael Goldman, *Corporation Counsel*

Amy McNally, *Associate Corporation Counsel*

Nicole Albert, *Associate Corporation Counsel*

Rachel Millette, *Associate Corporation Counsel*



## MEMORANDUM

**To:** Mayor Mark Dion; Councilor Kate Sykes

MIG

**Cc:** Danielle West, City Manager; Dena Libner, Assistant City Manager; Greg Watson, Director of Housing and Economic Development; Jessica Hanscombe, Director of Permitting and Inspections

**From:** Michael Goldman, Corporation Counsel

**Date:** May 14, 2024

**Subject:** Initiatives Impacting Short Term Rental Ordinance

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In light of the Housing and Economic Development Committee's potential plans to amend the short-term rental provisions in the City Code, I reviewed recent citizen initiatives to ensure that any ordinance amendments are consistent with the five-year rule in Section 9-46 of the City Code, which provides as follows:

An ordinance enacted by a vote of the people at an initiative or referendum election shall not be repealed or amended for a period of five (5) years from the effective date of the ordinance, except by a vote of the people, unless such ordinance shall otherwise expressly provide. After five (5) years from the effective date of the ordinance, the city council after public hearing may repeal or amend such ordinance by vote of five (5) of its members.

Accordingly, under the five-year rule, the Council is prohibited from amending an ordinance enacted by the citizen initiative process for five years after the effective date of the ordinance, unless such an amendment is approved at an election.

The provisions of the City Code that address short term rentals are included in Chapter 6, Sections 6-150 to 6-157 and 6-236. Although these sections address short and long term rental units, for purposes of this memo, I refer to those sections as the "Short Term Rental Ordinance." In the previous five years, there have been two citizen initiatives passed by

the voters that amended the Short Term Rental Ordinance: (1) An Act To Protect Tenants (2020) (the “2020 Act”) (Attachment 1); and (2) An Act To Protect Tenants In Portland (2022) (the “2022 Act”) (Attachment 2).

The 2020 Act affected the Short Term Rental Ordinance as follows:

- It created Sections 6-151(c) and (d)
- It amended Section 6-152(b)
- It created Sections 6-236(a) and (b)<sup>1</sup>

The 2020 Act became effective on or about December 3, 2020, and, therefore, the changes listed above cannot be amended or repealed by the Council without a vote of the people until after December 3, 2025.

The 2022 Act affected the Short Term Rental Ordinance as follows:

- It amended Section 6-151(a)(1)
- It amended Sections 6-151(f)(2) and (4)
- It amended Section 6-152(e)
- It amended Section 6-236(a) and (b)

The 2022 Act became effective on or about December 8, 2022, and, therefore, the changes listed above cannot be amended or repealed by the Council without a vote of the people until after December 8, 2027.

At this time, I do not know what changes the HEDC might propose to the Short Term Rental Ordinance, so it is difficult to say what, if any, impact Section 9-45 might have on the proposed changes. The purpose of this memo is simply to ensure that the HEDC is aware of the restrictions that Section 9-45 place on the Council’s ability to amend or repeal the portions of the Short Term Rental Ordinance that were enacted by the 2020 Act or the 2022 Act. As the Committee works through the process, I will plan to further review the prior initiatives to ensure that we do not run afoul of the five year rule. Please let me know if you have any questions or concerns in the meantime.

---

<sup>1</sup> In the proposed ordinance drafted by the proponents of the initiative, subsections (a) and (b) were incorrectly referred to as (1) and (2) (see Attachment 1)

**AFFIDAVIT FILED PURSUANT TO §9-36 OF PORTLAND CITY CODE  
SEEKING PETITIONS FOR INITIATION OF ORDINANCE**

The undersigned hereby depose and say as follow:

- (1) The undersigned are registered voters of the City of Portland, whose respective addresses appear below next to their names;
- (2) The undersigned file this affidavit for the purpose of initiating an ordinance ("the Ordinance"), the text and a summary of which is annexed to this Affidavit as Exhibit A;
- (3) The undersigned will constitute the Petitioners' Committee and circulate the citizen initiative petition;
- (4) All notices to the Committee are to be sent to DSA the following address:

PO Box 11345 Portland Maine 04104

Dated at Portland, this 15 day of May 20 20.

✓ Crow Norlander

(Print) Name

64 Mabel St. #2 Portland ME 04103

Address

Signature

✓ Nicholas Pellenz

(Print) Name

215 St John St

Address

Signature

✓ Jai Kang

(Print) Name

45 Rustic Ln.

Address

Signature

✓ Jeanne Heil

(Print) Name

45 Rustic Ln

Address

Signature

✓ Jessica Falero

(Print) Name

9 C st

Address

Signature

✓ Aaron Berger

(Print) Name

11 Grant st #6

Address

Signature

✓ Sydney Avitia-Jacques

(Print) Name

180 State St. #301 Portland 04101

Address

Signature

✓ Grayson Lookner

(Print) Name

1275 Westbrook St. #2

Address

Signature

✓ KRYSTIAN BIGOSINSKI

(Print) Name

73 ALBA ST

Address

Signature

✓ Ann Laguerre

(Print) Name

139 Park St.

Address

Signature

Subscribed and sworn to before me this 14 day of May, 20 20.

Jonathan D Torsch

Signature of Notary Public/Attorney-at-law

8/19/2026

Date Commission Expires/Date Entered the Bar

JONATHAN D TORSCH

Printed Name

**AFFIDAVIT FILED PURSUANT TO §9-36 OF PORTLAND CITY CODE  
SEEKING PETITIONS FOR INITIATION OF ORDINANCE**

The undersigned hereby depose and say as follow:

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PO Box 11345 Portland Maine 04104

Dated at Portland, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Crow Norlander  
(Print) Name

64 Mabel St. #2 Portland ME 04103  
Address

[Signature]  
Signature

Nicholas Pellenz  
(Print) Name

215 St John St  
Address

[Signature]  
Signature

Jai Kang  
(Print) Name

45 Rustic Ln.  
Address

[Signature]  
Signature

Jeanne Heil  
(Print) Name

45 Rustic Ln  
Address

[Signature]  
Signature

Jessica Falero  
(Print) Name

9 C st  
Address

[Signature]  
Signature

Aaron Berger  
(Print) Name

11 Grant st #6  
Address

[Signature]  
Signature

Sydney Avitia-Jacques  
(Print) Name

180 State St. #301 Portland ME 04101  
Address

[Signature]  
Signature

Grayson Lookner  
(Print) Name

1275 Westbrook St. #2  
Address

[Signature]  
Signature

KRYSZIAN BIGOSINSKI  
(Print) Name

73 ALGA ST  
Address

[Signature]  
Signature

Ann Laguerre  
(Print) Name

139 Park St.  
Address

[Signature]  
Signature

Subscribed and sworn to before me this 14 day of May, 2020.

[Signature]  
Signature of Notary Public/Attorney-at-law

8/19/2026  
Date Commission Expires/Date Entered the Bar

JONATHAN D TORSCH  
Printed Name

## **An Act To Protect Tenants**

An Act to Protect Tenants will cap most annual rent increases to the rate of inflation, ban discrimination against tenants with public vouchers, incentivize landlords to provide 90-day notice to tenants they are asking to vacate, and create a tenant/landlord board to permit additional rent increases when individual building circumstances warrant, such as major capital improvements.

1. That the Code of Ordinances, City of Portland, Maine, is hereby amended by adding a section to be numbered Chapter 6, Article XII, which said article reads as follows:

### **ARTICLE XII. RENT CONTROL AND TENANT PROTECTIONS**

#### **Sec. 6-230. Purpose.**

The purpose of this Article is to address increasing rental costs within the City of Portland; to promote neighborhood and community stability; to protect the City's tenant population; to limit arbitrary evictions; and to stabilize and make more predictable future rent increases, all while remaining in conformance with Maine law, and ensuring that Landlords within the City receive a fair return on investment.

#### **Sec. 6-231. Applicability.**

This Article shall apply to Rental Units in the City limits of Portland, exempting the following:

- (a) Rental Units owned, operated, or otherwise managed by municipal housing authorities, as defined in 30-A M.R.S. §4721(1), as amended;
- (b) Accommodations provided in a hospital, convent, church, religious facility, or extended care facility;
- (c) Dormitories owned and operated by an institution of higher education, or by Portland Public Schools;
- (d) Rental Units within a building containing only two (2), three (3) or four (4) dwelling units, one of which the Landlord currently occupies as his or her principal residence;
- (e) Accommodations where the amount of rent charged is either controlled or subsidized by a federal, state, or local governmental agency; and
- (f) Accessory dwelling units, as defined and understood in Chapter 14 of this Portland City Code.



**Sec. 6-232. Definitions.**

Allowable increase percentage means the amount that the rent of a Covered Unit may be raised within a Rental Year, unless a Landlord is entitled to additional increases as laid out in Section 6-233 below. The allowable increase percentage shall be determined on September 1 of each year beginning on September 1, 2021, and shall be equal to 100 percent of the change in the Consumer Price Index for Greater Boston Metro Area, as published by the United States Bureau of Labor Statistics or its designee.

Base rent means the initial amount of rent that a Landlord charges for a Covered Unit, as more specifically defined in Section 6-233 of this Article.

Banked rent means the Base Rent for a Covered Unit, plus any increase in rent to which the Landlord was entitled under Sections 6-233 and 6-234 below, but that was not charged to a Tenant during a particular Rental Year.

Constructed means a Rental Unit that has received its final certificate of occupancy from the City's Permitting and Inspections Department, or its designee.

Covered unit means a Rental Unit within the City of Portland that does not fall within a category exempted from this Article by Section 6-231.

Current covered unit means a Covered Unit that is occupied by a Tenant on January 1, 2021.

Discontinued covered unit means a Covered Unit that is not occupied on January 1, 2021 and has not been registered with the City of Portland under Section 6-151 of this Chapter.

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

Qualified family member means a spouse, parent, grandparent, brother, sister, child or grandchild related by blood, marriage, or adoption.

Rent means the consideration, including any deposit, bonus, benefit, or gratuity demanded or received for, or in consideration with, the use or occupancy of rental units and housing services. Such consideration includes, but is not limited to, monies and fair value of goods and services rendered to or for the benefit of the

Landlord under the Rental Agreement, or in exchange for a Rental Unit, or housing services of any kind.

Rent board means the set of appointed individuals responsible for the administration of this Article, in accordance with the terms set forth below.

Rent stabilization allowances means collectively the Allowable Increase Percentage, the Tax Rate Rent Adjustment, and any additional rent increase exemptions approved by the Rent Board under Section 6-234 of this Article.

Rent stabilization ordinance means Chapter 6, Article XII of the Code of Ordinances, City of Portland, Maine, as amended.

Rental agreement means a written legal contract between a Landlord and a Tenant for the use and/or occupancy of a Rental Unit.

Rental unit means any dwelling unit that is rented or otherwise made available for rent for residential use or occupancy, together with all additional rights, privileges, or services connected with use or occupancy of such a unit, including but not limited to vehicle parking spaces, storage, and commons areas and/or recreational facilities held out for use by the Tenant.

Rental year means a period of twelve (12) consecutive months beginning on January 1, 2021, or the date on which a Covered Unit enters the rental housing market, whichever is earlier.

Tax rate rent adjustment means the additional amount by which a Landlord may increase the rent of a Covered Unit within a given year. The Tax Rate Rent Adjustment may be added to the Allowable Increase Percentage if and only if the City changes the mil rate as compared to the previous Rental Year. In this case, the tax rate rental adjustment is equal to the actual increase in property taxes attributable to the individual Covered Unit.

Tenancy means the right or entitlement of a Tenant to use or occupy a rental unit.

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

- (a) Tenant-based rental assistance through the Section 8 Housing Choice Voucher Program, 42 U.S.C § 1437f (o)
- (b) Tenant-based rental assistance through the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez

- National Affordable Housing Act, as amended, 42 U.S.C § 12701 et seq.;
- (c) Tenant-based rental assistance under the HOD-Veterans Affairs Supportive Housing (HUD-VASH), authorized by § 8 (o) (19) of the United States Housing Act of 1937, 42 U.S.C. § 1437f (o) (19);
  - (d) Tenant-based rental assistance through the Shelter Plus Care Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11403-11407b, as amended;
  - (e) Tenant-based rental assistance through the Supportive Housing Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11381-11389, as amended;
  - (f) Tenant-based rental assistance through the Section 8 Disaster Voucher Program (DVP);
  - (g) Tenant-based rental assistance through the Housing Opportunities for Persons with AIDS (HOPWA) Program, 42 U.S.C. § 12901 -12912 as amended;
  - (h) Tenant-based rental assistance through the Community Block Grant Program, 42 U.S.C. § 5301 et seq. as amended;
  - (i) Tenant-based rental assistance through the Continuum of Care Program authorized by subtitle C of title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11381-11389;
  - (j) Tenant-based rental assistance through the Rural Development Voucher Program authorized through § 542 of the Housing Act of 1949, as amended. See 78 Fed. Reg. 49374 (Aug. 14, 2013) (proposed rule);
  - (k) Tenant-based rental assistance through the Maine Bridging Rental Assistance Program, authorized by M.R.S. Title 34-B § 3011;
  - (l) Tenant-based rental assistance through the Maine State Housing Authority Home To Stay Program, M.R.S. Title 30-A § 4771;
  - (m) Tenant-based rental assistance through the Maine State Housing Authority Stability Through Engagement Program, M.R.S. Title 30-A § 4771;
  - (n) Tenant-based rental assistance through the City of Portland's Tennant Based Rental Assistance Program, M.R.S. Title 30-A § 4771;
  - (o) Tenant-based rental assistance through the City of Portland's General Assistance Program, authorized by M.R.S. Title 22 § 4301 et seq.; and
  - (p) Such other Tenant-based rental assistance or rental vouchers or rental coupons as may be authorized under any federal, state, or local program.

**Sec. 6-233. Establishment of base rent.**

(a) Base Rent for Current Covered Units. Beginning on January 1, 2021, each Covered Unit shall be registered with the City in accordance with Section 6-151(c). Such registration must include proof of the rent charged by the Landlord for each Covered Unit as of June 1, 2020 (i.e., through presentation of a valid Rental Agreement, rent payment receipt, or other acceptable means within the opinion of the City). This amount shall be the Base Rent for purposes of the Rent Stabilization Ordinance.

(b) Base rent for Discontinued Covered Units.

- (i) If a Covered Unit is not registered with the City as of January 1, 2021, but is registered with the City after such date, the Base Rent shall be set by the Landlord.
- (ii) If a Covered Unit is registered with the City as of January 1, 2021, but is removed from the rental housing market, the Base Rent for such a Covered Unit upon reentry to the rental housing market shall be the Banked Rent, as measured from the Rental Year in which the Covered Unit was removed from the rental housing market.
- (iii) If a Covered Unit is registered with the City as of January 1, 2021, but is subsequently removed from the rental housing market for a period of five (5) or more Rental Years, the Base Rent for such a Covered Unit upon reentry into the rental housing market shall be set by the Landlord.

(c) Base rent following renovation or reconfiguration of Covered Units. Upon the renovation or reconfiguration of a Covered Unit, the Landlord may charge no more than the Banked Rent for that unit, or may apply to the Rent Board for determination of the appropriate increase in rent. When determining the appropriate increase in rent, the Rent Board may consider factors including the increase in floor area, the addition or upgrade of amenities, and any other factor determined relevant in the opinion of the Rent Board.

(d) Base rent following consolidation of Covered Units. When two (2) or more Covered Units are consolidated to create a single Covered Unit, the Base Rent for the resulting Covered Unit shall be equal to the Banked Rent of the larger of the two previously-existing Covered Units, increased by a percentage equal to the increase in square footage of the new Covered Unit.

Sec. 6-234. Rent increase limitations.

(a) Beginning on September 1, 2021, and occurring no later than September 1 of each subsequent year, the Housing Safety Office shall establish and publish the Allowable Increase Percentage and the Tax Rate Rent Adjustment for the following calendar year.

(b) A Landlord may only increase the rent charged for a Covered Unit once within a Rental Year, by an amount that conforms to the following specifications:

- (i) Annual Increase Percentage. Unless a Landlord qualifies for an additional increase as further described below, rent for a Covered Unit may not be increased by more than the Allowable Increase Percentage.
- (ii) Tax Rate Rent Adjustment. If the mil rate within the City of Portland is altered for the subsequent fiscal year a Landlord may, in addition to the Allowable Increase Percentage, increase rent by the Tax Rate Rent Adjustment for the subsequent Rental Year.
- (iii) New Tenancy. A landlord may increase the rent on a Covered Unit by five percent (5%) of the base rent in addition to any other allowable increases when a new tenant occupies a unit. This increase may be applied at most once per year, regardless of the number of new tenancies.
- (iv) Banked Rent. If the Landlord has banked additional rent increases, in accordance with Section 6-235 below, this banked amount, in whole or in part, may be added to the increases permitted by subsections (i) and (ii) above.
- (v) Additional Rent Board Approved Increases. In addition to the above rent adjustments, the Rent Board may approve additional rent increases properly demonstrated by the Landlord, attributable to:
  - i. Capital improvement costs, including financing costs;
  - ii. Uninsured repair costs;
  - iii. Increased housing service costs; and
  - iv. Any additional increase, within the opinion of the Rent Board, required to allow the Landlord to receive a fair rate of return.

(c) Under no circumstances may a Landlord raise the rent of a Covered Unit by more than ten (10) percent within a Rental Year. Any rent increases available to a Landlord in excess of ten (10) percent must be banked for use in a subsequent Rental Year.

(d) Before increasing the rent of a Covered Unit, a Landlord must send a signed document to the Tenant(s) no fewer than seventy-five (75) days before the effective date of the rent increase. This document must include the date on which the Tenancy began, the date on which the rent will be increased, and the appropriate justifications for such a rent increase as defined in Section 6-234(b) above. Failure to provide such documentation shall be considered a violation of this Article.

(e) A Tenant who receives notice of a rent increase that they believe does not conform with this Section may file an appeal of said rent increase with the Rent Board. Upon receipt of the appeal, the Rent Board shall schedule a public hearing to be held no more than twenty-one (21) days after the filing of the completed appeal application. At the public hearing, the Board will consider the rent charged under the existing Rental Agreement, the amount of the proposed new rent, and the factors which may or may not allow such an increase in accordance with this Article. Upon consideration of such evidence, the Board will render a decision as to whether the increased rent is allowable. If such an increase is more than is allowed by this Article, the Board may impose such fines as are allowed by this Article.

#### **Sec. 6-235. Process of banking rent increases.**

If a Landlord chooses to not impose any rent increases to which they are entitled pursuant to Section 6-234 above, these increases may be banked, in whole or in part. Banked increases may be used to raise the rent of Covered Units in subsequent Rental Years in addition to the Rent Stabilization Allowances established for that year by the Rent Board, provided that the total increase of such rent shall not exceed ten (10) percent within a single Rental Year.

#### **Sec. 6-236. Termination of Tenancies-At-Will**

- (1) In order to be terminated by a Landlord, tenancies-at-will must be terminated by providing a minimum of 90 days' written notice to Tenant except as provided below:
  - a. "For Cause" tenancies terminable on 7 days' notice pursuant to 14 M.R.S. § 6002(1) may be terminated in accordance with Section 6002(1);
  - b. Short-term rentals with a term of fewer than 30 days' are exempt from the 90-day notice period outlined herein;
  - c. Holdover tenancies are exempt from the 90 day notice period outlined herein;
  - d. Where a Landlord provides \$500.00 reimbursement to Tenant for the inconvenience of termination, tenancies-at-will



- may be terminated by notice to the Tenant of sixty (60) to eighty-nine (89) days;
- e. Where a Landlord provides \$1000 reimbursement to Tenant for the inconvenience of termination, tenancies-at-will may be terminated by notice to the Tenant of thirty (30) to fifty-nine (59) days.
- (2) Reimbursement amounts outlined in subsections (c) and (d) above are lump-sum amounts payable in a single installment for the collective benefit of all tenants of a unit. Tenants are responsible for allocating the reimbursement amount among themselves.

**Sec. 6-237. Discrimination prohibited in sale or rental of housing units.**

- (a) A tenant shall have the right to secure a rental housing unit without being refused that right on the basis of discrimination because of race, color, sex, sexual orientation, physical or mental disability, ancestry, national origin, or family status, pursuant to 5 M.R.S. Section 4581-A, et. seq., as amended from time to time.
- (b) A landlord shall not refuse to rent or impose terms of tenancy on any tenant who is a recipient of federal, state or local public assistance, including medical assistance and housing subsidies primarily because of the individual's status as a recipient as described in 5 M.R.S. §4581-A(4), as amended from time to time.
- (c) It shall be prohibited for a landlord to refuse to rent or negotiate for the rental of, or otherwise make unavailable or deny a dwelling to any tenant because of the tenant's source of income or because of the requirements of any program providing the source of income;
- (d) It shall be prohibited for or a landlord to refuse to participate in or comply with any federal, state, or local requirements of a tenant-based rental assistance program, including, but not limited to the following:
1. Refusing to allow inspections of a dwelling by the public housing authority or other entity administering a tenant-based rental assistance program;
  2. Refusing to make reasonable repairs necessary for the dwelling to meet the housing quality standards of the tenant-based rental assistance program; such repairs will be considered reasonable if they do not substantially alter or change the housing unit or do not require repairs substantially different from those that would be required to bring the rental unit into compliance with the Maine Warranty of Habitability Act or local building or housing codes applicable for new construction.

3. Refusing to complete any necessary paperwork, including but not limited to such documents as the Request for Tenancy Approval form, the Housing Assistance Payments Contract, and the Tenancy Addendum or applicable General Assistance forms; and,
4. Refusing to provide information required by the public housing authority or other entity administering the source of income or tenant-based rental assistance program.

**Sec. 6-238. Notice of ordinance to tenants.**

(a) The Planning Department or its designee shall create and make available on the City's publicly accessible web site a plain language document that explains the rights, responsibilities, and protections created by this Ordinance.

(b) The document referenced above shall be provided by Landlords to all Tenants in Covered Units at the commencement of the rental of the Covered Unit and shall be provided again upon any update to the document made by the City.

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

(d) Landlords of buildings shall post a copy of the document referenced above in at least one (1) conspicuous common area within the building housing the Covered Units.

**Sec. 6-239. Non-waiver of rights.**

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

**Sec. 6-240. Enforcement and remedies.**

Any violation of this Article is considered a civil infraction and shall be enforced pursuant to the Portland City Code Chapter 1, §1-15.

Sec. 6-241. Limitation of Liabilities

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

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

Sec. 6-242. Severability.

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

Sec. 6-243. - Sec. 6-249. Reserved.

*2. That the Code of Ordinances, City of Portland, Maine, is hereby amended by adding a section to be numbered Chapter 6, Article XIII, which said Article reads as follows:*

ARTICLE XIII. RENT BOARD

Sec. 6-250. Creation; composition.

There shall be a Rent Board of seven (7) members. Members of the Rent Board shall be residents of the city and shall not be officers or employees of the city or any of its agencies or departments.

Two (2) members shall be appointed to fill at-large seats, and may reside in any part of the city. The remaining five (5) members shall be comprised of one member from each of the five (5) city council wards. Should the number or location of said city council wards be changed, the districts and number of Rent Board members shall change to mirror such changes.

The City shall take reasonable steps, but is not required, to appoint to the Rent Board with no more than three (3) landlords and at least three (3) tenants.

Sec. 6-251. Appointment; terms.

The members of the Rent Board shall be appointed by the City Council for terms of three (3) years. Such members shall serve until their successors are duly appointed and qualified. Such terms

shall be staggered so that the terms of not more than three (3) members shall expire in any calendar year.

**Sec. 6-252. Vacancies.**

Permanent vacancies on the Rent Board shall be filled by the City Council, in the same manner as other appointments hereunder, for the unexpired term of the former member.

**Sec. 6-253. Removal of members.**

Any member of the Rent Board may be removed for cause by the City Council at any time; provided, however, that before any such removal, such member shall be given an opportunity to be heard in his or her own defense at a public hearing.

**Sec. 6-254. Compensation.**

Members of the Rent Board shall serve without compensation.

**Sec. 6-255. Chair and vice-chair.**

(a) The members of the Rent Board shall annually elect one (1) of their number as chair to preside at all meetings and hearings and to fulfill the customary functions of that office, and another of their number as vice-chair. The chair may administer oaths. The chair shall have the right, upon request, to designate any person or organization as a specially interested party for purposes of offering evidence and conducting cross-examination at hearings.

(b) In the absence of the chair, the vice-chair shall act as chair and shall have all the powers of the chair. The vice-chair shall have such other powers and duties as may from time to time be provided by the rules of the Rent Board.

**Sec. 6-256. Staff secretary; minutes, public records.**

The Housing Safety Office shall designate a member of its staff to serve as staff secretary of the Rent Board and attend all its proceedings. The staff secretary shall keep the minutes of the proceedings of the Board, showing the vote of each member on every question, or his or her absence or failure to vote, and shall maintain the permanent records and decisions of all board meetings, hearings and proceedings, and all correspondence of the board, as required by statute. Such records shall be public records open to inspection during working hours upon reasonable notice.

**Sec. 6-257. Quorum and necessary vote.**

As to any matter requiring a hearing, no business shall be transacted by the Rent Board without a quorum, consisting of four (4) members being present. The concurring vote of at least four (4) members shall be necessary to authorize any action by the Board. If less than a quorum is present, the hearing may be adjourned from time to time for a period not exceeding three (3) weeks at any one time. The staff secretary shall notify in writing all members of the date of the adjourned hearing and shall notify such other interested parties as may be directed in the vote of adjournment.

**Sec. 6-258. Meetings, hearings, and procedures.**

(a) Regular meetings of the Rent Board shall be held at the call of the chair or as provided by the rules of the board. Special meetings shall be called by the chair at the request of any three (3) members of the Board or at the request of the city council. All meetings and hearings of the board shall be open to the public.

(b) The Rent Board shall adopt its own rules of procedure for the conduct of its business not inconsistent with the statutes of the state and this article. Such rules shall be filed with the staff secretary and with the city clerk. Any rule so adopted which relates solely to the conduct of hearings, and which is not required by the statutes of the state or by this article, may be waived by the board upon good cause being shown.

**Sec. 6-259. Public hearings.**

Public hearings shall be held as required by the various statutes, codes, and ordinances pursuant to which matters are brought before the Rent Board and shall be conducted in accordance with relevant state law, this code, and the rules of the board.

**Sec. 6-260. Record and decisions.**

(a) The minutes of the staff secretary, and the transcript if one (1) is made, and all exhibits, papers, applications, and requests filed in any proceeding before the Rent Board, and the decision of the Board shall constitute the records.

(b) Every final decision of the Rent Board shall include written findings of fact, and shall specify the reason or reasons for such decision.

(c) The staff secretary shall mail notice of any decision of the Rent Board to the applicant and any designated interested parties within five (5) days of such decision.

**Sec. 6-261. Conflicts.**

No member of the Rent Board shall participate in the hearing or disposition of any matter in which they have an interest, as defined by 30-A M.R.S.A. § 2604(4), as amended.

**Sec. 6-262. Appeals to Superior Court.**

An appeal from any final decision of the Rent Board as to any matter over which it has final authority may be taken by any party or by any authorized officer or agent of the City to the Superior Court in accordance with Rule 80B of the Maine Rules of Civil Procedure.

**Sec. 6-263. Jurisdiction and authority.**

In addition to the jurisdiction conferred on it by other ordinances of the City and in accordance therewith, the Rent Board shall have the following jurisdiction and authority:

(a) To hear, review, and approve or deny Landlord applications for rent increases greater than those allowed by the Rent Stabilization Ordinance;

(b) To hear, review, and approve or deny Landlord applications for increases in Base Rent due to the renovation or reconfiguration of existing Covered Units, as provided for in Section 6-234 above.

(c) To hear, review, and grant or deny appeals from Tenants regarding allegations violations of Maine statute regarding the habitability of residential units.

(d) To hear, review, and approve or deny any requests from Landlords for an extension of time in which to reinstate Tenants temporarily displaced due to the Landlord's performance of necessary capital improvements to the Covered Unit and/or the building in which said unit is housed.

(e) To hear, review, and decide the appropriate outcome of all disputes arising between Landlords and Tenants on matters falling within the scope of Article XII of this Chapter, if both parties consent to such mediation and resolution by submitting the landlord/tenant dispute form, as maintained and edited by the Housing Safety Office, signed by both Landlord and Tenant no later than fourteen (14) days before the date on which such a hearing shall be scheduled.



(f) To impose such fines as are necessary and allowed for violations of the provisions of the Rent Stabilization Ordinance.

(g) To prepare and recommend to the City Council changes and amendments to the City's Rent Stabilization Ordinance.

(h) To prepare an annual report on the state of the City's rental unit availability, which shall be presented to the City Council as part of a regularly-scheduled public hearing. This report shall include a summary of rents within each of the five (5) council wards. Such reporting may or may not be done in conjunction with similar reporting required of the City's Rental Housing Advisory Committee, as established by this Chapter.

(i) To initiate changes and amendments to this Article, as well as to the city's Rent Stabilization Ordinance.

**3. That Chapter 6, Section 151, of the Code of Ordinances, City of Portland, Maine, is hereby amended as follows:**

**Sec. 6-151. Registration required.**

...

(c) Additional Information Required for Covered Units. A Covered Unit, as defined by Section 6-232 of this Chapter, shall not be considered registered unless and until the registrant has submitted the following additional information:

1. The current rent charged at the time of registration;
2. The increase in rent (if any) when compared to the previous Rental Year's rent;
3. Whether the increase (if any) is attributable to: (1) the Allowable Increase Percentage and Tax Rate Rent Adjustment, as defined in Section 6-232; or (2) also includes Banked Rent, as defined in Section 6-232;
4. The amount of Banked Rent, if any, accumulated in the previous Rental Year;
5. The amount of security deposits or other payments demanded in addition to rent for each Covered Unit; and
6. The number of bedrooms, number of bathrooms, and the presence or absence of a kitchen from each Covered Unit.

(d) Registration data made available. The City's Permitting and Inspections Department or its designee is required to make anonymized data from the registration of Covered Units available to the Rent Board at the Board's request. Such data shall not include the names, or street and unit numbers of any reported units.

**4. That Chapter 6, Section 152, of the Code of Ordinances City of Portland, Maine, is hereby amended as follows:**

**Sec. 6-152. Registration Fees.**

...

(b) Long Term Rental Registration Fee. The registrant of a long term rental shall pay fifty dollars (\$50.00) to the City by January 1st of each year. Regardless of any discount a Landlord may be entitled to under subsection (d) below, thirty dollars (\$30) from each registration fee shall be appropriated to Housing Safety Office to cover the administrative expenses of the Rent Board, including the hiring of additional administrative staff if necessary.

## EXHIBIT A

**An Act to Protect Tenants in Portland**

An Act to Protect Tenants in Portland ensures that tenants receive 90-day notice for lease termination and/or rent increases. It discourages no-cause evictions by limiting the 5% rent increase to voluntary turnovers. It reduces costs to tenants by restricting deposits to one-month rent, prohibiting application fees, and further limiting the amount of standard annual rent increases that landlords are allowed to impose to 70% of CPI. It strengthens protections for tenants who exercise their rights under the ordinance, and provides greater clarity and authority to the rent board to ensure landlords receive a fair return on investment and that tenant complaints receive a fair hearing. It also sets a \$25,000 fee for condominium conversions. The Act also makes various technical changes and corrections to allow the ordinance to better effectuate its originally intended purpose.

**BE IT ORDAINED:**

1. That Chapter 6, Sections 6-151, 6-152, 6-223, 6-223.1, 6-223.2, 6-231, 6-232, 6-233, 6-234, 6-235, 6-235.1, 6-236, 6-237, 6-240, 6-241, 6-250, 6-251, and 6-263 of the Portland City Code are hereby amended to read as follows:

**Sec. 6-151. Registration required.***(a) Registration of Ownership.*

1. Rental units must be registered in accordance with this article by January 1st of each year; Rental units entering the rental housing market must be registered within fourteen days. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.

...

*(f) Additional Information Required for Covered Units.* A Covered Unit, as defined by Section 6-232 of this Chapter, shall not be considered registered unless and until the registrant has submitted the following additional information:

...

2. The increase in rent (if any) when compared to the ~~previous-Rental Year's-rent~~ registration;

...

4. The amount of Banked Rent, if any, accumulated ~~in~~ since the previous ~~Rental-Year~~ registration;

...

#### **Sec. 6-152. Registration Fees.**

...

(e) Registrations that are not ~~renewed~~ received by ~~February~~ January 15, or within 14 days after entering the rental housing market, whichever is later, shall be subject to a late fee of ~~\$10~~ \$50 per unit, and registrations that are not received by February 15, or within 45 days after entering the rental housing market, whichever is later, shall be subject to a late fee of \$200 per unit. Registrations shall not be renewed unless and until the registrant pays any applicable late fee. Incomplete or inaccurate registrations may be rejected and subject to all applicable late fees upon resubmission. The Permitting and Inspections Director may waive a late fee upon a showing of both hardship and good cause as to why the renewal was not timely.

...

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

Notwithstanding 14 M.R.S. Section 6015, a Landlord shall give ~~seventy-five (75)~~ ninety (90) days' written notice of any rent increase to a Tenant.

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

#### **Sec. 6-223.1. Rental applications, generally; application fees ~~restricted prohibited.~~**

...

~~(b) Disclosure of Application Fee. Before accepting a rental application fee, a landlord shall disclose in writing to the applicant the rental application fee amount. The applicant shall not be charged more than the disclosed rental application fee for that application.~~

(eb) Availability of Units. Landlords shall only advertise rental housing units, receive applications, and screen applicants, ~~and accept application fees~~ for rental housing units

when such rental housing units are actually available and ready for occupancy or are expected to be available for occupancy within a reasonable time period; provided, however, that an applicant may consent to be screened and placed on a waiting list. For purposes of this Section, a rental housing unit is no longer considered available if a different applicant has been screened by the landlord, has been offered the rental housing unit and accepted it, and has placed a deposit on the rental housing unit. A rental housing unit may be considered available if a tenant of a unit has declared they will not be renewing a lease or have otherwise vacated the property. Landlords shall document the date and time that deposits are placed on rental housing units.

(dc) Application Fees. All application fees for rental housing units are prohibited shall not exceed the actual cost of the screening process or thirty dollars (\$30.00), whichever is lower. The actual cost of the screening process includes only the hard costs associated with a background check. Labor costs and other soft costs associated with application process must be excluded. Hard costs may include, including, but not be limited to, any fees or charges to applicants for the following: national, state and local criminal background checks, credit reports, rental history records and/or reference checks, eviction records and/or employment verification. Each adult who intends to reside in a rental housing unit may be charged an application fee.

~~(e) Disposition and Use of Application Fee.~~ Within ten (10) days of receipt of an application fee, a landlord must provide an explanation for the disposition and use of the application fee and provide a receipt to the applicant detailing how the application fee was used. An application fee shall be refunded in its entirety if a landlord does not incur hard screening costs. A landlord shall also provide the applicant with any paperwork or copies of electronic correspondence generated as result of the screening process, to the extent permitted by State and Federal law.

~~(f) Current Tenants.~~ A current tenant of a rental housing unit shall not be charged an application fee to move to another rental housing unit owned by the same landlord.

~~(g) Exemption.~~ The provisions of this Section shall not apply to any landlord who does not charge a rental application fee.

#### Sec. 6-223.2 Maximum deposit.

Notwithstanding 14 M.R.S. Section 6032, a lease or tenancy at will agreement for a dwelling intended for human habitation may not require a security deposit equivalent to more than the rent for one (1) month.

...

#### **Sec. 6-231. Applicability.**

...

(d) Rental Units within a building containing only two (2), three (3) or four (4) dwelling units, one of which the ~~landlord~~ property owner currently occupies as his or her principal residence;

...

#### **Sec. 6-232. Definitions.**

Allowable increase percentage means the standard amount that the rent of a Covered Unit may be raised within a the following Calendar Rental Year, unless a Landlord is entitled to additional increases as laid-out provided in Sections 6-233 or 6-234 below. The allowable increase percentage shall be determined on September 1 of each year beginning on September 1, 2021, and shall be equal to 100 70 percent of the change in the Consumer Price Index (CPI-U) for Greater Boston Metro Area for the preceding twelve months, as published in August by the United States Bureau of Labor Statistics or its designee. For the purposes of this ordinance, the Rent Board shall presume that the Allowable increase percentage is sufficient to allow a reasonably prudent landlord who received a fair return on investment prior to the enactment of this ordinance to continue to maintain a fair net operating income that increases over time at a just and reasonable rate, yielding a fair return on investment under the normal course of doing business.

Base rent means the initial amount of rent that a Landlord charged for a Covered Unit prior to the increases allowed under this ordinance, as more specifically defined in Section 6-233 of this Article. For the purposes of the ordinance, the Rent Board shall presume that the Base Rent was sufficient to have provided the Landlord a fair return on investment prior to the enactment of this ordinance.

*Banked rent means the Base Rent for a Covered Unit, plus any*



increase in rent to which the Landlord was entitled under Sections 6-233 and 6-234 below, but that was not yet applied to the Rent charged to a Tenant during a particular Rental Year.

...

Fair return on investment means an amount sufficient to allow a just and reasonable rate of return, to encourage the investment of capital in the rental housing market, to fairly compensate investors for the risks they have assumed, and to achieve minimum constitutionally protected standards. For the purposes of this ordinance, a Fair return on investment must be calculated using Maintenance of Net Operating Income methodology, as that term is used in other jurisdictions with similar ordinances, that presumes the net operating income the landlord earned from a Covered unit during calendar year 2019 yielded a fair return on investment, unless the landlord proves that special or peculiar circumstances prevented the landlord from receiving a fair return on investment during that period. The Rent Board may adopt rules or regulations to ensure the fair and consistent application of such methodology.

...

Major renovation or reconfiguration means one or more capital investments or improvements where the total cost of construction or improvement attributable to the Rental unit involved exceeds 20% of the property value, prior to improvement, of the Rental unit involved, as determined by the city's tax assessor.

...

Rent stabilization allowances means collectively the Allowable Increase Percentage, ~~the Tax Rate Rent Adjustment,~~ and any additional rent increase exemptions approved by the Rent Board under Section 6-234 of this Article.

Rent stabilization ordinance means Chapter 6, Articles XII and XIII of the Code of Ordinances, City of Portland, Maine, as amended.

Rental agreement means a ~~written legal~~ contract between a Landlord and a Tenant for the use and/or occupancy of a Rental Unit.

...

~~Tax rate rent adjustment means the additional amount by which a Landlord may increase the rent of a Covered Unit within a given year. The Tax Rate Rent Adjustment may be added to the Allowable Increase Percentage if and only if the City changes the mil rate as compared to the previous Rental Year. In this case, the tax rate rental adjustment is equal to the actual increase in property taxes attributable to the individual Covered Unit.~~

...

Tenants Union means any group, organization, committee, collective, association or entity, whether incorporated or unincorporated, of any kind, whatsoever, in which tenants participate and which exists for the purpose, in whole or in part, of dealing with Landlords concerning rental conditions or any matter related to the Landlord-tenant relationship, including but not limited to the rights and interests of tenants under this Chapter.

#### **Sec. 6-233. Establishment of base rent.**

(a) *Base Rent for Current Covered Units.* Beginning on January 1, 2021, each Covered Unit shall be registered with the City in accordance with Section 6-151(e). Such registration must include proof of the rent charged by the Landlord for each Covered Unit as of June 1, 2020 (i.e., through presentation of a valid Rental Agreement, rent payment receipt, or other acceptable means within the opinion of the City). This amount shall be the Base Rent for purposes of the Rent Stabilization Ordinance, except as otherwise provided within this section.

(b) *Base rent for Discontinued Covered Units.*

- (i) If a Covered Unit ~~is~~ was not required to be registered with the City as of ~~January~~ April 1, 2021, but is required to be registered with the City after such date, the Base Rent shall be the amount of Rent charged 120 days prior to the date when the Covered Unit became required to be registered, or if no Rent was charged at such time, the first Rent charged by the Landlord any time thereafter. The Base Rent for any new Covered Unit entering the rental housing market for the first time shall be the Rent charged to the first Tenant, as set by the Landlord.
- (ii) If a Covered Unit ~~is~~ was required to be registered

with the City as of ~~January~~ April 1, 2021, but is removed from the rental housing market, the Base Rent for such a Covered Unit upon reentry to the rental housing market shall be the Banked Rent, as measured from the ~~Rental Year in which time~~ the Covered Unit was removed from the rental housing market.

- (iii) If a Covered Unit ~~is~~ was required to be registered with the City as of ~~January~~ April 1, 2021, but is subsequently removed from the rental housing market for a period of ~~five (5)~~ or more Rental Years at least sixty (60) months, the Base Rent for such a Covered Unit ~~upon reentry into the rental housing market~~ shall be set by the Landlord the Rent charged to the first Tenant upon reentry into the rental housing market, as set by the Landlord.

(c) *Base rent following major renovation or reconfiguration of Covered Units.* Upon ~~the~~ a major renovation or reconfiguration of a Covered Unit, the Landlord may charge no more than the Banked Rent for that unit, or may apply to the Rent Board for determination of the appropriate increased in-rent Base Rent. When determining the appropriate increased in-rent Base Rent, the Rent Board may consider factors including the increase in floor area, the addition or upgrade of amenities, the amount necessary to ensure a fair return on investment, and any other factor determined relevant in the opinion of the Rent Board; the Rent Board may consider any amount of Banked Rent accrued for that unit, but after determining the appropriate Base Rent, all previously accrued Banked Rent shall be forfeited.

...

#### **Sec. 6-234. Rent increase limitations.**

(a) Beginning on September 1, 2021, and occurring no later than September 1 of each subsequent year, the Housing Safety Office shall establish and publish the Allowable Increase Percentage ~~and the Tax Rate Rent Adjustment~~ for the following calendar year, and shall announce and explain the methodology for calculating the Allowable Increase Percentage at the first meeting of the Rent Board following such publication. The Rent Board shall hear public comment after such announcement.

(b) A Landlord may not only increase the rent charged for a Covered Unit ~~once within a Rental Year~~ twelve (12) months

following a previous Rent increase. After twelve (12) months, the Landlord may only increase the rent charged for a Covered Unit<sup>7</sup> by an amount that conforms to the following specifications:

...

- ~~2. Tax Rate Rent Adjustment. If the mil rate within the City of Portland is altered for the subsequent fiscal year a Landlord may, in addition to the Allowable Increase Percentage, increase rent by the Tax Rate Rent Adjustment for the subsequent Rental Year.~~
32. New Tenancy. A landlord may increase the rent on a Covered Unit by five percent (5%) of the base rent in addition to any other allowable increases when a new tenant occupies a unit, but only if the previous Tenancy was terminated voluntarily by the previous Tenant, without coercion or unreasonable influence from the Landlord. This increase may be applied at most once per year twelve (12) months, regardless of the number of new tenancies. The Housing Safety Office shall investigate any report that the Tenancy was not terminated voluntarily by the Tenant, or that the Tenant was coerced or unreasonably influenced by the Landlord to terminate the Tenancy. Any tenancy in which the property owner served the tenant with a notice to quit or summons and complaint for forcible entry and detainer shall not be deemed to be a situation in which the previous tenant voluntarily terminated the tenancy.
43. Banked Rent. If the Landlord has banked additional rent increases, in accordance with Section 6-235 below, this banked amount, in whole or in part, may be added to the increases permitted by subsections (i) and (ii) above.
54. Additional Rent Board Approved Increases necessary to ensure a fair return on investment. In addition to the above rent adjustments, upon receipt of an application submitted by the Landlord, the Rent Board may approve additional rent increases necessary to ensure a fair return on investment. properly demonstrated by the Landlord, attributable to:

To calculate what amount is necessary to ensure a fair return on investment, the Rent Board shall employ generally acceptable Maintenance of Net Operating Income methodology, and may not consider any valuation-

based or capitalization-based methodology or any calculation or methodology factoring market rent or market value of the Covered Unit.

Rent board approval under this provision is intended to ensure a fair rate of return under abnormal, unexpected, or irregular circumstances, including, but not limited to, capital improvements and minor renovations, uninsured repairs, the provision of new housing services, revaluation for property tax assessment, or other unusual expenses. The Rent Board shall presume that the Allowable Increase Percentage will be sufficient to satisfy all regular increases in operating costs, routine maintenance expenses, and other normal or regular costs or expenses, allowing the Landlord to maintain a fair return on investment.

The Landlord submitting an application for an additional rent increase bears the burden of proof, including the burden of providing all necessary documentation, to demonstrate that the increase is necessary to receive a fair return on investment. Such documentation shall include, but is not limited to: historical net operating income, revenue and expenses; the costs and expenses requiring Rent board approval of an additional increase; and what portion of shared costs and expenses can be fairly attributed to each individual covered unit.

~~a. Capital improvement costs, including financing costs;~~

~~b. Uninsured repair costs;~~

~~c. Increased housing service costs; and~~

~~d. Any additional increase, within the opinion of the Rent Board, required to allow the Landlord to receive a fair rate of return.~~

(c) At no time ~~Under no circumstances~~ may a Landlord raise the rent of a Covered Unit by more than ten (10) percent ~~within a Rental Year~~. Any rent increases available to a Landlord in excess of ten percent must be banked for later ~~use in a subsequent Rental Year~~.

(d) Before increasing the rent of a Covered Unit, a Landlord

must send a signed document to the Tenant(s) no fewer than ~~seventy-five (75)~~ninety (90) days before the effective date of the rent increase. This document must include the date on which the Tenancy began, the date on which the rent will be increased, the amount of the increase, any remaining Banked Rent that has not been included in the Rent increase, and the appropriate justifications for such a rent increase as defined in Section 6-234(b) above. Failure to provide such documentation shall be considered a violation of this Article, and any notice not containing all such documentation shall be void.

(e) ~~A~~Tenants, individually or collectively, who receives notice of a rent increase that they believe does not conform with this Section may file ~~an~~ complaint with the Housing Safety office. The Housing Safety office shall promptly investigate such complaint and take appropriate action. If, within fourteen (14) days of filing such a complaint, the notice is not rescinded by the Landlord, an appeal of said rent increase may be filed with the Rent Board. Upon receipt of the appeal, the Rent Board shall schedule a public hearing to be held no more than twenty-one (21) days after the filing of the completed appeal application. At the public hearing, the Board will consider de novo the rent charged under the existing Rental Agreement, the amount of the proposed new rent, and the factors which may or may not allow such an increase in accordance with this Article. Upon consideration of such evidence, the Board will render a decision as to whether the increased rent is allowable. ~~If such a~~An increase is determined by the Board to be more than is allowed by this Article shall be considered a violation, ~~and the Board may impose such fines as are allowed by this Article~~ determine the appropriate penalty for any such violation in a manner consistent with the provisions of this Code. Multiple tenants collectively alleging the same or similar violations against a single Landlord, including but not limited to a Tenants Union or members of or participants in a Tenants Union, may file their complaints or appeals collectively as a single document, and the Rent Board shall hear all such matters together as a single complaint or appeal; but notwithstanding such consolidated hearing the Rent Board may elect to issue separate decisions.

(f) A landlord who is not in substantial compliance with any provision of this chapter, including but not limited to the Rent Stabilization Ordinance, may not demand, accept or retain any rent increase otherwise permitted by this section or any other provision of this Code or Maine statute.

**Sec. 6-235. Process of banking rent increases.**



If a Landlord chooses to not impose any rent increases to which they are entitled pursuant to Section 6-234 above, these increases may be banked, in whole or in part, with the annual registration required under Sec. 6-151. Banked increases may be used to raise the rent of Covered Units in subsequent Rental Years in addition to the Rent Stabilization Allowances established for that year by the Rent Board, subject to the limitations in Sec. 6-234, including provided that no single the total increase of such rent shall not exceed ten (10) percent within a single Rental Year.

**Sec. 6-235.1. Alternative calculation of maximum allowable rent.**

At no time shall any Landlord charge Rent on a Covered Unit that exceeds the Base Rent plus any accrued increases allowed under this Ordinance, and any Landlord who charges Rent on a Covered Unit that is greater than such amount is in violation of this Ordinance. This section shall not be construed to retroactively revoke any allowable increases accrued under previous versions of this Ordinance.

**Sec. 6-236. Termination of Tenancies-At-Will**

(a) In order to be terminated by a Landlord, all tenancies-at-will must be terminated by providing a minimum of 90 days' written notice to Tenant except as provided below:

1. "For Cause" tenancies terminable on 7 days' notice pursuant to 14 M.R.S. § 6002(1) may be terminated in accordance with Section 6002(1);
- a2. Short-term rentals with a term of fewer than 30 days' are exempt from the 90-day notice period outlined herein;
- b. ~~Holdover tenancies are exempt from the 90 day notice period outlined herein;~~
- e3. Where a Landlord provides \$500.00 the amount of one month's Rent as reimbursement to Tenant for the inconvenience of termination, tenancies-at-will may be terminated by notice to the Tenant of sixty (60) to eighty-nine (89) days;
- d4. Where a Landlord provides \$1000 the amount of two

months' Rent as reimbursement to Tenant for the inconvenience of termination, tenancies-at-will may be terminated by notice to the Tenant of thirty (30) to fifty-nine (59) days.

(2b) Reimbursement amounts outlined ~~in~~ under subsections (ea) and ~~(d)~~ above are lump-sum amounts payable in a single installment for the collective benefit of all tenants of a unit. Tenants are responsible for allocating the reimbursement amount among themselves.

...

**Sec. 6-237. Discrimination prohibited in sale or rental of housing units.**

...

(e) It shall be prohibited for a Landlord to refuse to rent or negotiate for the rental of, otherwise make unavailable or deny a dwelling to a Tenant, retaliate against, or otherwise discriminate against a Tenant because the Tenant, or a Tenants Union on behalf of the Tenant, has complained or initiated a complaint or appeal to assert the Tenant's rights or interests under this Ordinance, or because the Tenant is a member of or participates in a Tenants Union. There is a rebuttable presumption that any adverse action by the Landlord, including but not limited to forcible entry and detainer, was commenced in retaliation against the Tenant if, within 6 months prior to the commencement of the adverse action the Tenant, or a Tenants Union on behalf of the Tenant, complained or initiated a complaint or appeal to assert the Tenant's rights or interests under this Ordinance.

...

**Sec. 6-240. Enforcement and remedies.**

Any violation of this Article is considered a civil infraction; all such violations, including any penalty determined to be appropriate by the Rent Board, and shall be enforced pursuant to the Portland City Code Chapter 1, §1-15. Violations of this Article, including enforcement of penalties for all such violations, shall be given the highest enforcement priority by the City.

**Sec. 6-241. Limitation of Liabilities**

...

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

...

#### **Sec. 6-243. Tenant Unions**

(a) Any Tenants Union shall have standing as a party to assert the rights or interests of any Tenants, individually or collectively, under this Chapter in any complaint, appeal, or other proceeding brought before the Housing Safety Office, the Rent Board, or the Superior Court in an appeal from any final decision under this Chapter in accordance with Rule 80B of the Maine Rules of Civil Procedure.

(b) The Housing Safety Office shall create a registration form, and accept the registration of Tenants Unions representing Tenants with rights and interests under this Chapter. Such registration shall include the name, telephone number, and e-mail address of a principal contact for the Tenants Union. The Housing Safety Office shall maintain and publish a list of Tenants Unions registered under this section, including contact information, for use by Tenants wishing to join or contact a Tenants Union. Nothing in this Section shall be construed to require a Tenants Union to register with the City. The City shall be prohibited from requesting, collecting, maintaining or publishing the names of individual Tenant members of any Tenants Union.

...

#### **Sec. 6-250. Creation; composition.**

There shall be a Rent Board of seven (7) members. Members of the Rent Board shall be residents of the city and shall not be officers or employees of the city or any of its agencies or departments.

Two (2) members shall be appointed to fill at-large seats, and may reside in any part of the city. The remaining five (5) members shall be comprised of one member from each of the five (5) city council ~~wards~~ districts with the highest concentration of Rental units. Should the ~~number or~~ location of said city council ~~wards~~ districts be changed, the districts ~~and number of~~ Rent Board members shall change to mirror such changes.

...

**Sec. 6-251. Appointment; terms.**

The members of the Rent Board shall be appointed by the Mayor, subject to the approval of the City Council for terms of three (3) years. Such members shall serve until their successors are duly appointed and qualified. Such terms shall be staggered so that the terms of not more than three (3) members shall expire in any calendar year.

...

**Sec. 6-263. Jurisdiction and authority.**

In addition to the jurisdiction conferred on it by other ordinances of the City and in accordance therewith, the Rent Board shall have the following jurisdiction and authority:

(a) To hear, review, and approve or deny Landlord applications for rent increases greater than the Allowable Increase Percentage, as provided for in Section 6-234 above~~those allowed by the Rent Stabilization Ordinance;~~

(b) To hear, review, and approve or deny Landlord applications for increases in Base Rent due to the major renovation or reconfiguration of existing Covered Units, as provided for in Section 6-2334 above;

(c) To hear, review, and grant or deny complaints or appeals from Tenants, individually or collectively, regarding Rent charges or Rent increases not in compliance with the Rent Stabilization Ordinance, or other matters falling within the scope of the Rent Stabilization Ordinance, or allegations violations of Maine statute regarding the habitability of residential units; such appeals shall be heard and decided de novo;

...

(e) ~~To hear, review, and mediate decide the appropriate outcome of any disputes arising between Landlords and Tenants on matters falling within the scope of Article XII of this Chapter, if where both parties request~~consent to such mediation and resolution by submitting the landlord/tenant dispute mediation form, as maintained and edited by the Housing Safety Office,

signed by both Landlord and Tenant no later than fourteen (14) days before the date on which such a hearing shall be scheduled; all parties to such mediation must agree and shall be required to mediate in good faith; such authority to mediate disputes shall not be construed to limit the Rent Board's authority to hear, review or decide any tenant complaint or appeal without the consent of the Landlord; the Board may appoint one or more of its members, in lieu of the full Board, to mediate disputes on a rotating basis, and such mediation may be conducted outside of a public hearing, and a quorum of the Rent Board shall not be required for such mediation;

(f) To ~~impose such fines as are necessary and allowed~~ determine, in a manner consistent with the provisions of this Code, what penalties are appropriate for violations of the provisions of the Rent Stabilization Ordinance that are determined by the Board;

...

(h) To prepare an annual report on the state of the City's rental unit availability, which shall be presented to the City Council as part of a regularly-scheduled public hearing. This report shall include a summary of rents within each of the five council wards district. Such reporting may or may not be done in conjunction with similar reporting required of the City's Rental Housing Advisory Committee, as established by this Chapter; and

(i) To adopt or amend, subject to approval by the City Council, such rules and regulations as are necessary to implement, or to allow for the efficient and consistent application of, the provisions of the Rent Stabilization Ordinance, including but not limited to rules and regulations governing the proceedings of the Rent Board's hearing of Landlord applications or of Tenant complaints or appeals and rules and regulations providing standard procedures and methodology for calculating the amount of rent necessary to allow the Maintenance of Net Operating Income and yield a Fair Return on Investment under various circumstances; the Board may adopt, subject to approval by the City Council, rules and regulations, including methodology, allowing the Housing Safety Office or a hearing officer to review Landlord applications and to complete standard calculations in order to provide for or facilitate an expeditious process and efficient consideration by the Rent Board; Rules and Regulations adopted pursuant to this authority, and any amendments thereto, shall become effective only when approved by the City Council, and shall be kept on file in the Housing Safety Office;

(~~i~~j) To initiate changes and amendments to ~~this Article, as well as to~~ the city's Rent Stabilization Ordinance.

2. That Chapter 14, Section 14-18.4.5 of the Portland City Code is hereby amended to read as follows:

**Sec. 14-18.4.5      Conversion permit**

Before conveying or offering to convey a converted unit, the developer shall obtain a conversion permit from the Building Authority. The permit shall issue only upon receipt of a completed application therefore in a form to be devised for that purpose, a fee as established by the City Council of \$25,000 per converted unit, to be adjusted annually in the same way as the fee under Chapter 14, Subsection 18.1.8 of this Code, at least \$1,000 of which shall be appropriated to the Housing Safety Office for the administration and enforcement of the Rent Stabilization Ordinance, Chapter 6, Articles XII and XIII of this Code, and the remainder of which shall be paid into the Jill C. Duson Housing Trust Fund, and a finding, upon inspection, that each unit, together with any common areas and facilities appurtenant thereto, is in full compliance with all applicable provisions of Chapter 6, Articles II, III, and V and Chapter 10, Article II of the City of Portland Code of Ordinances, and the Life Safety Code as adopted by the state. The developer shall post a copy of the permit in a conspicuous place in each unit and shall make copies available to prospective purchasers.

3. That, except as specified herein below, all such amendments shall take effect thirty (30) calendar days after the official canvass of the return of the election at which this ordinance is approved, provided that:

(a) Notwithstanding any notice given prior to such effective date, all rent increases taking effect on or after January 1, 2023 must comply with the amendments to sections 6-223 and 6-234(d), such that any tenant charged such rent increase must receive at least 90 days notice, and such notice must include all newly required information, before any such increase may be implemented;

(b) Notwithstanding any Tax Rate Rent Adjustment announced by the Housing Safety Office prior to such effective date or any notice given prior to such effective date, all rent increases taking effect on or after January 1, 2023 must comply with the



amendments to Sections 6-232 and 6-234 repealing the Tax Rate Rent Adjustment, such that no Tax Rate Rent Adjustment may be included in any rent increase taking effect on or after such date;

(c) Amendments to Sections 6-232 and 6-234(a) changing the calculation of the Allowable Increase Percentage shall take effect for the Allowable Increase Percentage established and published by the Housing Safety Office on or before September 1, 2023, applicable to all rent increases taking effect on or after January 1, 2024; and

(d) Amendments to Sections 6-232 and 6-234(b) changing the requirements for Additional Rent Board Approved Increases shall be applicable for all landlord applications submitted to the Rent Board on or after March 1, 2023. For all landlord applications submitted prior to March 1, 2023, the Rent Board may continue to apply the previous version of this ordinance and to approve increases allowable pursuant to such previous version.

5/17/24

The Short-Term-Rental Committee of the Peaks Island Council submits for consideration the following draft regulation guidelines to be forwarded to the Portland City Council Housing & Economic Development Committee:

- There shall be no cap on short-term-rental licenses on Peaks Island for owned-occupied properties (owners' primary residences).
- There shall be no cap on short-term-rental licenses on Peaks Island for seasonal properties (defined as such by City tax assessor's land use code or Portland Water District map).
- There shall be a cap of no more than 40 short-term-rental licenses on Peaks Island for year-round residences (defined as such by City tax assessor's land use code) that are not owner-occupied (owners' primary residences), to be reviewed on an annual basis.

*approved by the Peaks Island Council 5/22/24.*

Short-Term-Rental Committee report  
5/22/24

Peaks Island STRs by the numbers:

- 88 STRs are currently registered
- 178 STRs have applied for or been approved for a license since 2022
- at least 18.7% of all properties on Peaks have operated as an STR in the last three years

There are by comparison only 22 currently registered long-term-rentals. All 22 properties are also registered as short-term-rentals.

According to Housing Safety, “most” previously registered LTRs have switched to registered STRs within the last five years. Exact numbers have not been tracked.

Registered STRs

We have the most data available to us about the 88 STRs that are currently registered. According to the City Tax Assessor, of those 88 units:

- 58% are year-round (51 properties)
- 42% properties are seasonal (37 properties)
- 49% have owners from out-of-state (43 properties)
- 33% properties have owners on Peaks Island (29 properties)
- 18% properties have owners from elsewhere in Maine (16 properties)
- 31% were purchased in the last five years (27 properties)
  - likely a slight undercount, because city tax data has not been updated in 2024
- 65% were purchased in the last ten years (57 properties)
- 83% were purchased in the last fifteen years (73 properties)

Over the last 15 years, Peaks STR properties have turned-over at nearly 4x the average residential property turn-over rate for the Portland area.

- in mainland Portland, there is approximately one STR for every 93 residents
- on Peaks, it is at least one STR for every 10 residents, and is likely closer to one STR for every 5 residents
  
- in mainland Portland, there are approximately 25 LTR for every STR
- on Peaks, it is flipped with 4 registered STRs for every registered LTR
  - factoring in unregistered units, the numbers may be 7 or more STRs for every LTR
  
- if the same per capita formula used for mainland and Peaks STRs, Peaks would be allotted 5 licenses for non-owner occupied STRs
  
- if the same percentage of LTR housing formula was used for mainland and Peaks STRs, Peaks would be allotted 0 licenses for non-owner occupied STRs



# **Peaks Island Council**

## Short Term Rental Committee Report

May 2024

# Background

- Short term rentals and their effects have become an increasingly prevalent topic of conversation for municipalities around the country.
- Starting in the mid 2010's and peaking a few years later, companies such as Airbnb have greatly increased the percentage of residential property being purchased for commercial purposes.
- Over the last few years, a large number of municipalities have been studying the effects of this increase in short term rentals and have subsequently decided to regulate them. Both larger cities such as New York City, and smaller towns such as South Portland and Cape Elizabeth have passed more restrictive regulation than Portland currently has on the books.
- In 2017 the City of Portland passed legislation setting a cap and other limits on short term rentals but notably excluded Peaks and other Islands from these caps. Due to recent discussion on the state of STRs and the Portland City Council committing to discussing the issue later in 2024, the Peaks Island Council formed the Short Term Rental Committee to investigate the issue.



# Peaks Island Rentals

There are currently **88 registered** STRs but **178** STRs have applied or been approved for a license since 2022

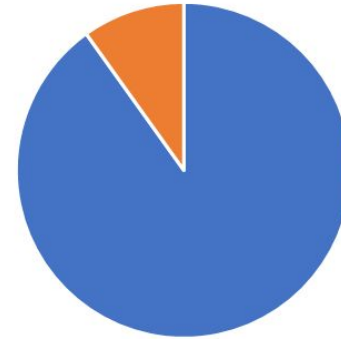
In comparison there are only **22 Long-Term-Rentals** but all of those are also registered as STRs. According to the Housing and Safety Office, most LTRs have switched their registration to STR within the last 5 years, but the exact numbers have not been closely tracked.

Visible Rental Comparison



■ Currently Registered STR ■ Long Term Rental

Estimated True Rental Comparison



■ Applied STR ■ Long Term Rental

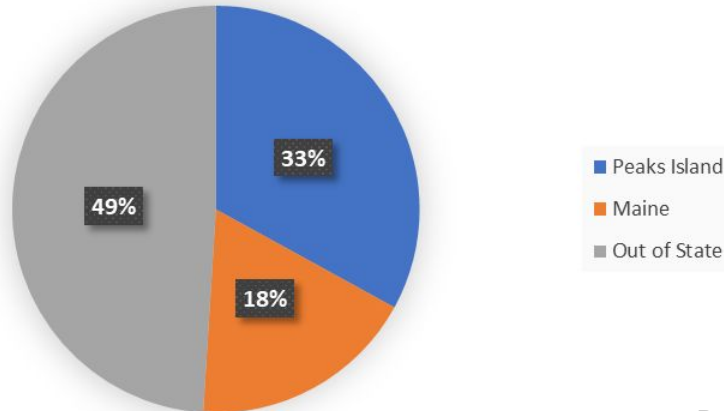
6 of 10

# Short Term Rentals on Peaks Island

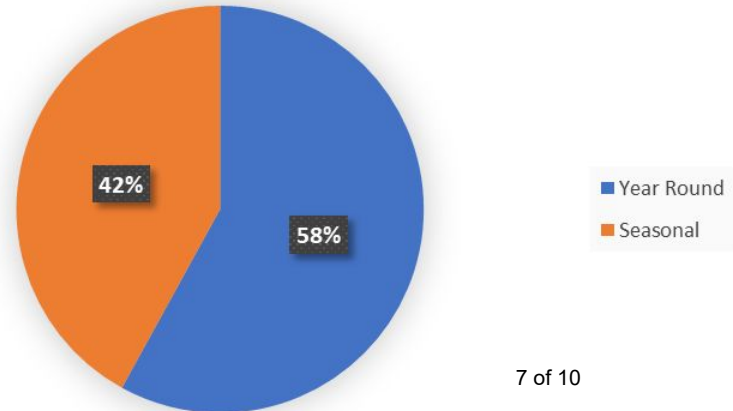
Based on Numbers from the City of Portland, at least **18.7%** of all properties on Peaks have operated as a short term rental in the last three years. Almost two thirds of short term rentals were purchased within the last 10 years.

Of the 88 currently registered short term rental properties:

**STR Owner Primary Residence**



**STR seasonal classification**



# Short Term rentals within the context of Portland

- Over the last 15 years STR properties have turned over nearly 4x the average residential property turn-over rate for the Portland area.
- In Portland, there is approximately one STR for every 93 residents. On Peaks, it is at least one for every 10 residents but in reality, may be closer to be one STR for every 5 residents.
- In Portland there are about 25 long term rental properties for every registered STR, but on Peaks Island it is **flipped** with one long term rental for every 4 registered STRs.

## Short Term Rentals per capita

If the same per capita formula were used for mainland and Peaks STRs, Peaks would be allotted 5 licenses for non-owner occupied STRs.

If the same percentage of LTR housing formula was used for mainland and Peaks STRs, Peaks would be allotted 0 licenses for non-owner occupied STRs.

# Sources

- City of Portland Tax Assessors database 2024
- Rental database reports provided by the City of Portland Housing and Safety Office

## **Chapter 6 BUILDINGS AND BUILDING REGULATIONS\***

**\*Cross reference(s)** Alarm systems, Ch. 2.5; fire prevention and protection, Ch. 10; land use, Ch. 14; rodent and vermin control, Ch. 22; sewers, Ch. 24; streets, sidewalks and other public places, Ch. 25; moving of structures, § 25191 et seq.; swimming pools, Ch. 26.

**Art. I. In General, §§ 61615**

**Art. II. Building Code, §§ 6926103**

Div. 1. In General, §§ 692697

Div. 2. Building Standards, §§ 6986103

[Art. III and IV were repealed by Order 18-17/18, 8-21-2107]

**Art. V. Housing Code, §§ 61066149**

**Art. VI. Residential Rental Unit Registration Requirements, §§ 61506157**

**Art. VII. Green Building Code, §§ 6-165 - - 6-177**

**Art. VIII. Property Assessed Clean Energy, §§ 6-1906-199**

Div. 1. Property Assessed Clean Energy, §§ 6-190-6-194

Div. 2. Commercial Property Assessed Clean Energy §§ 6-195-6-199

**Art. IX. Disorderly Houses, §§ 6-200-6-204**

**Art. X. Energy Benchmarking, §§ 6-205-6-218**

**Art. XI. Tenant Housing Rights, §§ 6-219-6-229**

**Art. XII. Rent Control and Tenant Protections, §§ 6-230-6-244**

**Art. XIII. Rent Board, §§ 6-250-6-263**

### **ARTICLE I. IN GENERAL**

#### **Sec. 61. Penalties.**

(a) *Penalties.* Monetary penalties shall be assessed on a perday basis for each day on which a violation exists:

1. The minimum penalty for a specific significant code violation is two hundred dollars (\$200.00) per day, and the maximum penalty is two thousand five hundred dollars (\$2,500.00) per day. The minimum penalty for failure to correct such significant code violation after written notice



by the city to do so is five hundred (\$500.00) per day, and the maximum penalty is five thousand dollars (\$5,000.00) per day. The minimum penalty for failure to correct such significant code violation after a second written notice by the city is one thousand five hundred dollars (\$1,500.00) per day, and the maximum penalty is ten thousand dollars (\$10,000.00) per day.

2. The penalty for violating the occupant load limit, as determined under MUBEC or Chapter 10 of this Code, is \$250.00 for the first violation; \$500 for the second violation; \$1,000 for the third and subsequent violations. Violations shall be calculated on a rolling twelve-month basis.
3. The minimum penalty for a specific violation other than a violation described in paragraph 2 is one hundred dollars (\$100.00) per day, and the maximum penalty is two thousand five hundred dollars (\$2,500.00) per day.
4. In addition to penalties, the violator may be ordered to correct or abate the violations. When violations occur in a shoreland area, as defined in section 14-447, or when the court finds that the violation was willful, the violator shall be ordered to correct or abate the violation unless the abatement or correction results in:
  - a. A threat or hazard to public health or safety;
  - b. Substantial environmental damage; or
  - c. A substantial injustice.
5. If the city is the prevailing party in any legal action to enforce this chapter, the municipality must be awarded reasonable attorney fees, expert witness fees and costs, unless the court finds that special circumstances make the award of these fees and costs unjust.

6. In setting a penalty, the following shall be considered:
  - a. Prior violations by the same party;
  - b. The degree of environmental damage that cannot be abated or corrected;
  - c. The extent to which the violation continued following a city order to stop; and
  - d. The extent to which the city contributed to the violation by providing the violator with incorrect information or by failing to take timely action.
7. The maximum penalty may exceed the limits described in paragraphs 1, 2 and 3, but may not exceed twenty-five thousand dollars (\$25,000.00) per day, when it is shown that there has been a previous violation or judgment against the same party within the past two (2) years for a violation of the same law or ordinance.
8. If the economic benefit resulting from the violation exceeds the applicable penalties under this subsection, the maximum penalties may be increased. The maximum penalty under this paragraph may not exceed an amount equal to twice the economic benefit resulting from the violation. Economic benefit includes, but is not limited to, the costs avoided or enhanced value accrued at the time of the violation as a result of the violator's noncompliance with the applicable legal requirements.
9. In addition to the other penalties in this section, the building authority or his or her designee designated by the city manager may suspend a contractor's, owner's, or developer's right to obtain building permits or work on any project in the city if the building authority or a housing safety official designated by the city

manager determines that a contractor's, owner's, or developer's violation or violations of any provision in articles II, III, or IV of this chapter create such a threat to life or safety that a structure must be posted against occupancy or that the violation or violations render a structure uninhabitable. The suspension authorized by this subparagraph shall be lifted when the building authority or his or her designee determines that the violation or violations have been fixed.

(b) Penalties assessed pursuant to this section shall be paid to the city.

(Ord. No. 12097, § 1, 102097; Ord. No. 24098, § 1, 4698; Ord. No. 60-06/07, 10-16-06; Ord. 298-14/15, 7-6-2015; Ord. No. 165-15/16, 3-7-2016; Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-1.1 Definitions**

Except as otherwise provided, the following definitions shall apply to this Chapter:

*Building* shall mean anything constructed with a roof and walls built for permanent use.

*Building authority* shall mean the Permitting and Inspections Department Director.

*Building official* shall mean the Permitting and Inspections Department Director.

*Demolition debris* includes, but is not limited to, materials that are created by site preparation, clearing land, or erection or destruction of a building or structure. It also includes, but is not limited to, brush, tree limbs, stumpage, building materials, and the waste products of building activity, such as: clay, brick, masonry, concrete, plaster, glass, wood and wood products, asphalt, rubber, metal; and plumbing, electrical and heating fixtures, appurtenances thereto and parts thereof.

*Significant code violation* shall mean any of the following:

- a. Inadequate or blocked ingress or egress;

- b. Overcrowded conditions as described in section 6-110;
- c. Unsanitary conditions as described in section 6-109, including but not limited to vermin infestation;
- d. Inadequate or defective smoke or fire detection systems;
- e. Inadequate or defective plumbing or electrical systems;
- f. Substantially damaged or defective structural elements; and
- g. Intentional denial of heat or electricity to the legal occupant of a dwelling unit by the owner of the dwelling unit. For purposes of this provision, the terms "occupant", "dwelling unit" and "owner" have the same meanings as provided in section 6-106.

*Structure* shall mean anything constructed or erected of more than one (1) member which requires a fixed location on the ground or attached to something having a fixed location on the ground.

(Ord. 18-17/18, 8-21-2017)

## **Sec. 62. Fees for reinspections.**

Following the issuance of a notice of violation and an order to correct violations, the enforcement authority or a housing safety official designated by the city manager will reinspect once for no fee in order to determine whether the violations have been fixed in compliance with this chapter. If the violations have not been fixed in compliance with this chapter, the violator shall be assessed a fee as set forth in the fee schedule adopted pursuant to 6-92 for each subsequent reinspection. Failure to pay the assessment for reinspection shall create a lien on the property of the violator and the assessment and lien shall be collected and enforced pursuant to section 116.

(Ord. No. 12097, § 2, 102097; Ord. 238-13/14, 5/19/2014; Ord. 298-14/15, 7/6/2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6-3. Reserved.**  
**Sec. 6-4. Reserved.**  
**Sec. 6-5. Reserved.**  
**Sec. 6-6. Reserved.**  
**Sec. 6-7. Reserved.**  
**Sec. 6-8. Reserved.**  
**Sec. 6-9. Reserved.**  
**Sec. 6-10. Reserved.**  
**Sec. 6-11. Reserved.**  
**Sec. 6-12. Reserved.**  
**Sec. 6-13. Reserved.**  
**Sec. 6-14. Reserved.**  
**Sec. 6-15. Reserved.**  
**Sections 6-16 to 6-91. Reserved.**

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**\*Editor's Note**—Pursuant to Order 18-17/18, Sections 6-16 thru 6-91 were repealed in their entirety and replaced with Article II, Divisions 1 and 2 in Sections 6-92 through 6-103, below.  
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## **ARTICLE II. BUILDING CODE**

### **DIVISION 1. - In General**

#### **Sec. 6-92. Permits and permit fees.**

(a) No person may commence work on any of the following without first obtaining a permit from the building authority:

1. Constructing, enlarging, altering, repairing, moving, converting, demolishing, or changing the use of any building or structure;
2. Installing, removing, or altering plumbing or plumbing fixtures, or subsurface waste water disposal systems or components;
3. Installing, removing, or altering electrical or signaling conductors, equipment and raceways, or optical fiber cables and raceways, however, permits shall not be required for:
  - a. Replacing lamps or other portable devices to existing receptacles;

- b. Telephone or telegraph transmission; and
- c. Municipal signal and fire alarm or radio companies, public utility work and maintenance, and work by municipal employees on municipal property.

(b) Fees for permits and inspections under this article shall be as set forth in the permit fee schedule, adopted by the City Council.

(c) For permit fees based on cost of work, if the proposed project cost submitted by the applicant is less than that as would be indicated by national standards, the City of Portland reserves the right to determine the proposed project cost based on those standards and assess the permit fee accordingly.

(d) The fee for any permit obtained after work has been commenced shall be double the fee otherwise provided for in the fee schedule adopted pursuant to this section.

(e) The Permitting and Inspections Department Director shall adopt a policy authorizing refunds of any fee under this section, where appropriate.  
(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-93. Certificate of Occupancy.**

(a) No building, structure, or property shall be used or occupied without a certificate of occupancy.

(b) No final certificate of occupancy shall be issued where any condition of the building, structure, or property is not in compliance with any other section of this Code, except where phased occupancy is specifically provided for in approved permits or plans.

(c) No final certificate of occupancy shall be issued without the approval of the fire chief or his or her designee.  
(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-94. Violations.**



(a) Any person who owns, occupies, or controls a building, structure, or premises shall be guilty of an offense and subject to the penalties and remedies provided in section 6-1 of this Chapter and 30-A M.R.S. § 4452 if that person does any of the following:

1. Violates a provision of this article, or any codes adopted pursuant to this article;
2. Allows a violation to occur or remain at any building, structure, or premises that he or she owns, occupies, or controls;
3. Fails to comply with any lawful order issued pursuant to this article; or
4. Builds inconsistently with any approved permit or plan.

(b) The imposition of a penalty for a violation does not excuse that violation or allow it to continue.  
(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-95. Enforcement.**

In addition to the remedies otherwise provided, the following specific remedies shall also be available.

(a) The building authority may issue a stop work order, prohibiting that any additional work be completed until any violations are remedied. A fee to remove any stop work order shall be set forth in the fee schedule adopted pursuant to section 6-16.

(b) The building authority may cut electrical wires, remove fuses, or otherwise make a circuit or system inoperative whenever it is found that:

1. Any electrical work has been done without first obtaining a permit; or
2. Any electrical work has been done not in compliance with this Article.

(c) Where any establishment exceeds the posted occupant limit, the building authority, the fire chief, and/or their designees, may order any performance, presentation, spectacle, or entertainment to be stopped until the condition is corrected.

(d) The building authority is authorized to institute, or cause to be instituted by the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-96. Appeals.**

(a) An aggrieved party may appeal from a final decision made pursuant to this Article to the board of appeals within ten (10) days from the action of the building authority.

(b) The board of appeals may permit exceptions to or variances from the specific provisions of this Article where it is established that strict application of the provisions of this code will result in undue hardship, and where the purpose of this Article in promoting the public health, safety and welfare, is not adversely affected.

(c) The order of the building authority shall not be stayed during any such appeal.

(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-97. Liability.**

(a) Nothing in this article shall be construed to relieve any responsible party from liability, or lessen such liability, for damages to persons or property caused by a defect in work performed pursuant to this article.

(b) No officer or employee charged with the enforcement of this article and acting for the city in the discharge of his or her duties shall render himself or herself personally liable for any damage that may occur to any person or property as a result of his or her acts in the discharge of his or her duties.

(c) The City shall not be rendered liable for any damage to persons or property arising out of any permit, inspection, or other action taken pursuant to this Article.  
(Ord. 18-17/18, 8-21-2017)

## DIVISION 2. - BUILDING STANDARDS

### **Sec. 6-98. Adoption of standardized codes.**

(a) The City hereby adopts the following codes by reference, pursuant to 30-A M.R.S. § 3003:

1. The Maine Uniform Building and Energy Code ("MUBEC"), as required by 10 M.R.S. § 9724;
2. The appendix to the Maine Uniform Building and Energy Code ("MUBEC") containing optional energy conservation and efficiency requirements, as provided by 10 M.R.S. §9722, sub-§6, ¶10; and
3. The National Electric Code (2020) ("NEC").

(b) MUBEC and the appendix to MUBEC containing optional energy conservation and efficiency requirements shall be enforced by the building authority, which shall be accomplished through inspections performed by the City building official and code enforcement officers, pursuant to 25 M.R.S. § 2373.

(c) To the extent that any standard or provision of MUBEC conflicts with any standard or provisions from the appendix to MUBEC containing optional energy conservation and efficiency requirements, the standard or provision contained in the appendix shall control and be enforced by the building authority, as provided above.

(d) The NEC shall be enforced by the building authority.  
(Ord. 18-17/18, 8-21-2017; By Referendum, 11-3-2020; Ord. 73-21/22, 10-18-2021)

### **Sec. 6-99. Electrical permits.**

In addition to the other permitting provisions of this article, the following shall also apply to electrical permits.

(a) No electrical permit shall be issued unless the applicant holds a valid master electrician's license, or a limited or special license for the particular work to be installed, issued by the State of Maine.

(b) Notwithstanding subsection (a) above, a person who does not hold a master electrician's license or limited or special license may obtain an electrical permit and do limited electrical work, so long as:

1. The permit is for, and the work will be completed on, a single-family residence that the applicant owns and resides in;
2. The applicant does not connect wires into any service panel; and
3. The applicant does not install, relocate, disconnect, or disturb in any way the main service entrance to the residence.

(c) Electrical permits are not transferable, and the permitted work must be completed by, or under the supervision of, the permittee.

(d) An electrical permit shall expire if work authorized by such permit is not substantially commenced within ninety (90) days from date of issue of the permit; or if the work authorized by such permit is suspended or abandoned for a period of one hundred twenty (120) days.

(e) Any person, after having been issued a permit, shall correct any defective work within fortyeight (48) hours after notification by the building authority. If such corrective work is not accomplished within such time period, no other permits shall be issued to the applicant until same has been accomplished.

(Ord. 18-17/18, 8-21-2017)

#### **Sec. 6-100. Electrical requirements.**

In addition to the standards in the NEC, the following provisions shall also apply to electrical installations:

(a) Services installed on brick, masonry metal, or block buildings shall be in rigid conduit. No "service entrance cable" shall be allowed in these applications.

(b) All direct burial service conductors installed from the utility company transformer pads and/or poles to supply residential occupancies shall be installed in schedule forty (40) PVC conduit, minimum size two and one-half (2 1/2) inches).  
(Ord. 18-17/18, 8-21-2017)

**Sec. 6-101. Electrical inspections.**

(a) The building authority shall have the right during reasonable hours to enter any premises, building, or other place, in the discharge of his or her official duties, for the purpose of making any inspection, reinspection, or test of electrical wiring, devices, appliances, and equipment.

(b) No person may cover or conceal, or cause to be covered or concealed, any wiring or other electrical work for which a permit has been issued or is required, before the wiring or work has been inspected or approved by the building authority.

(c) When a closing-in inspection is called for, all wall cases, boxes, etc. will be made ready for devices or fixtures by insuring that all necessary pig-tailing and bonding will be done, and that all neutral and bonding wires in panels will be made up before calling for inspection.

(d) The building authority shall have the authority to reject any work that is not completed in accordance with any permit or applicable code, or in a workmanlike and safe manner.  
(Ord. 18-17/18, 8-21-2017)

**Sec. 6-102. Burner installation.**

In addition to the permitting requirements pursuant to this Article, any person who installs or services oil burner equipment must have a license from the Maine Fuel Board. Any alterations, installations, addition of controls, or other work on oil burners must be done by a person having such a license.  
(Ord. 18-17/18, 8-21-2017)

**Sec. 6-103. Demolition requirements**

(a) No demolition permit shall be issued unless and until:

1. The applicant provides a certification by a licensed specialist that:

a. There is no friable asbestos material present;

b. Such friable asbestos has been removed and disposed of in accordance with state and federal law; or

c. Such friable asbestos will be removed in the course of the demolition in accordance with state and federal law, and also provides an acceptable plan for removal;

2. If the building or structure is located on an island, the applicant has provided an acceptable plan to remove the demolition debris from the island and dispose of it in accordance with state and federal law prior to the expiration of the permit.

(b) A permit to demolish or remove a structure shall expire thirty (30) days after the date of its issuance, provided that, for good cause, the building official may extend the permit for periods of not more than fifteen (15) days.

(c) The person to whom a permit is issued shall dampen or cause to be dampened all debris resulting from the demolition operation to the extent necessary to prevent dust therefrom circulating in the surrounding area.

(d) The disposal of all demolition debris shall be in accordance with all state and federal law.

(e) No demolition debris shall either be disposed of or stored on any of the islands.

(Ord. 18-17/18, 8-21-2017)

**Sec. 6-104. Reserved.**

**Sec. 6-105. Reserved.**

## **ARTICLE V. HOUSING CODE**

**Sec. 6106. Definitions.**

The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

*Basement* shall mean the portion of a building next below the ground floor having not more than half of its clear height below the adjoining grade.

*Dwelling* shall mean any house, building or part thereof which is occupied or intended to be occupied, in whole or in part, for living and sleeping by one (1) or more occupants. A dwelling may include one (1) or more dwelling units or rooming units or a combination of both.

*Dwelling premises* shall mean the land and auxiliary buildings thereon used or intended to be used in conjunction with a dwelling.

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

*Enforcement authority* means and includes the building authority or his or her designee, and the health authority.

*Extermination* shall mean the control and elimination of insects, rodents or other pests by eliminating their harborage places; by removing or making inaccessible materials that may serve as their food; poisoning, spraying, fumigating, trapping, or by any other recognized and legal pest elimination methods approved by the building authority.

*Friable asbestos material* shall mean any material that contains more than one (1) percent asbestos by weight and that can be crumbled, pulverized, or reduced to powder, when dry, by hand pressure.

*Floor area* shall mean the floor area inside of and between exterior walls or partitions or any combination thereof, as measured within a habitable room.

*Habitable room* shall mean a room used, or intended to be



used, for living, sleeping, cooking, or eating purposes and excludes bathrooms, toilet rooms, laundries, pantries, halls, closets, heater rooms, utility rooms, and attics. Basement or cellar areas are not habitable rooms except as permitted in this article.

*Infestation* shall mean the presence within a dwelling or on premises of a dwelling of rodents, vermin, or other pests, as determined through actual observation of them or by evidence of their presence.

*Leadbased paint hazard* means the presence of lead in any form which exceeds the permissible concentration and which exists in an unacceptable condition.

*Leadbased substance* means any substance which contains lead at a level that constitutes or potentially constitutes an environmental lead hazard.

*Lodging facility* shall mean the use of one or more rooms, without individual bathroom or kitchen facilities, used to provide sleeping accommodations for no more than two persons, and which are available for use by the public for a fee and which are occupied, regardless of the duration of the occupancy, in the absence of a written lease. Lodging facility does not including the following:

- (a) Sleeping accommodations, whether provided by a business or non-profit organization, where the owner or manager of such an operation routinely provides:
  - 1. Daily maid service;
  - 2. Replacement of linens and towels as demanded by guests of the establishment; and
  - 3. A centralized telephone system.
- (b) Any establishment licensed by the Maine Department of Human Services to provide health care under the direction of duly licensed health care professionals.
- (c) Dormitories, including dwelling units converted to licensed use, operated by educational institutions

authorized to confer degrees.

- (d) Sleeping accommodations provided to graduate medical students under the auspices of the accreditation council on graduate medical education or a similar entity.

*Multiple dwelling* shall mean any dwelling containing more than two (2) dwelling units, rooming units, or combination of both.

*Occupant* shall mean any person, including an owner or operator, residing in or having actual possession of a dwelling unit or rooming unit.

*Operator* shall mean any person who has charge, care, management, or control of any dwelling or part thereof in which dwelling units or rooming units are let or offered for occupancy.

*Owner* shall mean any person or persons who alone, jointly, severally, or jointly and severally with others:

- (a) Shall have legal or record title to any dwelling, dwelling unit, or dwelling premises;
- (b) Shall have charge, care, or control of any dwelling, dwelling unit, or dwelling premises as an agent of the owner, executor, administrator, trustee, or guardian of the estate of the owner;
- (c) Shall have an equitable interest in a dwelling, dwelling unit, or dwelling premises under a contract or a bond for a deed with the person having legal or record title.

*Rooming house* shall mean any dwelling, or part thereof, containing three (3) or more rooming units in which space is rented or offered for rent by the owner or operator to be occupied or intended to be occupied by three (3) or more persons who are not related by blood or marriage to the owner or operator.

*Rooming unit* shall mean one (1) or more rooms forming a

single unit used, or intended to be used, for living and sleeping purposes, but not designed for food preparation, by two (2) or more persons living in common or by a person living alone.

*Supplied* shall mean installed, furnished, or provided by the owner at his or her expense.

(Code 1968, § 307.2; Ord. No. 31068, § 1, 8568; Ord. No. 49074, § 1, 8574; Ord. No. 11477, § 2, 22377; Ord. No. 47586, § 1, 4786; Ord. No. 15995, 1495; Ord. No. 45-04/05, 9-8-04; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Cross reference(s)** Definitions and rules of construction generally, § 12.

#### **Sec. 6107. Minimum standards for dwellings established.**

There are hereby established minimum standards for buildings used for dwelling purposes in the city. All such buildings not now conforming to these standards will be required to meet such minimum standards, and buildings newly constructed or converted for dwelling purposes shall meet such minimum standards. The standards set forth herein are intended to be minimum only and shall not be construed otherwise, nor shall they apply wherever a greater standard is required by any other ordinance or law.

(Code 1968, § 307.1; Ord. No. 47586, § 1, 4786)

#### **Sec. 6108. Minimum standards for structural elements.**

No person shall occupy as owneroccupant or shall allow another to occupy any dwelling, dwelling unit, rooming house, rooming unit, or a combination of the same, which does not comply with the following minimum standards:

- (a) *Foundations, basements, cellars, exterior walls, roofs.* Every foundation, basement, cellar, exterior wall, and roof shall be substantially weathertight, watertight, and vermin proof; shall be structurally sound and in good repair; and shall be safe for the intended use as well as capable of supporting whatever load normal use may cause to be placed thereon. Every exterior wall or portion thereof shall be painted or stained. Insulation shall be installed and maintained so as not to present a health or safety hazard to occupants. Water from roofs shall be so drained and

conveyed therefrom as not to cause repeatedly wet floors, walls, or ceilings, or hazard to adjacent buildings or the occupants thereof.

- (b) *Interior floors, walls, ceilings and doors.* Every floor, wall, ceiling, and door shall be in a structurally sound condition and in good repair and shall be substantially vermin proof.
- (c) *Exterior windows, doors and skylights.* Every window or door, including basement or cellar door and hatchway, and skylight shall be substantially weathertight, watertight, and vermin proof and shall be kept in sound working condition and good repair.

Every exterior window shall include storm sash with screens or an alternative equally effective for heat retention and ventilation purposes, all in operable condition.

- (d) *Stairways, stairwells, stairs and porches.* Every inside and outside stairway, stairwell, stairs, and porch and any appurtenances thereto shall be structurally sound, in good repair, and safe to use.
- (e) *Chimneys, flues and vent.* Every chimney and every flue, vent, and smokepipe and any attachments thereto shall be structurally sound, in good repair, and safe to use.
- (f) *Required equipment and utilities.* Every supplied facility, piece of equipment, or utility which is required under this article shall be so constructed and installed that it will function safely and effectively and shall be maintained in good working condition.

(Code 1968, § 307.3; Ord. No. 47586, § 3, 4786)

**Sec. 6109. Sanitation and maintenance of equipment; division of responsibility therefor.**

Every dwelling, dwelling unit, roominghouse, rooming unit, dwelling premises, or combination of the same, shall be kept and maintained in a sanitary and clean condition, and facilities

shall be provided, in accordance with the following division of responsibility:

- (a) *Maintenance of assigned areas.* Every occupant of a dwelling, dwelling unit, or rooming unit shall maintain in a clean and sanitary manner that part of the dwelling, dwelling unit, or rooming unit, and dwelling premises which he or she occupies and controls.
- (b) *Maintenance of shared areas.* Every owner or operator of a multiple dwelling or rooming house shall maintain in a clean and sanitary condition the shared or public areas of the dwelling and dwelling premises.
- (c) *Maintenance of supplied facilities.* Every occupant of a dwelling unit shall keep all supplied facilities, including refrigeration, plumbing and cooking equipment, in a clean and sanitary condition and shall be responsible for the exercise of reasonable care in their proper use and operation.
- (d) *Disposal of rubbish, ashes, garbage and waste.* Separate watertight, tightly covered plastic or metal containers shall be provided, one (1) or more for garbage and other food wastes, one (1) or more for rubbish, paper, and other nonfood wastes, and one (1) or more metal containers for ashes, and all such containers shall be kept covered at all times so as to prevent the ingress and egress of flies, rats or other animals. Plastic or paper bags or boxes are not considered "containers" for purposes of this section. Ashes shall be cold when placed in containers for collection. Such containers shall be cleaned periodically so that they will not become foul or offensive and shall be placed in convenient locations for removal of the contents by persons authorized to collect the same. Every occupant of a dwelling, dwelling unit, rooming house or rooming unit shall place or cause to be placed all garbage, rubbish and other waste material in such containers and shall not permit any accumulation or deposit of such substances in or about the premises except in said containers. The responsibility for the provision of such

containers shall be as follows:

1. It shall be the duty of every occupant of every dwelling occupied by not more than two (2) families to provide and keep within the dwelling or upon the premises where the dwelling is situated sufficient containers to meet the above requirements.
  2. It shall be the duty of the owner or operator of every multiple dwelling to provide and keep within the dwelling or upon the premises where the dwelling is situated sufficient containers to meet the above requirements.
  3. It shall be the duty of every owner or operator of a rooming house to provide and keep within the dwelling or upon the premises where the dwelling is situated sufficient containers to meet the above requirements.
- (e) *Rodent and vermin control.* Every dwelling, dwelling unit, rooming house, rooming unit, and dwelling premises shall be kept and maintained free from insects, rodents, or other pests in accordance with the following division of responsibility:
1. Every occupant of a dwelling unit shall be responsible for the extermination of such insects, rodents, or other pests where the infestation is confined to such dwelling unit, except as provided in subsection 6109(e)2.
  2. When infestation of a dwelling unit shall exist because of the failure of the owner or operator of a dwelling or dwelling premises to keep the same in a substantially rodent or verminproof condition, extermination shall be the responsibility of the owner or operator.
  3. Every owner or operator of a dwelling shall be responsible for the extermination of such insects, rodents, or other pests whenever infestation exists in any two (2) or more

dwelling and/or rooming units, or in shared areas or upon the dwelling premises.

4. Every owner or operator of a rooming house shall be responsible for the extermination of any insects, rodents, or other pests in the dwelling or upon the dwelling premises.

(f) *Maintenance of service to utilities.* No owner, operator or occupant shall cause any service, facility, equipment or utility supplied in accordance with the requirements of this article to be removed, shut off, or discontinued for any occupied dwelling, dwelling unit, rooming house, or rooming unit except for such temporary interruption as may be necessary when actual repairs or alterations are being expeditiously made. For purposes of this Code, whenever it is established that the interruption was for more than twelve (12) hours within a twentyfourhour period, the owner or operator shall have the burden of producing evidence proving the interruption was necessary and unavoidable given all the surrounding circumstances.

(g) *Vacating of premises.* It shall be the duty of every occupant of a dwelling, dwelling unit or rooming unit, upon vacating such premises, to leave the premises in a clean and sanitary condition with no accumulation of rubbish or other debris. No owner or operator shall allow another to occupy any dwelling, dwelling unit, or rooming unit which has not been placed in a clean and sanitary condition with no accumulation of rubbish or other debris.

(Code 1968, § 307.4; Ord. No. 47586, § 4, 4786)

#### **Sec. 6109.5. Standards for unoccupied residential structures.**

The owner of any unoccupied structure containing dwelling units or rooming units or any combination thereof shall comply with the following minimum standards:

- (a) *Foundations, basements, cellars, exterior walls, roofs.* Every foundation, basement, cellar, exterior wall and roof shall be substantially weathertight,



watertight and verminproof; shall be structurally sound and in good repair; and shall be safe for the intended use as well as capable of supporting whatever load normal use may cause to be placed thereon. Every exterior wall or portion thereof shall be painted or stained. Water from roofs shall be so drained and conveyed therefrom as not to cause repeatedly wet floors, walls or ceilings, or hazard to adjacent buildings or the occupants thereof.

- (b) *Interior floors, walls, ceilings and doors.* Every floor, wall, ceiling and door shall be in a structurally sound condition and shall be substantially verminproof.
- (c) *Exterior windows, doors and skylights.* Every window or door, including basement or cellar door and hatchway, and skylight shall be substantially weathertight, watertight and verminproof, and shall be kept secured to prevent ingress of people and animals.
- (d) *Stairways, stairwells, stairs and porches.* Every outside stairway, stairwell, stairs and porch and any appurtenances thereto shall be structurally sound, in good repair and safe to use.
- (e) *Chimneys, flues and vent.* Every chimney shall be structurally sound and in good repair.
- (f) *Rodent and vermin control.* All unoccupied structures and exterior property shall be kept free from rodent and vermin infestation. Where rodents and vermin are found, they shall be promptly exterminated by approved processes which will not be injurious to human health. Every owner or operator of an unoccupied residential structure shall be responsible for the extermination of such rodent and vermin or pest whenever infestation exists.

(Ord. No. 172B94, 2794)

**Sec. 6110. Minimum standards for space and occupancy thereof.**

No person shall occupy as owneroccupant or shall let to another for occupancy any dwelling, dwelling unit, or rooming

unit which is or would be overcrowded as determined by the following minimum standards for space and occupancy:

- (a) *Space per person.* Every dwelling unit shall contain at least one hundred (100) square feet of habitable floor area for the first occupant and at least seventy (70) square feet of additional habitable floor area for each additional occupant. For the purpose of this subsection, a child under the age of one (1) shall not be counted.
- (b) *Efficiency apartments.* A dwelling unit occupied by two (2) or more occupants which contains a room not intended primarily for cooking or sleeping, but which is properly designed and equipped or especially furnished with either a kitchenette or walltype kitchen unit and bedfurniture properly designed for daytime storage or other daytime use, to be maintained as a combination of regular living and efficiency cooking, may contain seventy (70) square feet less habitable floor area than would otherwise be required. For the purpose of this subsection, a child under the age of one (1) shall not be counted.
- (c) *Sleeping space.* Every room occupied for sleeping purposes in a dwelling unit and in a rooming unit shall contain at least fifty (50) square feet of habitable floor area for each occupant, except that children under one (1) shall not be counted and children more than one (1) but less than ten (10) shall be deemed onehalf person.
- (d) *Size of habitable rooms.* No habitable room, other than a kitchen or dining alcove, shall contain less than sixtyfive (65) square feet of floor area, nor shall the least horizontal dimension of such room be less than seven (7) feet.
- (e) *Computation of floor area.* In computing floor area for the purposes of this section, the space used for closets or other enclosed spaces and, in the case of rooms with sloping ceilings, portions of such rooms with less than four (4) feet in height shall be excluded in computing the area.

(f) *Basement dwelling units.* Every room in any cellar or basement used for the purposes of a habitable room shall meet the following conditions:

1. The ceiling shall have a clear inner height of at least seven (7) feet and shall be at least three (3) feet above the grade of the ground at the points where the required windows open.
2. The floor and walls shall be water and dampproof and the room shall be well drained and dry.
3. There shall be one (1) or more windows, the combined total sash area of which shall be not less than eight (8) square feet, or onetwelfth of total floor area, whichever is greater, which windows shall open readily for purposes of ventilation directly to the outside air.

(g) *Notice of maximum occupancy required.* When a person lets to another for occupancy any dwelling, dwelling unit, or rooming unit, he or she shall notify the occupant in writing of the maximum number of persons permitted to occupy the premises by the provisions of this article.

(Code 1968, § 307.5)

#### **Sec. 6111. Minimum plumbing standards.**

No person shall occupy as owneroccupant or shall allow another to occupy any dwelling, dwelling unit, rooming house, or rooming unit which does not comply with the following minimum standards:

(a) *Basic facilities.* Every dwelling unit shall contain within its walls, in sound operating condition, a kitchen sink, a private flush toilet, lavatory basin, and bathtub or shower. Rooming houses and dwelling houses containing rooming units shall contain at least one (1) flush toilet, one (1) lavatory basin, and one (1) bathtub or shower for each five (5) persons or fraction thereof living within rooming units in the dwelling.

- (b) *Location of facilities.* The flush toilet, lavatory basin, and bathtub or shower shall be conveniently located within a room or compartment which affords privacy and is separate from habitable rooms, is accessible from a common hall without passing through another dwelling unit or rooming unit or without going outside of the rooming house or dwelling house, is not more than one (1) story removed from the rooming unit of any occupant intended to share such facilities, with the lavatory basin further required to be in the same room or compartment as practicable. No such facilities located in a basement or cellar shall count in computing the number of facilities required hereunder, except upon the prior approval of the building authority.
- (c) *Water supply.* Every dwelling, dwelling unit and rooming house shall be provided with a potable water supply. Every kitchen sink, lavatory basin, and bathtub or shower required by this article shall be properly connected with hot and cold water lines with adequate supply and pressure. The hot water lines shall be connected with waterheating facilities which supply water at a temperature of at least one hundred ten (110) degrees Fahrenheit at every required fixture at all times.
- (d) *Maintenance of plumbing fixtures.* All fixtures required by this article and all fixtures installed in addition thereto shall be properly installed and maintained in sound mechanical condition, free from defects, leaks, or obstructions, and in accordance with the state plumbing code.
- (e) *Additional requirements for structures located on islands in Casco Bay.* All new or replacement plumbing fixtures to be installed in any structures located on an island in Casco Bay shall be of water conservation design, as outlined in the state plumbing code. Toilets shall have a low water volume standard of 1.6 gallons per flush or less. Other plumbing fixtures shall have a flow restriction with a maximum flow rated three (3) gallons per minute.

(Code 1968, § 307.6; Ord. No. 31068, §§ 2, 3, 8568; Ord. No. 47586, § 5, 4786; Ord. No. 16589, 121189)

**Sec. 6112. Minimum ventilation standards.**

No person shall occupy as owneroccupant or shall let to another for occupancy any dwelling, dwelling unit, rooming house or rooming unit unless every habitable room therein has a window or windows with a total sash area equal to at least onetwelfth of its floor area opening on a street, alley, yard or court open to the sky and constructed so that at least onehalf of the sash area can be opened, except that an approved method of mechanical ventilation may be substituted for such window or windows.

(Code 1968, § 307.7)

**Sec. 6113. Minimum lighting standards.**

No person shall occupy as owneroccupant or shall allow another to occupy any dwelling, dwelling unit, rooming house, or rooming unit which does not comply with the following minimum standards:

- (a) *Habitable rooms.* Every habitable room, other than rooms used primarily for sleeping, shall contain at least two (2) separate duplex convenience outlets or at least one (1) duplex convenience outlet and one (1) ceilingtype or walltype electric light fixture.
- (b) *Rooms used primarily for sleeping, bathrooms, utility rooms, cellars and basements.* Every room used primarily for sleeping, watercloset compartment, bathroom, laundry room, furnace room, cellar and basement shall contain at least one (1) ceilingtype or walltype electric light fixture.
- (c) *Passageways and common stairway.* Every passageway and stairway shall have at least one (1) ceilingtype or walltype electric light fixture adequate to provide safe passage.
- (d) *Extension cords.* No temporary wiring shall be used except extension cords which run directly from portable electrical fixtures to convenience outlets, ceiling or walltype fixtures and which do not lie

under rugs or other floor coverings, nor extend through doorways, transoms or similar openings through structural elements.

- (e) *Maintenance of lighting fixtures.* All fixtures required by this article and all fixtures installed in addition thereto shall be maintained in good and safe working conditions and shall be installed in accordance with the electrical code of the city.

(Code 1968, § 307.8; Ord. No. 475.86, § 6, 4786)

#### **Sec. 6114. Minimum heating standards.**

No person shall occupy as owneroccupant or shall allow another to occupy, except when used solely for seasonal occupancy between March first and October thirtyfirst, any dwelling, dwelling unit, rooming house or rooming unit which does not comply with the following minimum standards:

- (a) *When central heating plant not available.* When heat is not furnished by a central heating plant, each dwelling unit or rooming unit shall be provided with one (1) or more masonry flues and smoke or vent pipe connections, or equal arrangement, in accordance with the provisions of the city Code to permit the use of heating equipment capable of providing heat as required by this section.
- (b) *Heating facilities required.* Every habitable room, excepting rooms used primarily for sleeping purposes, shall be served by heating facilities which provide a minimum temperature of at least sixtyeight (68) degrees Fahrenheit, at a distance of three (3) feet above floor level, as required by prevailing weather conditions from September fifteenth through May fifteenth of each year.
- (c) *Maintenance of equipment.* All stoves, furnaces, room heaters, or domestic water heaters operated by solid, liquid, or gaseous fuel shall be properly vented and maintained in safe operating condition by the owner, operator, occupant or both.

(Code 1968, § 307.9; Ord. No. 47586, § 7, 4786; Ord. No. 15688, 91988)

**Sec. 6115. Leadbased paint hazard.**

(a) This provision is intended to supplement the Lead Poisoning Control Act (22 M.R.S.A. Sections 1314 et seq.) and the regulations adopted pursuant thereto including, but not limited to, the Rules for Environmental Lead Inspections and the Rules for Abatement of Environmental Lead Hazards.

(b) When either the city's health authority, as defined in section 217(h), or the city's director of permitting and inspections, as defined in section 217(h)(10) of this Code as amended, determines that an environmental lead hazard exists in any dwelling or premises (as those terms are defined in Section 216.037 and Section 216.0331 of the Rules for Abatement of Environmental Lead Hazards), he or she shall issue an order in writing to the owner (as defined in Section 216.0328 of the Rules for Abatement of Environmental Lead Hazards), describing the environmental lead hazards and establishing a time within which such hazards shall be abated.

(Code 1968, § 307.9A; Ord. No. 49074, § 2, 8574; Ord. No. 47586, § 8, 4786; Ord. No. 15995, 1495; Ord. No. 165-15/16, 3-7-2016)

**Sec. 6116. Minimum standards for safety.**

No person shall occupy as owneroccupant or shall allow another to occupy any dwelling, dwelling unit, rooming house, or rooming unit which does not comply with Chapter 10 of this code, including but not limited to the following minimum standards for safety from fire.

- (a) No dwelling unit or rooming unit shall be located within a building containing any establishment handling, dispensing, storing or producing flammable liquids, toxic gas vapors or fibrous materials, such as asbestos, which may endanger the lives or safety of the occupants.
- (b) Every dwelling unit and every rooming unit shall have safe, unobstructed means of egress leading to safe and open spaces at ground level in accordance with applicable statutes, regulations and ordinances.
- (c) Every hallway, stairway, corridor, exit, fire escape door or other means of egress shall be kept clear of



obstructions at all times.

- (d) Storage rooms and storage lockers shall not be used for storage of refuse, rubbish or waste.
- (e) Every dwelling, dwelling unit, rooming house and rooming unit shall comply with the applicable provisions of the most current edition of the National Fire Protection Association Life Safety Code, and with all other applicable state statutes and regulations.
- (f) When the health or building authority or his or her designee determines that a dwelling contains friable asbestos material in an amount and/or location which presents an unacceptable health hazard to the occupants and/or the general public, the owner of the dwelling, upon notification from the health or building authority or a housing safety official designated by the city manager, shall remove that material or encapsulate it. Removal or encapsulation shall be conducted in accordance with all applicable federal, state and local laws and regulations.

(Code 1968, § 307.10; Ord. No. 47586, § 9, 4786; Ord. No. 188-00, §5, 4-24-00; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

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**\*Editor's Note**—Pursuant to Council Order 165-10/11 passed on 4-4-11, Sections 6-116.1 thru 6-116.3 were repealed in their entirety.

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## **Sec. 6117. Inspections.**

The health or building authority or his or her designee, upon showing, proper identification, shall have the right to enter at any and all reasonable times into or upon any dwelling or dwelling premises within the city for the purpose of inspecting the dwelling or dwelling premises in order to determine compliance with the provisions of this article and for the purpose of examining and inspecting any work performed under the provisions of this article, and it shall be a violation of this article for any person to interfere with or prevent such inspection.

(Code 1968, § 307.11; Ord. No. 47586, § 10, 4786; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6118. Notices.**

When any violation is found to exist within the meaning of this article, the health or building authority or his or her designee shall give the owner, operator or occupant, or both a written order or notice which shall set forth the violation and shall contain a reasonable time limit for the correction thereof.

(Code 1968, § 307.12; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6119. Reinspections.**

After the expiration of the time for correction of a violation, the health or building authority or his or her designee shall make a reinspection of the premises, and if the violation has not been corrected and no appeal is pending as hereinafter provided, such authority may make such further order as he deems advisable or he may proceed to take legal action against the person liable for such violation.

(Code 1968, § 307.13; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6120. Properties unfit for human habitation; and posted against occupancy.**

Any dwelling, dwelling unit, rooming house, rooming unit, or any structure or portion thereof being used for human habitation which is in violation of the provisions of this article to the extent that it is unfit for human habitation according to the standards contained herein or other applicable standards may be condemned for habitation and posted against occupancy by the building authority or his or her designee. Property unfit for human habitation shall include but not be limited to:

- (a) Properties which are either damaged, decayed, dilapidated, unsanitary, unsafe, or vermininfested in such a manner as to create a serious hazard to the health, safety, and general welfare of the occupants or the public;
- (b) Properties which lack plumbing, ventilating, lighting or heating facilities or equipment adequate to protect

the health, safety and general welfare of the occupants or the public;

- (c) Properties which, because of their general condition, state of the premises, number of occupants, or location, are so unsanitary, unsafe, overcrowded or otherwise dangerous or detrimental that they create a serious menace to the occupants or the public;
- (d) Properties which contain leadbased paint substances, as defined herein;
- (e) Properties in or on which the owner, operator or occupant has failed to comply with notices or orders issued under the provisions of this article; or
- (f) Properties which are disorderly houses.

NOTE: The words "enforcement authority" would be substituted for "building authority" throughout the housing code.  
(Code 1968, § 307.14; Ord. No. 47586, § 11, 4786; Ord. No. 15995, 1495; Ord. No. 3698, § 2, 42298; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6121. Notice of condemnation and posting; order to vacate.**

The building authority or his or her designee shall give notice in writing to the property owner or operator of such condemnation and posting, and in the event such property is occupied, he or she shall give like notice to the occupant, which shall also include a reasonable time limit within which such property shall be vacated.

(Code 1968, § 307.15; Ord. No. 47586, § 12, 4786; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6122. Property not to be occupied again for habitation.**

No property which has been condemned and posted against occupancy shall again be used for the purpose of habitation until the building authority or his or her designee shall in writing approve of its use and shall likewise authorize the removal of the posted notice.

(Code 1968, § 307.16; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6123. Notices not to be removed; property not to be used or let; exception.**

It shall be a violation of this article for any person to deface or remove any such posted notice without the prior approval of the building authority or his or her designee, and it shall also be a violation of this article for any person to occupy or let to another for occupancy any property which has been condemned and posted as provided above without receiving the prior approval of the building authority or his or her designee.

(Code 1968, § 307.17; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6124. Property to be secured if not improved.**

If the owner or operator of any property which has been condemned as unfit for habitation does not proceed to make the necessary corrections to bring the property into compliance with the provisions of this article, such owner or operator shall proceed to make the property safe and secure so that no danger to life or property or fire hazard shall exist.

If the owner or operator fails to do so within a reasonable amount of time, the City may take all reasonable steps to make the property safe and secure and recoup the costs from the owner or operator. If the City takes steps to make the property safe and secure, the City shall also collect an administrative fee, as set forth in the schedule adopted pursuant to section 6-16.

(Code 1968, § 307.18; Ord. 18-17/18, 8-21-2017)

**Sec. 6125. Restriction on conveyance of property; exception.**

It shall be a violation of this article for any person to sell, transfer, or otherwise dispose of any property against which an order has been issued by the building authority or his or her designee under the provisions of this article unless he or she shall first furnish to the grantee a true copy of any such order and shall at the same time notify the building authority or his or her designee in writing of the intent to so transfer either by delivering the notice to the building authority or his or her designee and receiving a receipt therefor or by registered mail, return receipt requested, giving the name and address of the person to whom the transfer is proposed. In the event of a violation of this section, such person shall be subject to a penalty as provided in section 1-15, in addition to any penalty which may be imposed for failure to comply with any order of the

building authority or ahis or her designee.

(Code 1968, § 307.19; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6126. Responsibility hereunder may not be transferred.**

No contract or agreement between owner and/or operator and occupant relating to compliance with the terms of this article shall be effective in relieving any person of responsibility for compliance with the provisions of this article as set forth herein.

(Code 1968, § 307.20)

**Sec. 6127. Appeals.**

An appeal from any final decision of the building authority or his or her designee, if available by statute or otherwise by law, under the provisions of this article may be taken by an aggrieved party to the superior court in accordance with Rule 80B of the Maine Rules of Civil Procedure.

(Code 1968, § 307.21; Ord. No. 47586, § 13, 4786; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

**Sec. 6128. Personal nonliability.**

No officer or employee charged with the enforcement of this article and acting for the city in the discharge of his or her duties shall render himself or herself personally liable for any damage that may occur to any person or property as a result of his or her acts in the discharge of his or her duties. Any suit brought against any officer or employee because of any act performed by him or her under the provisions of this article shall be defended by the corporation counsel until the final determination of the proceedings therein.

(Code 1968, § 307.22)

**Sec. 6129. Exception for island properties.**

The building authority or his or her designee may permit the use of buildings located on the islands for dwelling purposes which do not meet the minimum standards set forth in this article when he or she finds that it is not feasible or practicable to provide such minimum standards and the health, safety or general welfare of the occupants or the public will not be adversely affected.

### **Sec. 6130. Violations.**

(a) Any owner, occupant, or operator of a building, structure, or premises shall be guilty of an offense and subject to the penalties and remedies provided in section 6-1 of this Chapter and 30-A M.R.S. § 4452 if that person does any of the following:

1. Violates a provision of this Article, or any codes adopted pursuant to this Article;
2. Allows a violation to occur or remain at any building, structure, or premises that he or she owns, occupies, or controls; or
3. Fails to comply with any lawful order issued pursuant to this Article.

(b) The imposition of a penalty for a violation does not excuse that violation or allow it to continue.

(Code 1968, § 307.24; Ord. No. 13375, 21975; Ord. No.165-10/11 4-4-11; Ord. 298-14/15, 7-6-2015; Ord. 18-17/18, 8-21-2017)

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**\*Editor's Note:** Pursuant to Order 165-10/11, passed on 4-4-11 Section 6-131 was repealed in its entirety. It was later amended with new language by Order 18-17/18 on 8/21/2017.  
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### **Sec. 6-131. Enforcement.**

In addition to the remedies otherwise provided, the following specific remedies shall also be available:

(a) Where any building, structure, or property is required to be secured by this article, the enforcement authority may secure the building and charge the owner, occupant, and/or operator a penalty of \$500, plus reimbursement of the actual costs of securing where:

1. The owner, occupant, and/or operator has been given notice of the requirement to secure and has failed to do so within a reasonable time; or

2. The building, structure, or property poses an imminent threat to the public if not secured before notice and an opportunity to correct can be given.

(b) The enforcement authority is authorized to institute, or cause to be instituted by the corporation counsel, in the name of the city any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(Ord. 18-17/18, 8-21-2017)

**Sec. 6-132. Lodging facility.**

(a) *Statement of policy.* The intent of this section is to provide tenant-at-will status to residents of lodging facilities, as defined in section 6-106, after they have resided in a unit for thirty (30) days or more. Such lodging facilities offers sleeping accommodations but few other amenities, and residents of such housing in the past have been subjected to summary eviction procedures by landlords who purposefully characterize their rentals as "lodging houses" and thereby purport to act under state law in ejecting occupants without any recourse, regardless of the length of residency.

(b) *License registration required for lodging facilities.* No person, firm, corporation or other entity shall offer or provide lodging facilities, as that term is defined in section 6-106, without having registered pursuant to Article VI.

(c) *Application to buildings or structures with three or more units.* The requirements of this section shall apply to buildings or structures containing three (3) or more lodging facility units.

(d) *Constructive "tenant at will" status after 30 day occupancy.* Any person who has occupied a lodging facility unit situated at the same building or structure for thirty (30) consecutive days and has paid rent for that thirty (30) day period will be deemed to have achieved the status of a tenant at will as of the 30<sup>th</sup> day and may not thereafter be evicted except in accordance with the requirements of Maine's Forcible Entry and Detainer Law (14 M.R.S.A. § 6001, et seq.)



(e) *Termination of owner's interest.*

- (1) Upon termination of an owner's interest in any building or structure operating as a lodging facility, whether by sale, assignment, death, appointment of a receiver or otherwise, the owner shall advise the successor in title, the City of Portland and all occupants of a lodging facility who have qualified under subsection (d) above of the status of such occupants, which shall be binding upon the successor in title as though it were the owner when the status was achieved.

- (2) Notice to the City of Portland shall be addressed to:

Housing Safety Office  
Permitting and Inspections Department  
Portland City Hall  
389 Congress Street  
Portland, ME 04101

(f) *Owner's responsibility.* The owner shall remain liable to the occupants qualified under subsection (e) above until the notice required by that section has been provided.

(Ord. No. 45-04/05, 9-8-04; Ord. No. 165-15/16, 3-7-2016; Ord. 18-17/18, 8-21-2017)

**Sec. 6-133. Habitation of Recreational Shelters.**

(a) For purposes of this section, "recreational shelter" means any building, structure, vehicle, trailer, or other enclosure used or intended for human habitation that does not meet the standards set forth in Articles II through IV of this Chapter, or the State of Maine Manufactured Housing Act. This includes, but is not limited to, recreational vehicles, motor homes, campers, camp or truck trailers, tents, shelters, and structures on trailers capable of being towed by a motor vehicle.

(b) A recreational shelter may not be occupied as living quarters, unless it meets all of the following requirements:

- (1) The recreational shelter is a vehicle or trailer eligible for registration under Title 29-A, Chapter 5 of the Maine Revised Statutes;
- (2) The recreational shelter is fully inspected, registered and ready for highway use, except that a moveable recreational shelter that does not move under its own power may be temporarily disconnected from the vehicle used to haul it, only for the time period contained in subsection (b)(8) below;
- (3) The recreational shelter meets all of the applicable fire and life safety requirements;
- (4) The recreational shelter is weathertight, watertight, vermin proof, structurally sound and in good repair;
- (5) The use of the recreational shelter, and its connection to utilities, if any, complies with all other applicable sanitary, electrical, fire, and life safety requirements of this Code;
- (6) The recreational shelter is located entirely on residential property and is used solely by residents of that residential property or guests of those residents;
- (7) The recreational shelter, or space for the recreational shelter, is not rented or let;
- (8) The recreational shelter is not occupied as living quarters anywhere within the City of Portland for more than 30 days in any one-year period; and
- (9) No more than one occupied recreational shelter may be located on a single parcel or lot at a time.

Ord. No. 19-17/18, 8-21-2017)

**Sec. 6-134. Reserved.**  
**Sec. 6-135. Reserved.**  
**Sec. 6-136. Reserved.**  
**Sec. 6-137. Reserved.**  
**Sec. 6-138. Reserved.**  
**Sec. 6-139. Reserved.**

**Sec. 6-140. Reserved.**  
**Sec. 6-141. Reserved.**  
**Sec. 6-142. Reserved.**  
**Sec. 6-143. Reserved.**  
**Sec. 6-144. Reserved.**  
**Sec. 6-145. Reserved.**  
**Sec. 6-146. Reserved.**  
**Sec. 6-147. Reserved.**  
**Sec. 6-148. Reserved.**  
**Sec. 6-149. Reserved.**

## **ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS**

### **Sec. 6150. Purpose.**

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential long term rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. Non-owner occupied short term rental units may remove housing units from the long term rental market and may contribute to the increase in the cost of rental housing in the City.

This article is intended to require the disclosure of the ownership of such property, and to regulate the renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, to ensure that housing units remain available for rent to those who reside or seek to reside within the City, to ensure that residential areas are not unduly impacted by the operation of short term rentals, and to ensure that listing agencies booking services, owners, and tenants comply with chapters 6 and 10 of the City Code. (Ord. No. 44389, 6789; Ord. No. 5389, 71789; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

### **Sec. 6150.1. Definitions.**

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

Accessory Dwelling Unit shall mean a dwelling unit subordinate in size to the principal residential structure(s) on a lot and located either within the principal residential structure(s) or in an accessory structure have the same meaning as it does in Chapter 14 of the City Code.

~~Island Short Term Rental shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.~~

Booking Service shall mean a business entity or individual persons who, directly or indirectly:

1. Provides one or more online, computer or application-based platforms that individually or collectively can be used to (i) list or advertise offers for short-term rentals, and (ii) either accept such offers, or reserve or pay for such rentals; and

2. Charges, collects or receives a fee for the use of such a platform or for provision of any service in connection with a short-term rental.

A booking service shall not be construed to include a platform that solely lists or advertises offers for short-term rentals.

—

*Long Term Rental* shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

*Mainland Short Term Rental* shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

*Multi-Unit* shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections Department.

*Outer Island Short Term Rental* shall mean a short term rental located on Great Diamond Island, Cushing Island, Little Diamond Island, House Island, or Cliff Island.

Owner-Occupied shall mean a rental unit owned and occupied by all owners of the unit as their primary residence. A short term rental unit in an owner-occupied multi-unit building, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit. Accessory dwelling units—~~as defined in Chapter 14 of this Code,~~ are not considered owner-occupied units for purposes of short term rental registration and regulation.

Owner shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation; that is the record owner of a building or property.

Peaks Island Short Term Rental shall mean a short term rental located on Peaks Island.

Primary Residence shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

Registrant shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

Rental unit is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a rental unit. Dwelling units and rooming units as defined in §6-106 are, without limitation, rental units. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a rental unit.

Seasonal rental unit means [need to add definition for a rental unit that is only habitable during warmer months; and a definition for a winterized/snowbird house that is occupied by the owner in the warmer months but rented out in the fall and winter]

*Short Term Rental* is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

*Single Family Home* shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

*Tenant-Occupied* shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.

(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6151. Registration required.**

*(a) Registration of Ownership.*

1. Rental units must be registered in accordance with this article by January 1st of each year; Rental units entering the rental housing market must be registered within fourteen days. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information. [NEED TO ADD THAT BOOKING PLATFORMS CANNOT LIST AN STR WITHOUT FIRST CONFIRMING AND POSTING REGISTRATION NUMBER]
2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rental.
3. Each owner, manager, and person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this article. Any new owner, manager, or responsible person/entity must apply to register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility. New owners or tenants applying to register an existing short term rental unit are considered new applicants and shall be subject to all limitations and regulations in effect at the time of the application.

4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.
5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;
2. The unit number of the rental unit;
3. The tax assessor's chart, block and lot of the property on which the building is located;
4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:
  - a. The name of each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and
  - b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;
5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity; and
6. The person designated as the agent of the owner or



owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec. 6-152, and a registration number has been issued.

In addition to the information required in Section 6-151(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City's Permitting and Inspections Department or their designee:

1. A short term rental application;
2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;
  - a. For Short Term Rental units that are owner-occupied, the owner must provide a notarized primary residence affidavit, on forms provided by the City. The owner must also produce for review one of the following demonstrating residency at the owner-occupied unit:
    - i. Valid driver's license or other state-issued identification;
    - II. Valid motor vehicle registration;
    - iii. Proof of homestead exemption; or
    - iv. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.
  - b. For Short Term Rental units that are tenant-occupied, the tenant must provide a notarized

primary residence affidavit, and a notarized statement of permission by his/her landlord, both on forms supplied by the City. The tenant must also produce for review one of the following demonstrating residency at the tenant-occupied unit:

- i. Valid driver's license or other state-issued identification;
- ii. Valid motor vehicle registration; or
- iii. Other documentation proving primary residence to the satisfaction of the City's Permitting and Inspections Department.

3. For Peaks Island short term rentals, whether the unit is seasonal or year-round.

4. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;

5. For owner-occupied short term rental units that are within a condominium or homeowner's association, ~~an attestation that use of the unit as a short term rental is allowed under the~~ relevant documents demonstrating that use of the unit as a short term rental is allowed; and

5. If the application is for renewal, the number of nights the unit was rented on a short-term basis and the number of nights the unit was rented on a long-term basis in the previous reporting year. For purposes of reporting this information, November 1 through October 31 is the reporting period for a renewal of January 1.

(d) *Display of Short Term Rental Registration Number Required.* Once registration is approved by the City, each short term rental shall be given a registration number, which shall be published to the City's website along with the address of the rental unit, and must be displayed in the rental unit and in

any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

(f) *Additional Information Required for Covered Units.* A Covered Unit, as defined by Section 6-232 of this Chapter, shall not be considered registered unless and until the registrant has submitted the following additional information:

1. The current rent charged at the time of registration;
2. The increase in rent (if any) when compared to the previous registration;
3. Whether the increase (if any) is attributable to: (1) the Allowable Increase Percentage and Tax Rate Rent Adjustment, as defined in Section 6-232; or (2) also includes Banked Rent, as defined in Section 6-232;
4. The amount of Banked Rent, if any, accumulated since the previous registration;
5. The amount of security deposits or other payments demanded in addition to rent for each Covered Unit; and
6. The number of bedrooms, number of bathrooms, and the presence or absence of a kitchen from each Covered Unit.

(g) *Registration data made available.* The City's Permitting and Inspections Department or its designee is required to make anonymized data from the registration of Covered Units available to the Rent Board at the Board's request. Such data shall not include the names, or street and unit numbers of any reported units.

(Ord. No. 44389, 6789; Ord. No. 5389, 71789; Ord. No. 24697, 4997; Ord. 298-14/15, 7-6-2015; Ord. 69-15/16, 10/5/2015; Ord. 179-16/17, 3-27-2017; Order

99-18/19, 11-19-2018; By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6152. Registration Fees.**

(a) *Annual Registration Fee.* Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay fifty dollars (\$50.00) to the City by January 1st of each year. Regardless of any discount a Landlord may be entitled to under subsection (d) below, thirty dollars (\$30) from each registration fee shall be appropriated to Housing Safety Office to cover the administrative expenses of the Rent Board, including the hiring of additional administrative staff if necessary.

(c) *Short Term Rental Registration Fee Structure.* The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any non-owner occupied units, ~~tenant-occupied, and/or island rentals first,~~ and then fees will be attributed at the ~~higher-lower~~ rate for any ~~non-owner--occupied-mainland~~ units.

Owners and tenants ~~may register more than one owner occupied or tenant-occupied unit (bedrooms, separate spaces, etc.)~~ within their primary residence.

|                                                                                                                                             |                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Owner Occupied Units, <del>or seasonal Peaks Tenant Occupied Units,</del><br><u>Island Units, and Outer Island Units-Short Term Rentals</u> | 1 <sup>st</sup> Unit - \$ <del>21</del> 00<br>2 <sup>nd</sup> Unit - \$ <del>250</del> 500<br>3 <sup>rd</sup> Unit - \$ <del>1000</del> 500<br>4 <sup>th</sup> Unit - \$1, <del>000</del> 500<br>5 <sup>th</sup> Unit - \$2, <del>000</del> 500 |
| Non-Owner Occupied Mainland <u>Units,- Non-Owner Occupied Peaks Island Units, and New Construction Accessory Dwelling</u>                   | 1 <sup>st</sup> Unit - \$ <del>200</del> 500<br>2 <sup>nd</sup> Unit - \$ <del>10</del> 500<br>3 <sup>rd</sup> Unit - \$1, <del>50</del> 00<br>4 <sup>th</sup> Unit - \$2, <del>50</del> 00                                                     |

|              |                                              |
|--------------|----------------------------------------------|
| <u>Units</u> | 5 <sup>th</sup> Unit - \$4, <del>50</del> 00 |
|--------------|----------------------------------------------|

(d) *Registration and Renewal Fee Discounts.* The following discounts shall apply to the registration and renewal fees:

1. \$10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;
2. \$7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;
3. \$5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;
4. \$10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection report, which shall be provided at the time of registration and upon each registration renewal;
5. \$2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of this provision may be verified through an inspections of each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed \$20.00 per unit.

(e) Registrations that are not received by January 15, or within 14 days after entering the rental housing market, whichever is later, shall be subject to a late fee of \$50 per unit, and registrations that are not received by February 15, or within 45 days after entering the rental housing market, whichever is later, shall be subject to a late fee of \$200 per unit. Registrations shall not be renewed unless and until the registrant pays any applicable late fee. Incomplete or inaccurate registrations may be rejected and subject to all applicable late fees upon resubmission. The Permitting and Inspections Director may waive a late fee upon a showing of both hardship and good cause as to why the renewal was not timely.

(Ord. No. 44389, 6789; Ord. No. 5389, 71789; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018; Ord. No. 244-18/19, 5-30-2019; By Referendum, 11-3-2020; By Referendum, 11-8-2022)

#### **Sec. 6153. Limitations on Short Term Rental Units.**

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of non-owner occupied mainland Short Term Rentals. -For calendar year 2025, nNo more than 400 non-owner occupied mainland short term rental units shall be registered in any one calendar year. Beginning in 2026, non-owner occupied mainland short term rental units shall be limited to no more than 2% of the total number of registered long-term rental units on the mainland in the prior year. This limit shall be set annually on [DATE]. Mainland Accessory Dwelling Units that received a certificate of occupancy after are excluded from the limitation set forth in this paragraph.*

(c)

(d) A mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.

(e) *Limitation on Total Number of Peaks Island Short Term Rentals. Beginning in 2026 non-owner occupied Peaks Island short term rentals shall be limited to no more than 40 registered units in any one calendar year,*

provided those properties are identified by the City's tax assessor as year-round residences. There shall be no limit on the number of Peaks Island short term rental registrations issued for properties identified by the City's tax assessor as seasonal properties. There shall be no limit on the number of owner-occupied Peaks Island short term rental registrations issued.

(~~ee~~) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five 5) short term rental units in the City, ~~including owner occupied, non-owner occupied, and Peaks Island, and Outer Island short term rental units,~~ in any one (1) calendar year. For purposes of this section, short term rental units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(f) ~~(d)~~—No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on ~~a Peaks~~ Island, or on an Outer Island.

(g) ~~(e)~~—The number of short term rental units that may be operated in a multi-unit building on the mainland are as follows:

| Total # of Units in a Building | # of Short Term Rental Units Allowed in a Building |                       |              |
|--------------------------------|----------------------------------------------------|-----------------------|--------------|
|                                | Owner Occupied                                     | Non-Owner Occupied    | <u>Total</u> |
| 2                              | 1                                                  | 1                     | <u>1</u>     |
| 3                              | <u>1</u> <del>2</del>                              | <u>1</u> <del>2</del> | <u>1</u>     |
| 4                              | <u>2</u> <del>3</del>                              | 2                     | <u>2</u>     |
| 5                              | <u>2</u> <del>4</del>                              | 2                     | <u>2</u>     |
| 6-9                            | <u>3</u> <del>5</del>                              | <u>3</u> <del>4</del> | <u>3</u>     |
| 10+                            | 5                                                  | 5                     | <u>5</u>     |

1. Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.



2. Owner-occupied units shall be counted towards these limits.

- (h) On Peaks Island, only one (1) Peaks Island short term rental unit is allowed per property.
- (i) On Peaks Island, short term rental units are not allowed in buildings of three (3) or more units.

~~(f) Notwithstanding the requirements of subsections (c) and (e), owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.~~

- (j) [ADD PHASE OUT OF TENANT OCCUPIES STRs]

(Ord. No. 44389, 6789; Ord. No. 5389, 71789; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

#### **Sec. 6-154. Allocation of Short Term Rentals.**

(a) Non-owner occupied mainland short term rental units, which are limited by section 6-153(b), shall be allocated on a first come, first registered basis.

(b) Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand.

(c) Notwithstanding the limitations in section 6-153, current registrations of short term rentals may be renewed each year upon application and payment of the registration fee, so long as the renewal is complete by January 1 of that year.

~~1.—~~Failure to renew by January 1 shall result in the forfeiture of the right to renew the registration, and any subsequent application shall be treated as a new application for registration.

~~2.—The renewal date for 2019 only shall be February 1, 2019.~~

(c) No registration under this Article shall be transferrable or assignable.

(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-155. Violations.**

Specific violations of this article, subject to the provisions of section 6-1, include, but are not limited to:

(a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee;

(b) Any person, business entity, or other organization failing to timely file any required update to the registration;

(c) Any person, business entity, booking service or other organization failing to acquire and/or display the required short term rental registration number;

(d) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be \$1,000.00;

(e) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permitting the occupancy of such premises without registration;

(f) Failure of short term rental unit owners, tenants, ~~and/or~~ and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period;

(Ord. 179-16/17, 3-27-2017; Order 99-18/19, 11-19-2018)

**Sec. 6-156. Enforcement.**

(a) The building authority as defined in section 6-1 or his or her designee is authorized to institute or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this

article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to remedy the disorderly house as required by section 6-202, shall, at the discretion of the City Manager or his or her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal. Upon the second designation of the short term rental property as a disorderly house, the City shall, at the discretion of the City Manager or his or her designee, prohibit the registered owner from operating the property as a short term rental or post the property against occupancy pursuant to section 6-201.

(d) Fines may be attributed to Property Management firms found operating short term rental units in violation of this article. These fines may be in addition to fines levied against owners of property.

(e) Violations of the provisions of this article shall be grounds to deny an application or renewal application for a short term rental registration.

(Ord. 179-16/17, 3-27-2017; Ord. No. 29-17/18, 9-18-2017; Order 99-18/19, 11-19-2018)

#### **Sec. 6-157. Revenue Allocation.**

Notwithstanding section 6-1(b), all revenue generated from short term rental registration fees and penalties shall be used to first fund short term rental related administrative costs. Any remaining revenue shall be deposited in the Housing Trust Fund, as defined in Section 14-489.

(Ord. 179-16/17, 3-27-2017)

**Sec. 6-158. Reserved.**

**Sec. 6-159. Reserved.**

**Sec. 6-160. Reserved.**

**Sec. 6-161. Reserved.**

**Sec. 6-162. Reserved.**

**Sec. 6-163. Reserved.**

**Sec. 6-164. Reserved.**

### **ARTICLE VII. GREEN BUILDING CODE**

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**\*Editor's Note:** Article VII (Green Building Code) was adopted in its

entirety by Council Order 187-08/09 and passed on 4-6-09)

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#### **Sec. 6-165. Purpose.**

The purpose of this article is to establish the energy performance and roofing requirements for constructing and renovating city buildings and certain publicly-funded building projects with the goal of planning, designing, constructing, and managing to maximize energy performance, minimize adverse environmental impacts, provide healthy work places, conserve natural resources, and promote sustainable development in Portland.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; By Referendum, 11-3-2020)

#### **Sec. 6-166. Definitions.**

The following words and phrases shall be defined as set forth below for use in this article.

*American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standards:* ASHRAE is a building technology society which publishes a recognized series of standards and guidelines relating to HVAC systems and performance. The Maine Uniform Building and Energy Code currently references ASHRAE Standard 90.1 which is an energy standard for buildings except low-rise residential buildings.

*Conditioned Space:* Any area within a building that is artificially heated or cooled by fixed equipment.

*Funded in whole or in part:* (a) Receipt of tax increment financing in an amount greater than fifty thousand dollars (\$50,000); or (b) receipt of grants by the City, HOME loans, Community Development Block Grant loans or Neighborhood Stabilization Program loans, the sum of which is greater than fifty thousand dollars (\$50,000); or receipt of other funds, gifts, resources, property, or other thing or things of value from or by the city of Portland, to promote, allow for, contribute to, or otherwise facilitate the new construction or renovation project, the aggregate dollar value of which, net remuneration to the city of Portland, is greater than fifty thousand dollars (\$50,000).

*Hardship:* Some verifiable level of difficulty or adversity

arising from factors identified in Sec. 6-170, by which the applicant cannot reasonably comply with the requirements of this ordinance.

*Infeasible:* The existence of verifiable obstacles arising from the factors identified in Sec. 6-170, which render the applicant incapable of complying with the requirements of this ordinance.

*Leadership in Energy and Environmental Design (LEED) Standards:* A third-party rating system developed by the United States Green Building Council (USGBC) where credits are earned for satisfying specified green building criteria.

*Living roof:* The media for growing plants, as well as the set of related components installed exterior to a facility's roofing membrane for the purpose of increasing renewable energy resources, aiding stormwater management, and promoting biodiversity. Living roofs may include roof gardens, green roofs, landscaped roofs, and other rooftop areas designed to achieve such purposes.

*Qualified professional:* A person (a) engaged or employed in fields of architecture, building design, construction, energy efficiency, engineering, or related specialty or consultancy; and (b) holding relevant professional licensure or "green building" professional certification, including but not limited to Professional Engineer licensure, LEED Accredited Professional (AP), Well AP, Certified Passive House Consultant (CPHC) or Certified Passive House Designer (CPHD), Green Globes Professional, or similar credential.

*Renovation:*

- (a) At the time of the application, the total construction cost is greater than or equal to the market value of the property as determined by the city's tax assessor;  
or
- (b) A conversion from non-conditioned to conditioned space;  
or

- (c) An addition of building gross square footage greater than or equal to the gross square footage of the existing building; or
- (d) Any change to the use category of a structure or property, as defined in chapter 14 of this code.

*Solar zone:* An allocated space on a new construction or renovation project that is unshaded and free of obstructions, serving as a suitable place where solar panels can be installed at a future date. The solar zone can be located at any of the following locations:

- (a) Roof of the building; or
- (b) Overhang of the building; or
- (c) Roof of another structure located within 250 feet of the primary building; or
- (d) Overhang of another structure within 250 feet of the primary building; or
- (e) Covered parking installed with the building project; or
- (f) Other structures including, but not limited to, trellises, arbors, patio covers, carports, gazebos, and similar accessory structures.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14, 11-4-13; By Referendum, 11-3-2020)

#### **Sec. 6-167. Standards for new buildings and renovation projects.**

All new construction and renovation projects to be owned or occupied by the city of Portland, or to be funded in whole or in part by the City of Portland, that are of 2,000 square feet in floor area or greater shall be certified at or above the most recently published and applicable LEED Silver Standard using appropriate LEED Rating System, and shall be certified by a licensed engineer or qualified professional as compliant with the Better Roof Requirements contained in Section 6-175 below.

All new construction and renovation projects to be owned or

occupied by the city of Portland, or to be funded in whole or in part by the City of Portland, that are of 5,000 square feet in floor area or greater shall demonstrate, under any third-party certification and quality assurance system (e.g. LEED, Passive House, Living Building, or Green Globes) or energy model signed by a licensed engineer or qualified professional, a certain percentage improvement in the proposed energy performance of the building compared to the minimum baseline performance rating per ASHRAE Standard 90.1, being particularly the most recently published version thereof and the whole thereof, or equivalent standard if the ASHRAE Standard 90.1 is not applicable to the project. Such percentage improvement shall be or exceed thirty percent (30%) for new construction, twenty-five percent (25%) for existing buildings, and twenty percent (20%) for historic buildings. All such new construction and renovation projects to be owned or occupied by the city of Portland, or to be funded in whole or in part by the City of Portland, that are of 5,000 square feet in floor area or greater shall be certified by a licensed engineer or qualified professional as compliant with the Better Roof Requirements contained in Section 6-175 below.

Copies of the most recently published LEED Rating Systems and ASHRAE Standard 90.1 shall be maintained by and kept on file with the City Clerk.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14, 11-4-13; By Referendum, 11-3-2020)

#### **Sec. 6-168. Submissions.**

Upon submission of an application for a building permit for new construction or renovation projects that are required to meet the standards set forth in section 6-167, the applicant shall also submit the following, as applicable:

(a) One of the following:

1. A LEED checklist, and a LEED application number (or other proof of LEED applications status); or
2. A third-party certification system document of verification from a qualified professional ; or
3. A preliminary energy model, along with a statement of certification from a licensed engineer or qualified professional that the



project meets the standard(s); and

(b) A written explanation of how the building will obtain the applicable standards using design plans to demonstrate compliance where applicable (example: LEED submittal templates or Passive House Pre-Certification report); and

(c) Plans and documentation prepared by a qualified professional demonstrating compliance with the Better Roof Requirements contained in Section 6-175 below, including:

1. Documentation of the as-designed structural loads and plans for interconnecting a photovoltaic (PV) system to the electrical system of the building; or
2. Documentation of the as-designed structural loads and layout plans for the Living Roof system of the building.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14, 11-4-13; By Referendum, 11-3-2020)

#### **Sec. 6-169. Certificate of Occupancy.**

A copy of the final submission of LEED documentation to the USGBC or final LEED certification decision, or a statement of final certification from a licensed engineer or qualified professional indicating that the project meets the standards along with any amendment to the preliminary energy model shall be submitted to the city's department of planning and urban development prior to the issuance of a certificate of occupancy for new construction or renovation projects that are required to meet the standards set forth in section 6-167. A temporary certificate of occupancy may be issued by the city if necessary prior to the submission of final LEED documentation to the USGBC. Equivalent documentation from a licensed engineer or qualified professional is required if compliance is met with other third-party certification and quality assurance systems.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14, 11-4-13; By Referendum, 11-3-2020)

#### **Sec. 6-170. Partial exemption and exceptions.**

(a) If it is a hardship or infeasible for an applicant to meet the standards set forth in section 6-167, the applicant may

request a partial exemption from regulation. The burden is on the applicant to show hardship or infeasibility. Factors to consider in determining whether hardship or infeasibility exists shall be limited to:

1. A conflict of green building requirements with other government requirements and building standards; or
2. Required alterations to an historic building that would compromise its historic character as determined by the Historic Preservation Board; or
3. Specific circumstances that would defeat the purpose of the standards.

(b) Any request for a partial exemption must be made at the time of application as specified in section 6-168 and approved by the director of planning and urban development. In order for a partial exemption to be granted, the applicant must demonstrate all possible effort to maximize building performance according to the standards set forth in section 6-167 and shall indicate the maximum level of standards which are reasonably achievable for the building as follows:

1. In the case of a LEED standard requirement, the applicant will list the number of credits reasonably achievable and verified by each applicable licensed professional or qualified professional.
2. In the case of ASHRAE 90.1 or equivalent standard requirement, the applicant will document the percentage above the standard that is reasonably achievable with a statement of certification from a licensed engineer.
3. In the case of other third-party "green building" certification and quality assurance systems (example: Passive House), the applicant will submit project performance documentation meeting or exceeding the standards of the certification system prepared by a qualified professional.

If the partial exemption is granted, the applicant shall be required to comply with this ordinance in all other respects. A

copy of the final submission of LEED documentation to the USGBC or a statement of final certification from each applicable licensed professionals or licensed engineer indicating that the project meets the level of standard presented at the time of application along with any amendment shall be submitted to the city's department of planning and urban development prior to the issuance of a certificate of occupancy.

(c) Any request for an exception to the LEED Certification requirement must be made at the time of application as specified in section 6-168 and approved by the director of planning and urban development. If an applicant submits standardized third-party certification or documentation signed by a qualified professional, an exception to the LEED Certification requirement may be granted provided that such third-party certification or documentation demonstrates that it meets or exceeds at least one of the following:

1. LEED Platinum Certification by the USGBC; or
2. Passive House Certification or EnerPHIT Certification by International Passive House Institute (PHI) or PHIUS+ Certification by the Passive House Institute US (PHIUS); or
3. Living Building Challenge or Living Community Challenge, Petal Recognition or Net Zero Energy Certification from International Living Future Institute (IFLI); or
5. Well v2 or current most stringent standard by International WELL Being Institute; or
6. Green Globes Certification by Green Building Initiative; or
7. Other equivalent "green building" standards that include published verification and quality assurance procedures when approved on a case-by-case basis by planning director and sustainability director.

Any applicant granted an exception to the LEED Certification requirement as provided above shall be required to comply with the ordinance in all other respects. A copy of any and all papers or documents submitted to the third-party certifying body (example: DOE, PHIUS, IFLI, or PHI) or qualified professional, including any amendment made thereto, and a statement of final certification signed by each applicable qualified professional, licensed engineer, or third-party certifying body shall be submitted to the city's department of planning and urban development prior to the issuance of a certificate of occupancy.

(d) Any request for an exception to the Better Roof Requirement under Section 6-175 below must be made at the time of application as specified in section 6-168 and approved by the director of planning and urban development. An exception to the Better Roof Requirement may be granted provided that an applicant submits certification or documentation signed by a qualified professional demonstrating all possible effort to comply with the Better Roof Requirements contained in Section 6-175, and the applicability of at least one of the following specific reasons for an exception:

1. A new construction or renovation project other than single-family residential buildings may be granted an exception to the Better Roof Requirement if a solar PV system with a power rating of no less than 1 watt per square foot of roof area is permanently installed at the time of construction.
2. A single-family residential building may be granted an exception to the Better Roof Requirement if a solar PV system rated at 1000 watts or greater is permanently installed at the time of construction.
3. A new construction or renovation project may be granted an exception to the Better Roof Requirement if the roof is designed as a helicopter landing zone.
4. A renovation project may be granted an exception to the Better Roof Requirement unless the total roof area

is increased by at least 2,000 square feet over the total roof area of the existing building.

5. A new construction or renovation project may be granted an exception to the Better Roof Requirement reducing the required total area of solar zone by up to 50 percent if the roof is shaded by objects that are not part of the building and are permanent. These objects shall only be adjacent buildings or trees evaluated as healthy by an arborist and documentation must be submitted by a qualified professional.
6. If the building has a gross floor area of 2,000 square feet or more, and has 10 or fewer occupied floors, a new construction or renovation project may be granted an exception to the Better Roof Requirement to substitute some or all of the required total area of solar zone with area of living roof, such that each square foot of living roof shall count as 0.5 square foot towards the required total area of solar zone, provided that applicants submit such a living roof design for review and approval upon submission of an application for a building permit.

Any applicant granted an exception to the Better Roof Requirement as provided above shall be required to comply with the ordinance in all other respects. A copy of any and all papers or documents submitted to each applicable qualified professional, including any amendment made thereto, and a statement of final certification signed by each applicable qualified professional shall be submitted to the city's department of planning and urban development prior to the issuance of a certificate of occupancy.

(e) The director of planning and urban development shall annually, on or before July 1, submit a report to the City Council, containing at a minimum a list of each applicant and project granted a partial exemption or exception under this section during the previous twelve months, and for each partial exemption or exception granted the reason(s) why it was so was granted.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14,

**Sec. 6-171. Appeals.**

Any applicant aggrieved by the decision of the director of planning and urban development may appeal that decision to the zoning board of appeals (Article VI. Board of Appeals, Sec. 14-541 - 14-553).

(Ord. No. 187-08/09, 4-6-09; Ord. No. 103-11/12, 2-6-12; Ord. No. 82-13/14, 11-4-13)

**Sec. 6-172. Applicability.**

This ordinance shall apply to new construction and renovation projects to be owned, occupied, or funded in whole or in part by the city of Portland for which site plan applications, building permit applications (not associated with an approved site plan), or funding assistance requests are submitted on or after the effective date of this ordinance. Any new construction or renovation that received an exemption under a previous version of this ordinance shall be considered to have a partial waiver under this ordinance, provided that the Director of Planning & Urban Development determines that the scope of the new construction or renovation has not changed the originally approved construction to an extent that would require review under this version of the ordinance. Any new construction or renovation project to which this ordinance is not applicable but which voluntarily meets any of the standards set forth in Section 6-167 or equivalent shall receive expedited review and permitting status.

(Ord. No. 187-08/09, 4-6-09; Ord. No. 82-13/14, 11-4-13)

**Sec. 6-173. Conditional Expansion of Applicability**

Under the following limited circumstances, Sec. 6-167 and Sec. 6-168 shall apply to all new construction and renovation projects in the City of Portland, regardless of ownership, occupation, or sources of funding:

(a) The Maine Uniform Building and Energy Code, 10 M.R.S. § 9721 et seq., is repealed or amended such that a municipality may, through its municipal home rule authority, enact or enforce codes or standards separate from or exceeding those adopted by

the Technical Building Codes and Standards Board pursuant to the Maine Uniform Building and Energy Code; or

(b) The rules, codes, and standards adopted by the Technical Building Codes and Standards Board pursuant the Maine Uniform Building and Energy Code, 10 M.R.S. § 9721 et seq., as the Maine Uniform Building and Energy Code, 16-642 C.M.R. ch. 1-6, are repealed or amended such that a municipality may, through its municipal home rule authority, enact or enforce codes or standards separate from or exceeding such rules, codes, or standards; or

(c) This ordinance, or substantially similar rules, codes, or standards are approved by the Technical Building Codes and Standards Board as amendments to the Maine Uniform Building and Energy Code, 16-642 C.M.R. ch. 1-6, or as amendments to the appendix to the Maine Uniform Building and Energy Code containing optional energy conservation and efficiency requirements, after submission of such proposed amendments under Sec. 174 below; or

(d) The application of this ordinance to all new construction and renovation projects in the city of Portland, through the city's home rule authority is otherwise not prohibited or subject to preemption under state law.

(By Referendum, 11-3-2020)

**Sec. 6-174. Submission of Amendments to the MUBEC.**

The Sustainability Office, Permitting and Inspections Department, or other appropriate Office or Department of the city of Portland, on behalf of the city of Portland and to address the health, safety, and welfare needs of the inhabitants of the city of Portland, until such amendments are approved and adopted must annually by May 30 submit proposed amendments to the Maine Uniform Building and Energy Code, or to the appendix to the Maine Uniform Building and Energy Code containing optional energy conservation and efficiency requirements, as provided for under 16-642 C.M.R. ch. 1, § 13, and the amendment process created pursuant to that section, that would apply, or allow to be applied, the standards and requirements of this



ordinance, or substantially similar rules, codes, or standards, to all new construction and renovation projects in the city of Portland.

(By Referendum, 11-3-2020)

**Sec. 6-175. Better Roof Requirements.**

Except as provided under Sec. 6-170 above, to be certified by a qualified professional as compliant with the Better Roof Requirements of this section, a new construction or renovation project must demonstrate all of the following:

(a) The project contains a total area of solar zone that is no less than 15 percent of the total roof area after subtracting any area of the roof that is covered by a skylight; and

(b) The total area of solar zone shall be free from any shading or obstruction such as vents, chimneys, architectural features, or roof-mounted equipment, not including any obstructions located north of all points of the solar zone; and

(c) If the solar zone is located on a roof that has ratio of rise to run of greater than 2:12, then the roof must be oriented between 110 degrees and 270 degrees of true north (not magnetic north), in order to ensure a reasonable solar exposure if a solar energy system is installed in the future; and

(d) The main electrical service shall be provided such that capacity is adequate for future solar electric and such reserved space shall be permanently marked in main electrical service panel "For Future Solar Electric".

The total area of the solar zone may be composed of multiple subareas. No dimension of a subarea can be less than 5 feet. If the total roof area is equal to or less than 10,000 square feet, each subarea must be at least 80 square feet. If the total roof area is greater than 10,000 square feet, each subarea must be at least 160 square feet. The solar zone design must comply with other applicable codes and regulations.

(By Referendum, 11-3-2020)

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**Sec. 6-176. Reporting on Fossil Fuel Infrastructure.**

The policy of the city of Portland shall be to endeavor by all reasonable and permissible means to reduce reliance upon fossil

fuels, and to reduce and discourage the use of natural gas, heating oil, or other fossil fuel based infrastructure both in new construction and renovation projects, and in existing buildings, including but not limited to such projects and buildings to be owned, occupied, or funded in whole or in part by the city of Portland. In furtherance of this policy, the city manager, or their designee, shall annually, on or before July 1st, publish and present to the city council a report concerning benefits of such policy, and such annual report will, at a minimum, include:

(a) The total number of new buildings built in Portland without fossil fuel-based infrastructure;

(b) A survey of the green building technologies that have been implemented as alternatives to oil or natural gas power, such as solar roofs, green roofs, or sustainable building design and construction consistent with certifications and guidelines such as LEED, PassiveHouse, Living Building or others;

(c) Assessment of the benefits to the City of Portland of the adoption of this policy, including the impact on carbon emissions and increased energy efficiency of public buildings;

(d) A survey of legislation enacted at the municipal and state level to develop a coordinated regional plan to stop the use of fossil fuels to power buildings;

(e) Proposals for any changes to the city code that might further achieve reduction in use of fossil fuels or fossil fuel-based infrastructure in the city of Portland.

(By Referendum, 11-3-2020)

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**Sec. 6-177. Severability.**

If any provision of this Article shall be held to be invalid by a court of competent jurisdiction, then such provision shall be considered separately and apart from the remaining provisions, which shall remain in full force and effect.

(By Referendum, 11-3-2020)

**Sec. 6-178. Reserved.**

**Sec. 6-179. Reserved.**

**Sec. 6-180. Reserved.**

**Sec. 6-181. Reserved.**

**Sec. 6-182. Reserved.**

**Sec. 6-183. Reserved.**  
**Sec. 6-184. Reserved.**  
**Sec. 6-185. Reserved.**  
**Sec. 6-186. Reserved.**  
**Sec. 6-187. Reserved.**  
**Sec. 6-188. Reserved.**  
**Sec. 6-189. Reserved.**

## **ARTICLE VIII. PROPERTY ASSESSED CLEAN ENERGY**

### **DIVISION 1. Property Assessed Clean Energy**

#### **Sec. 6-190. Purpose.**

The purpose of this article is to establish a property assessed clean energy ("PACE") program to enable owners of qualifying property to access financing for energy saving improvements to their property through loan agreements with the Efficiency Maine Trust.

(Ord. No. 57-10/11, 10-18-10)

#### **Sec. 6-191. Definitions.**

The following words shall be defined as set forth below for use in this article.

*Energy saving improvement:* an improvement to qualifying property that is new and permanently affixed to qualifying property and that:

- (a) Will result in increased energy efficiency and substantially reduced energy use and:
  - 1. Meets or exceeds applicable United States Environmental Protection Agency and United States Department of Energy, Energy Star program or similar energy efficiency standards established or approved by the Trust; or
  - 2. Involves air sealing, insulating, and other energy efficiency improvements of residential, commercial or industrial property in a manner approved by the Trust; or

- (b) Involves a renewable energy installation or an

electric thermal storage system that meets or exceeds standards established or approved by the Trust.

*PACE agreement:* an agreement between the owner of qualifying property and the Trust that authorizes the creation of a PACE mortgage on qualifying property and that is approved in writing by all owners of the qualifying property at the time of the agreement, other than mortgage holders.

*PACE assessment:* an assessment made against qualifying property to repay a PACE loan.

*PACE loan:* a loan, secured by a PACE mortgage, made to the owner(s) of a qualifying property pursuant to a PACE program to fund energy saving improvements.

*PACE mortgage:* a mortgage securing a loan made pursuant to a PACE program to fund energy saving improvements on qualifying property.

*Qualifying property:* real property located in the City.

*Renewable energy installation:* a fixture, product, system, device or interacting group of devices installed behind the meter at a qualifying property, or on contiguous property under common ownership, that produces energy or heat from renewable sources, including, but not limited to, photovoltaic systems, solar thermal systems, biomass systems, landfill gas to energy systems, geothermal systems, wind systems, wood pellet systems and any other systems eligible for funding under federal Qualified Energy Conservation Bonds or federal Clean Renewable Energy Bonds.

*Trust:* the Efficiency Maine Trust established in 35-A M.R.S.A. § 10103 and/or its agent(s), if any.  
(Ord. No. 57-10/11, 10-18-10)

#### **Sec. 6-192. PACE program established.**

The City hereby establishes a PACE program allowing owners of qualifying property located in the city who so choose to access financing for energy saving improvements to their property through PACE loans administered by the Trust or its agent.

**Sec. 6-193. PACE program financing.**

- (a) The PACE program shall be financed by funds awarded to the Trust under the Federal Energy Efficiency and Conservation Block Grant (EECBG) Program and by other funds available for this purpose.
- (b) The City may from time to time amend this Article to use any other funding sources made available to it or appropriated by it for the express purpose of the PACE program, and the City shall be responsible for administration of loans made from those other funding sources.

(Ord. No. 57-10/11, 10-18-10)

**Sec. 6-194. PACE program administration.**

The Trust shall administer the PACE program for the City in accordance with a PACE administration contract between the City and the Trust, which will establish the administrative duties of the Trust including, without limitation:

- (a) The Trust will enter into PACE agreements with owners of qualifying property in the city;
- (b) The Trust, or its agent, will create and record a Notice of the PACE agreement in the Cumberland County Registry of Deeds to create a PACE mortgage;
- (c) The Trust, or its agent, will disburse the PACE loan to the property owner;
- (d) The Trust, or its agent, will send PACE assessment statements with payment deadlines to the property owner;
- (e) The Trust, or its agent, will be responsible for collection of the PACE assessments;
- (f) The Trust, or its agent, will record any lien, if needed, due to nonpayment of the assessment;
- (g) The Trust, or its agent, promptly shall record the

discharges of PACE mortgages upon full payment of the  
PACE loan.  
(Ord. No. 57-10/11, 10-18-10)

DIVISION 2. Commercial Property Assessed  
Clean Energy (C-PACE)

**Sec. 6-195. Purpose and authority.**

(a) Purpose. By and through this Ordinance, the City of Portland declares as its public purpose the establishment of a municipal program to enable its citizens to participate in a Commercial Property Assessed Clean Energy ("C-PACE") program so that owners of qualifying property can access financing for energy savings improvements to their commercial properties located in the City.

(b) Enabling legislation. The City enacts this Ordinance pursuant to 35-A MRS §§ 10201 et seq., as amended, also known as "the Commercial Property Assessed Clean Energy Act" or "the Commercial PACE Act."

(c) Title. This Ordinance shall be known and may be cited as "The City of Portland's Commercial Property Assessed Clean Energy ("C-PACE") Ordinance" (this "Ordinance").  
(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-196. Definitions.**

Except as specifically defined below, words and phrases used in this Ordinance shall have their customary meanings. As used in this Ordinance, the following words and phrases shall have the meanings indicated:

*City/Town* shall mean the City of Portland.

*Commercial PACE or ("C-PACE")* shall mean Commercial Property Assessed Clean Energy.

*Commercial PACE Agreement* shall mean an agreement that authorizes the creation of a Commercial PACE Assessment on Qualifying Property and that is approved in writing by all owners of the Qualifying Property at the time of the agreement and by the City.

*Commercial PACE Assessment* shall mean an assessment made against Qualifying Property to finance an Energy Savings Improvement.

*Commercial PACE District* shall mean the area within which the City establishes a Commercial PACE Program hereunder, which is all that area within the City boundaries.

*Commercial PACE Lien* shall mean a lien, secured against a Qualifying Property that is created by a Commercial PACE Assessment.

*Commercial PACE Loan* shall mean a loan, payable through a Commercial PACE Assessment and secured by a C-PACE Lien, made to the owner(s) of a qualifying property pursuant to a Commercial PACE Program to fund Energy Savings Improvements.

*Commercial PACE Program* shall mean program established under this Ordinance pursuant to the Commercial PACE Act under which commercial property owners can finance Energy Savings Improvements on Qualifying Property.

*Energy Savings Improvement* shall mean an improvement or series of improvements to Qualifying Property that are new and permanently affixed to Qualifying Property and that:

(a) Will result in increased energy efficiency or substantially reduced energy use and:

1. Meet or exceed applicable United States Environmental Protection Agency and United States Department of Energy "Energy Star" program or similar energy efficiency standards established or approved by the Trust; or

2. Involve weatherization of commercial or industrial property in a manner approved by the Trust; or

(b) Involve a renewable energy installation, an energy storage system as defined in 35-A M.R.S. § 3481(6), an electric thermal storage system, electric vehicle supply equipment or heating equipment that meets or exceeds

standards established or approved by the Trust. Heating equipment that is not a Renewable Energy Installation must be heating equipment that produces the lowest carbon emissions of any heating equipment reasonably available to the property owner, as determined by the Trust, and must meet the requirements of 35-A M.R.S. §10204 (1) (B).

Qualifying Property shall mean real commercial property in the City that:

- (a) Does not have a residential mortgage;
- (b) Is not owned by a residential customer or small commercial customer as defined in 35-A M.R.S. §3016(1) (C) and (D), respectively;
- (c) Consists of 5 or more rental units if the property is a commercial building designed for residential use;
- (d) Is not owned by a federal, state or municipal government or public school; and
- (e) Is located in a municipality that participates in a Commercial PACE Program.

*Registered Capital Provider or Capital Provider* shall mean an approved lender proving financing for the Energy Savings Improvements through a C-PACE Program and registered with Efficiency Maine Trust.

*Renewable Energy Installation* shall mean a fixture, product, system, device or interacting group of devices installed behind the meter at a Qualifying Property, or on contiguous property under common ownership, that produces energy or heat from renewable sources, including but not limited to, photovoltaic systems, solar thermal systems, highly efficient wood heating systems, geothermal systems and wind systems that do not on average generate more energy or heat than the peak demand of the property.

*Trust* shall mean The Efficiency Maine Trust established in 35-A M.R.S. §10103 and/or its agents, if any.  
(Ord. No. 41-23/24, 10-16-2023)



**Sec. 6-196.5. Program established; Amendments.**

(a) Establishment. The City hereby establishes a Commercial PACE Program allowing owners of Qualifying Property located in the City who so choose to access financing for Energy Savings Improvements to their Qualifying Property, with such financing to be repaid through a Commercial PACE Assessment and secured by a Commercial PACE Lien.

(b) The City may:

1. Administer the functions of the Commercial PACE Program, including, but not limited to, entering into Commercial PACE Agreements with commercial property owners and collecting Commercial PACE Assessments, or designate an agent to act on behalf of the City for such billing and collection purposes; or
2. Enter into a contract with the Trust to administer some or all functions of the Commercial PACE Program for the City, including billing and collection of Commercial PACE Assessments, subject to the limitations set forth in Section 10205, subsection 5 of the Commercial PACE Act.

(c) Amendment to or Repeal of Commercial PACE Program. The City may from time to time amend this Ordinance to use any funding sources made available to it or appropriated by it for the express purpose of its Commercial PACE Program, and the City shall be responsible for administration of loans made from those funding sources. The City may also repeal this Ordinance in the same manner as it was adopted, provided, however, that such repeal shall not affect the validity of any Commercial PACE Agreements entered into by the City prior to the effective date of such repeal, or a Commercial PACE Loan or Commercial PACE Lien arising out of such Agreements.  
(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-197. Financing; Private Lenders; Terms.**

C-PACE Loans may be provided by any qualified Capital Provider private lender participating in the C-PACE Program and a C-PACE Agreement may contain any terms agreed to by the lender and the property owner, as permitted by law, for the financing of Energy Savings Improvements. Unless the City specifically designates funding sources made available to it or appropriated by it for

the express purpose of its Commercial PACE Program and agrees to provide financing for Energy Savings Improvements, the City will not finance or fund any loan under the Commercial PACE Program, and shall serve only as a program sponsor to facilitate loan repayment by including the Commercial PACE Assessment on the property tax bill for the property, and shall incur no liability for the loan.

(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-197.5. Program Requirements and Administration.**

(a) Agreement Required. All commercial property owners seeking financing for Energy Savings Improvements on Qualifying Property pursuant to the Commercial PACE Program must enter into a Commercial PACE Agreement, approved as to form and substance by the City and the Trust, authorizing the creation of a Commercial PACE Assessment and acknowledging the creation of a Commercial PACE Lien. A notice of the Commercial PACE Agreement will be filed in the Cumberland County Registry of Deeds, which filing will create a lien until the amounts due under the agreement are paid in full.

(b) Underwriting Standards. A Commercial PACE Agreement entered into pursuant to the Commercial PACE Program must satisfy the minimum underwriting requirements of the Commercial PACE Act and such additional requirements established by the Trust.

(c) Collection of assessments. A commercial property owner participating in the Commercial PACE Program will repay the financing of Energy Savings Improvements through an assessment on their property similar to a tax bill. A Commercial PACE Assessment constitutes a lien on the Qualifying Property until it is paid in full and must be assessed and collected by the City or its designated agent, the Trust, or a 3rd-party administrator contracted by the Trust, consistent with applicable laws. The City may, by written agreement, designate the applicable third-party Capital Provider as its agent for the billing and collection of Commercial PACE assessment payments in satisfaction of the Commercial PACE Loan. Where Commercial PACE assessment payments are received directly by the City along with other municipal tax payments, such payments received from property owners shall first be applied to City taxes, assessments, and charges. The City shall have no ownership of

the Commercial PACE assessments collected except for any administrative costs provided under the Commercial PACE Program or Commercial PACE Agreement. The City shall pay all Commercial PACE assessment payments received by the City to the applicable Capital Provider or the Commercial PACE program administrator within 30 days after the end of the month in which such amounts are collected. The City shall have no obligation to make payments to any Capital Provider with respect to any Commercial PACE repayment amounts or loan obligations other than that portion of the Commercial PACE Assessment actually collected from a property owner for the repayment of a Commercial PACE Loan.

If the Trust or a 3rd-party administrator contracted by the Trust or an agent of the City collects Commercial PACE Assessments on behalf of the City, the Trust or agent shall periodically report to the City on the status of the Commercial PACE Assessments in the City and shall notify the City of any delinquent Commercial PACE Assessments. Upon receiving notification from the Trust or agent of a delinquent Commercial PACE Assessment, the City shall notify the holder of any mortgage on the property of the delinquent assessment.

(d) Notice; filing. A notice of a Commercial PACE Agreement must be filed in the Cumberland County Registry of Deeds. The filing of this notice creates a Commercial PACE Lien against the property subject to the Commercial PACE Assessment until the amounts due under the terms of the Commercial PACE Agreement are paid in full. The notice must include the information required by the Commercial PACE Act.

(e) Priority. A Commercial PACE Lien secures payment for any unpaid Commercial PACE Assessment and, together with all associated interest and penalties for default and associated attorney's fees and collection costs, takes precedence over all other liens or encumbrances except a lien for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts. From the date of recording, a Commercial PACE Lien is a priority lien against a property, except that the priority of such a Commercial PACE Lien over any lien, except a lien for real property taxes of the City or a lien of a municipal sewer, sanitary or water district, that existed prior to the Commercial PACE Lien is subject to the written consent of such existing lienholder.

(f) Mortgage lender notice and consent. Any financial institution holding a lien, mortgage or security interest in or other collateral encumbrance on the property for which a Commercial PACE Assessment is sought must be provided written notice of the commercial property owner's intention to participate in the Commercial PACE Program and must provide written consent to the commercial property owner and City that the borrower may participate and enroll the collateral property in the Commercial PACE Program. This written consent must be filed in the Cumberland County Registry of Deeds and must include a written acknowledgement and understanding by the financial institution holding the lien, mortgage or security interest in or other collateral encumbrance on the property as required by the Commercial PACE Act.  
(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-198. Collection, default; foreclosure.**

A. A Commercial PACE Assessment and any interest, fees, penalties and attorney's fees incurred in its collection must be collected in the same manner as the real property taxes of the City. A Commercial PACE Assessment for which notice is properly recorded under this section creates a lien on the property. The portion of the assessment that has not yet become due is not eliminated by foreclosure, and the lien may not be accelerated or extinguished until fully repaid.

1. If a Commercial PACE Assessment is delinquent or in default and the borrower or property owner is delinquent in any tax debt due to the City, collection may occur only by the recording of liens and by foreclosure under 36 M.R.S. §§ 942 and 943. Liens must be recorded and released in the same manner as liens for real property taxes.

2. If only a Commercial PACE Assessment is delinquent but the borrower or property owner is current on payment of all municipal taxes due to the City, then a Commercial PACE lienholder shall accept an assignment of the Commercial PACE Lien, as provided in the written agreement between City and the Capital Provider. The assignee shall have and possess all the same powers and rights at law as the City and its tax collector with regards to the priority of the Commercial PACE Lien, the accrual of interest and fees and

the costs of collection. The assignee shall have the same rights to enforce the Commercial PACE Lien as any private party or lender holding a lien on real property, including, but not limited to, the right of foreclosure consistent with 14 M.R.S. §§ 6203-A and 6321 and any other action in contract or lawsuit for the enforcement of the Commercial PACE Lien.

(b) Judicial or nonjudicial sale or foreclosure. In the event of a judicial or nonjudicial sale or foreclosure of a property subject to a Commercial PACE Lien by a lienholder that is not a Commercial PACE lienholder, the Commercial PACE Lien must survive the foreclosure or sale to the extent of any unpaid installment, interest, penalties or fees secured by the lien that were not paid from the proceeds of the sale. All parties with mortgages or liens on that property, including without limitation Commercial PACE lienholders, must receive on account of such mortgages or liens sale proceeds in accordance with the priority established in the Commercial PACE Act and by applicable law. A Commercial PACE Assessment is not eliminated by foreclosure and cannot be accelerated. Only the portion of a Commercial PACE Assessment that is in arrears at the time of foreclosure takes precedence over other mortgages or liens (except liens for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts); the remainder transfers with the property at resale.

(c) Unless otherwise agreed upon by the Capital Provider, all payments on a Commercial PACE Assessment that become due after the date of transfer by judicial or nonjudicial sale or foreclosure must continue to be secured by a lien on the property and are the responsibility of the transferee.

(d) Release of lien. The City will discharge a Commercial PACE Lien created under the Commercial PACE Act and this Ordinance upon full payment of the amount specified in the Commercial PACE Agreement. A discharge under this subsection must be filed in the Cumberland County Registry of Deeds and must include reference to the notice of Commercial PACE Agreement previously recorded pursuant to the Commercial PACE Act and this Ordinance.

(e) No City Responsibility for Commercial Pace Assessment Payments. The City shall not be obligated to make any Commercial

PACE Assessment payment during any period in which the City is deemed to be the owner of the Qualified Property by virtue of the automatic foreclosure of a tax lien mortgage, pursuant to 36 M.R.S. § 943, as amended, provided that the City includes such a provision in the Commercial PACE Agreement for that Qualified Property.

(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-198.5. Liability of municipal officials; liability of City.**

(a) Notwithstanding any other provision of law to the contrary, City officers, officials, and employees, including without limitation, Tax Assessors and Tax Collectors, are not personally liable to the Trust or to any other person for claims, of whatever kind or nature, under or related to a Commercial PACE Program, including without limitation, claims for or related to uncollected Commercial PACE Assessments under this Ordinance.

(b) Other than the fulfillment of its obligations specified in a Commercial PACE Agreement, the City has no liability to a commercial property owner or the Trust for or related to Energy Savings Improvements financed under a Commercial PACE Program.

(Ord. No. 41-23/24, 10-16-2023)

**Sec. 6-199. Conformity to Changed Standards.**

This Ordinance is intended to comply with the Commercial PACE Act and the administrative rules of the Trust issued in connection with the Commercial PACE Act, as the same may be amended. If the Trust or any State or federal agency adopts standards, promulgates rules, or establishes model documents subsequent to the City's adoption of this Ordinance and those standards, rules or model documents substantially conflict with this Ordinance, the City shall take necessary steps to conform this Ordinance and its Commercial PACE Program to those standards, rules or model documents.

(Ord. No. 41-23/24, 10-16-2023)

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**ARTICLE IX. DISORDERLY HOUSES**

**Sec. 6-200. Disorderly houses prohibited.**

(a) No person shall occupy as owner-occupant or shall allow another to occupy any dwelling, dwelling unit, rooming house, or rooming unit (hereinafter jointly and severally "building") which is a disorderly house as defined herein.

(b) A "disorderly house" is any building which:

- (1) The police have visited a minimum number of times in any thirty (30) day period, as set forth in paragraph (3) below, in response to situations which are created by the owner, tenants, or owner's or tenants' cohabitees, guests or invitees and which would have a tendency to unreasonably disturb the community, the neighborhood or an ordinary individual in the vicinity of said building, including, but not limited to: loud music; boisterous parties; sounds emanating from within the structure which are audible outside the building; loud noise or fights within the building or in its vicinity involving tenants of the building or their invitees (excluding incidents involving domestic violence); tenants or invitees of tenants being intoxicated on public ways in the vicinity of the building; other similar activities in the building or outside the building itself; or
- (2) The police have visited three (3) or more times in any thirty (30) day period in response to situations which are created by the owner, tenants, or owner's or tenants' cohabitees, guests or invitees and involve the arrest of owners or tenants or their invitees for activities which constitute either a crime or civil infraction under either state or local law, or create a reasonable suspicion that illegal drug use or sales under 17-A M.R.S.A. chapter 45 or prostitution or public indecency under 17-A M.R.S.A. chapter 35 has occurred; or
- (3) The following table delineates the number of police visits per dwelling size which create a disorderly house under paragraph (1) above:

| Units per building | Number of visits by police in any 30-day period |
|--------------------|-------------------------------------------------|
| 5 or fewer         | 3                                               |
| 6 to 10            | 4                                               |
| 11 or more         | 5                                               |

(c) The situation to which the visit pertains shall be documented by the police department. Such documentation may include sworn affidavits by named citizens which may be sufficient to create a reasonable suspicion said illegal activity has occurred.

(Ord. No. 165-10/11, 4-4-11)

#### **Sec. 6201. Notice of disorderly house.**

Whenever a building has been identified as a disorderly house by the city, it shall cause written notification of the events which form the basis for that designation to be given to the owner as long as that owner has registered in accordance with section 6150 et seq. (disclosure of building ownership). Such notice shall be sufficient for all legal purposes. The notice shall require the owner to meet with representatives of the city (including the police department) within five (5) business days from the date of the written notification, or such other time as is agreed upon by the Police Chief or his or her designee, to identify ways in which the problems which have been identified will be eliminated.

At the time of said meeting, the owner shall be obligated to provide to the city the following documentation:

- (1) A copy of the names of all tenants or other persons authorized to reside or presently residing in the building and the units they occupy;
- (2) Copies of all leases with tenants residing in the building;
- (3) Contracts with any property manager or other person responsible for the orderly operation of the building;



- (4) An accurate and up to date disclosure of building ownership form as required in 6-150 et seq.

In addition, the owner will agree to take effective measures to address the disorderly house, which measures shall be memorialized in a written agreement at the conclusion of the meeting with the city and shall be implemented within one (1) week of said meeting unless another date is agreed upon by the police department. Failure to enter into such an agreement at the conclusion of the meeting will be deemed a violation of this housing code, and the city may file a complaint in the district court seeking all compensatory and equitable relief permitted by law.

If the same building should be classified as a disorderly house on a subsequent occasion within three (3) years, then the city is under no obligation to meet with the owner but may condemn and post the building or any units therein, and/or proceed directly with a complaint to the district court seeking all compensatory and equitable relief permitted by law.

(c) The notices provided for in this section may be given to an owner who has not complied with section 6150, but are not required.

(Ord. 165-10/11 - 4/4/11)

#### **Sec. 6202. Enforcement.**

(a) Authority to Enforce. If the owner (1) refuses to agree to take effective measures to address the disorderly house, (2) takes ineffective measures to address the disorderly house as determined by the city, (3) fails to implement the agreement reached with the city to address the disorderly house or (4) if, in the discretion of the city, the disorderly house requires immediate posting, the city may condemn and post the building against occupancy, and/or may file a legal action against the owner seeking any and all damages and remedies to which it is entitled pursuant to state and local laws.

(b) Notice of Suit. If the City pursues legal action against an owner or landlord for a disorderly house violation, notice shall be provided to the tenants by the City. Notice shall be made within a reasonable time following the service of the complaint upon the property owner. If a tenant list has been

previously provided by a landlord, notice shall be made by regular mail to all known tenants in the building. If no tenant list has been provided, notice shall be made by regular mail to all occupants in each unit of the building.

(c) Condemnation. In the event that condemnation is required to address one or more disorderly house violation(s), the City shall provide notice to tenants of the building. Notice shall be made within a reasonable time following the City's election to condemn the building. Notice shall be made by: (1) regular mail to all known tenants or to all occupants in each unit in the building; and (2) by posting a copy of said notice at the premises.

(Ord. No. 165-10/11 - 4/4/11; Ord. No. 271-17/18, 7-16-2018)

**Sec. 6203. Cost of service for responses to disorderly houses.**

(a) Whenever the police department is required to respond to a situation at a disorderly house, as defined in section 6200, which constitutes the ninth (9th) or greater response in any thirty (30) day period, the owner of the disorderly house shall pay the cost of service for each such response as follows:

(1) For each such response for service the owner shall pay fifty dollars (\$50.00) which shall be in addition to any penalty to which the owner may be subject.

(b) Failure to pay the cost of service within thirty (30) days after demand therefor shall subject the owner to the penalties provided in section 115.

(c) Charges which become payable hereunder shall be treated as liens on the property in question and shall be enforced in accordance with the provisions of section 116.

(Ord. No. 165-10/11, 4-4-11)

**Sec. 6204. Violations.**

Any person violating any of the provisions of this article or failing or neglecting or refusing to obey any order or notice of the police department issued hereunder shall be subject to a penalty as provided in section 6-1.

(Ord. No. 165-10/11, 4-4-11)

**ARTICLE X. ENERGY BENCHMARKING**

**6-205. General.**

The energy and water use of municipal and covered buildings shall be benchmarked in accordance with this article.  
(Ord. No. 67-16/17, 11-7-2016)

**6-206. Purpose.**

To encourage efficient use of energy and water and to reduce the emission of greenhouse gases, this ordinance requires owners of Covered Properties and Municipal Properties to annually measure and disclose energy usage to the Department. Furthermore, this Ordinance will authorize the Department to collect energy and water usage data to enable more effective energy and climate protection planning by the City and others and to provide information to the real estate marketplace to enable its members to make decisions that foster better energy performance.  
(Ord. No. 67-16/17, 11-7-2016)

**6-207. Applicability.**

This Ordinance shall be applicable to all Municipal and Covered Properties as defined in this Ordinance.  
(Ord. No. 67-16/17, 11-7-2016)

**6-208. Definitions.**

*Benchmarking information* shall mean information generated by the Benchmarking Tool, as herein defined including descriptive information about physical property and its operational characteristics. The information shall include, but need not be limited to:

- (a) Property address;
- (b) Primary use type;
- (c) Gross floor area;
- (d) Site Energy Use Intensity (EUI) as defined in this section;
- (e) Weather normalized source EUI;
- (f) Annual greenhouse gas emissions;

(g) Water use;

(h) The energy performance score that compares the energy use of the building to that of similar buildings, where available; and

(i) Compliance or noncompliance with this Ordinance.

*Benchmarking Tool* shall mean the Internet-based tool developed and maintained by the United States Environmental Protection Agency to track and assess the relative energy performance and water usage of buildings nationwide.

*Covered Property* shall mean a parcel, as described in public records or as determined by the Department, containing any of the following:

(a) One or more non-residential building(s) where such building(s) singly or together contain more than 20,000 square feet ("Non-Residential Covered Property"); and

(b) One or more residential building(s) that singly or together contain 50 or more residential Dwelling Units whether they are rental Dwelling Units or Dwelling Units owned as condominiums, cooperatives or otherwise ("Residential Covered Property"). Residential covered property shall not include separate free-standing single family or two-family dwelling units, or single free-standing structures or buildings which by themselves contain ten (10) units or fewer.

*Department* means the City of Portland Energy and Sustainability Coordinator and his or her department or office.

*Dwelling Unit* shall mean a single residential unit consisting of one or more habitable rooms, occupied or arranged to be occupied as a residential unit separate from all other residential units within a building, and used primarily for residential purposes and not primarily for professional or commercial purposes.

*Energy* shall mean electricity, natural gas, steam, hot or chilled water, heating oil, or other product for use in a building, or renewable on-site electricity generation, for purposes of providing heating, cooling, lighting, water heating, or for powering or fueling other end-uses in the building and related facilities.

*Energy Performance Score* shall mean the numeric rating generated by the ENERGY STAR Portfolio Manager tool or equivalent tool adopted by the department that compares the energy usage of the building to that of similar buildings.

*ENERGY STAR* shall mean the U.S. Environmental Protection Agency program related to improving energy efficiency in buildings and products.

*ENERGY STAR Portfolio Manager* shall mean the tool developed and maintained by the U.S. Environmental Protection Agency to track and assess the relative energy performance of buildings nationwide.

*Energy Use Intensity (EUI)* shall mean the kBTUs (1,000 British Thermal Units) used per square foot of gross floor area.

*Gross Square Feet* shall mean the gross floor area of the property.

*Municipal Property* shall mean a property with one or more buildings that is 5,000 gross square feet or more that is owned by the City of Portland.

*Owner* shall mean:

(a) An individual or entity having title to a Covered Property;

(b) An agent authorized to act on behalf of the owner of a Covered Property;

(c) The net lessee in the case of a property subject to a net lease with a term of at least forty-nine years, inclusive of all renewal options;

(d) The board of managers or trustees in the case of a condominium; and/or

(e) The board of directors or trustees in the case of a cooperative apartment corporation.

*Qualified Benchmarker* is an entity that meets the department's qualifications for inputting Benchmarking Information into the Benchmarking Tool.

*Residential Property* shall mean a property containing one or more Dwelling Units.

*Site Energy* shall mean the amount of heat and electricity consumed by a Covered Property or Municipal Property as reflected in utility bills or other documentation of actual energy use.

*Source Energy* shall mean all the energy used in delivering energy to a Covered Property, including power generation and transmission and distribution losses, to perform a specific function, such as but not limited to space conditioning, lighting, or water heating.

*Tenant* shall mean a person or entity leasing, occupying or holding possession of a Covered Property or Municipal Property.

*Utility* shall mean an entity that distributes and/or sells energy, including, but not limited to, natural gas, propane, electric or thermal energy for Covered Properties or Municipal Properties.

(Ord. No. 67-16/17, 11-7-2016)

#### **6-209. Benchmarking for Municipal and Covered Properties.**

(a) No later than May 1, 2019 , and no later than May 1 every year thereafter, the total Energy and Water consumed by each Municipal Property, along with all other descriptive information required by the Benchmarking Tool, shall be entered into the Benchmarking Tool for the previous calendar year.

(b) Owners of Covered Property shall annually input the total Energy and Water consumed by each Covered Property, along with all other descriptive information required by the Benchmarking Tool, into the Benchmarking Tool for the previous calendar year. The Owner shall input this information according to the following schedule:

- (1) A Residential Covered Property no later than one year after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, and by May 1 every year thereafter;

(2) Non-residential Covered Property. For Non-residential Covered Properties in which any single tenant occupies ninety percent (90%) or more of the property's available floor space, by May 1, 2020. For all other Non-residential Covered Properties, no later than one year after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, and by May 1 every year thereafter; and

(3) A new Covered Property that has not accumulated twelve (12) months of energy and water use data by the first applicable date following occupancy for inputting Energy and Water use into the Benchmarking Tool shall comply with this Ordinance by May 1 the following year.

(Ord. No. 67-16/17, 11-7-2016; Ord. 105-18/19, 11-19-2018; Ord. No. 286-18/19, 7-15-2019)

#### **6-210. Notification Of Covered Properties.**

Between September 1 and December 1 of each year that Benchmarking is required under Section 6-209 above, the City shall notify Owners of Covered Properties of their obligation to input Energy and Water use into the Benchmarking Tool. By January 15 of each year, the City shall post the list of the addresses of Covered Properties on a public website.

(Ord. No. 67-16/17, 11-7-2016; Ord. 105-18/19, 11-19-2018)

#### **6-211. Qualifications of Benchmarkers.**

The City Manager or his or her designee, including but not limited to the Department, may establish certification and/or licensing requirements for the users of Benchmarking Tools.

(Ord. No. 67-16/17, 11-7-2016; Ord. 105-18/19, 11-19-2018)

#### **6-212. Disclosure And Publication Of Benchmarking Information.**

(a) Owners shall annually provide Benchmarking information to the Department, in such form as established by the Department, by the date provided by the schedule in Section V.

(b) An exemption from this reporting requirement for any

current reporting period may be granted if:

- (1). The Owner demonstrates to the Department that he or she has been unable to obtain tenant authorization to obtain tenant utility data, despite a good faith effort to obtain such consent; or
- (2). The Owner or Tenant demonstrates to the Department that such disclosure may result in the release of proprietary information which can be characterized as a trade secret.

(c) The Department shall make available to the public on the internet Benchmarking Information for the previous calendar year:

- (1) No later than a year and a half after the effective date of this Ordinance and by September 1 of each year thereafter for Municipal Properties; and
- (2) No later than one year after Benchmarking Information is provided under Section 6-209 and by September 1 of each year thereafter for Covered Properties. Benchmarking Information received by the Department for the first year a Covered Property is required to input the total Energy and Water consumed and other descriptive information as required by the Benchmarking Tool into the Benchmarking Tool will be not be published except to disclose whether or not the Covered Property is in compliance with this Ordinance.

(d) The Department shall make available to the public and update at least annually, the following information:

- (1) Summary statistics on energy and water consumption for Municipal Properties and Covered Properties derived from aggregation of Benchmarking information for both;
- (2) Summary statistics on overall compliance with this Ordinance including an assessment of accuracy;
- (3) For each Municipal Property and Covered Property:
  - (i) The status of compliance with the requirements of this Ordinance;



- (ii) Annual summary statistics for the Municipal Property or Covered Property, including EUI, annual greenhouse gas emissions, and an energy performance score where available; and
- (iii) A comparison of Benchmarking Information across calendar years for any years such Municipal Property or Covered Property has input the total Energy consumed and other descriptive information for such Properties as required by the Benchmarking Tool into the Benchmarking Tool.

(Ord. No. 67-16/17, 11-7-2016; Ord. 105-18/19, 11-19-2018)

#### **6-213. Provision of Benchmarking Information by Tenants.**

(a) Each Tenant located in a Covered Property shall, within thirty (30) days of a request by the Owner and in a form to be determined by the Department, provide all information that cannot otherwise be acquired by the Owner and that is needed to comply with the requirements of this Ordinance. Failure to provide information to an Owner may result in penalties as provided in the City Code and this Ordinance.

(b) Where the Owner is unable to input the total energy consumed by the Covered Property as well as all other descriptive information for such Covered Property as required by the Benchmarking Tool into the Benchmarking Tool due to the failure of any or all Tenants to report the information required by this Ordinance, the Owner shall input alternate values as established by the Department prior to the implementation of this Ordinance, into the Benchmarking Tool.

(Ord. No. 67-16/17, 11-7-2016)

#### **6-214. Assessing Results and Annual Report to City Council.**

(a) By December 31, 2020, or two years after the Department has certified that utility service providers have made utility use data readily available in a standardized and secure manner through "green button" or similar programs or standards that offer easy access to usage data as needed to use Energy Star Portfolio Manager, whichever is later, the Department shall review the effect of this Ordinance on improving energy and water performance for Covered Buildings. If energy and water performance for Covered Buildings has not improved significantly, the Department shall make recommendations to the City Manager as to whether amendments to this Ordinance or other

measures are necessary to improve building energy and water performance for Covered Buildings.

(b) In December of each calendar year, the Department shall prepare and submit an annual report to the City Council, which evaluates the administration and enforcement of the Ordinance and contains a summary of the benchmarking data provided to the City as required by this Ordinance, as well as any other necessary data or recommendations on the Ordinance could be improved.

(Ord. No. 67-16/17, 11-7-2016; Ord. 105-18/19, 11-19-2018)

#### **6-215. Maintenance of Records.**

(a) Owners shall preserve and maintain records as the Department determines is necessary for carrying out the purposes of this Ordinance, including but not limited to energy and water bills and any and all other documents received from Tenants and/or Utilities. Such records shall be preserved by Owners for a period of three (3) years. At the request of the Department, such records shall be made available for inspection and audit by the Department.

(b) At the time any occupied Covered Building is transferred, the buyer and seller shall arrange for the seller to provide to the buyer all information necessary for the buyer to report Benchmarking information for the entire year in a timely manner. It shall be a violation of this Ordinance for any seller to fail to so provide any such information.

(Ord. No. 67-16/17, 11-7-2016)

#### **6-216. Violations.**

It shall be unlawful for any entity or person including, but not limited to, Owners or Tenants to fail to comply with the requirements of this Ordinance or misrepresent any material fact in a document required to be prepared or disclosed by this Ordinance.

(Ord. No. 67-16/17, 11-7-2016)

#### **6-217. Enforcement and Administration.**

(a) The City Manager, the Department or their designee shall enforce the provisions of this Ordinance.

(b) The City Manager, the Department or their designee may promulgate regulations relative to the administration of the

requirements of this Ordinance, as necessary.

(c) If any person or entity including, but not limited to, Owners or Tenants violate any provision of this Ordinance, the following enforcement measures may be taken:

(1) For the first violation, a written warning may be issued; and

(2) Any subsequent or ongoing violation will be subject to a fine of up to \$20.00 per day pursuant to the provisions of Chapter 1, Section 1-15 herein.

(Ord. No. 67-16/17, 11-7-2016)

#### **6-218. Severability.**

If any provision of this Ordinance shall be held to be invalid by a court of competent jurisdiction, then such provision shall be considered separately and apart from the remaining provisions, which shall remain in full force and effect.

(Ord. No. 67-16/17, 11-7-2016)

### **ARTICLE XI. TENANT HOUSING RIGHTS**

#### **6-219. Purpose.**

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

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

#### **6-220. Applicability.**

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

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

#### **6-221. Definitions.**

*Applicant* means a prospective tenant for a rental housing unit, who signs or intends to sign a lease or other contractual

agreement in relation to the unit.

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

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

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

*Rental Application* means the written document used by a landlord to determine if an applicant is qualified to become a tenant of a rental housing unit.

*Rental Application Fee* means any cost, payment, charge or any other kind of expenditure or remuneration, including administrative costs, that an applicant is required to pay in order to have his or her rental application considered by the landlord.

*Tenant* means an individual, individuals, an entity, entities, a lessee or sub-lessee, or other person having the right to rent any housing unit or rental property or any agent of these individuals or entities. This definition includes a Tenant at will as described in 14 M.R.S. §6002, as amended from time to time.  
(Ord. No. 76-16/17, 11-21-2016; Ord. No. 206-19/20, 8-3-2020)

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

(a) A Tenant shall have the right to secure a rental housing unit without being refused that right on the basis of

discrimination because of race, color, sex, sexual orientation, physical or mental disability, ancestry, national origin, or family status, pursuant to 5 M.R.S. Section 4581-A, et. seq., as amended from time to time.

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

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

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

Notwithstanding 14 M.R.S. Section 6015, a Landlord shall give ninety (90) days' written notice of any rent increase to a Tenant.

(Ord. No. 76-16/17, 11-21-2016; By Referendum, 11-8-2022)

#### **6-223.1. Rental applications, generally; application fees prohibited.**

(a) Disclosure of Application Criteria. Before accepting a rental application, a landlord must disclose to the applicant, in writing, the criteria on which the application will be judged.

(b) Availability of Units. Landlords shall only advertise rental housing units, receive applications, and screen applicants for rental housing units when such rental housing units are actually available and ready for occupancy or are expected to be available for occupancy within a reasonable time period; provided, however, that an applicant may consent to be screened and placed on a waiting list. For purposes of this Section, a rental housing unit is no longer considered available if a different applicant has been screened by the landlord, has been offered the rental housing unit and accepted it, and has placed a deposit on the rental housing unit. A rental housing unit may be considered available if a tenant of a unit has declared they will not be renewing a lease or have otherwise vacated the property. Landlords shall document the date and time that deposits are placed on rental housing units.

(c) Application Fees. All application fees for rental housing units are prohibited, including, but not limited to, any fees or charges to applicants for the following: national, state and local criminal background checks, credit reports, rental history records and/or reference checks, eviction records and/or employment verification.

(Ord. No. 206-19/20, 8-3-2020; By Referendum, 11-8-2022)

#### **Sec. 6-223.2 Maximum deposit.**

Notwithstanding 14 M.R.S. Section 6032, a lease or tenancy at will agreement for a dwelling intended for human habitation may not require a security deposit equivalent to more than the rent for one (1) month.

(By Referendum, 11-8-2022)

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

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

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

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

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

respective Tenants.

(Ord. No. 76-16/17, 11-21-2016; Ord. No. 88-20/21, 9-21-2020)

#### **6-225. Reserved.**

**\*Editor's Note**— Pursuant to Council Order 156-23/24, passed on April 8, 2024, Section 6-225, which created a Rental Housing Advisory Committee, was repealed in its entirety.

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

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

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

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

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

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

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

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

(a) Any violation of sections 6-223, 6-223.1, 6-224 and 6-225 of this Article may be considered a civil infraction and may be enforced pursuant to the Portland City Code Chapter 1, §1-15.

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

(Ord. No. 76-16/17, 11-21-2016; Ord. No. 206-19/20, 8-3-2020)

#### **6-229. Severability.**

The provisions of this Article are severable. If any of its provisions are held invalid by act of competent

jurisdiction, all other provisions of this Article shall continue in full force and effect.  
(Ord. No. 76-16/17, 11-21-2016)

## **ARTICLE XII. RENT CONTROL AND TENANT PROTECTIONS**

### **Sec. 6-230. Purpose.**

The purpose of this Article is to address increasing rental costs within the City of Portland; to promote neighborhood and community stability; to protect the City's tenant population; to limit arbitrary evictions; and to stabilize and make more predictable future rent increases, all while remaining in conformance with Maine law, and ensuring that Landlords within the City receive a fair return on investment.

(By Referendum, 11-3-2020)

### **Sec. 6-231. Applicability.**

This Article shall apply to Rental Units in the City limits of Portland, exempting the following:

(a) Rental Units owned, operated, or otherwise managed by municipal housing authorities, as defined in 30-A M.R.S. §4721(1), as amended;

(b) Accommodations provided in a hospital, convent, church, religious facility, or extended care facility;

(c) Dormitories owned and operated by an institution of higher education, or by Portland Public Schools;

(d) Rental Units within a building containing only two (2), three (3) or four (4) dwelling units, one of which the property owner currently occupies as his or her principal residence;

(e) Accommodations where the amount of rent charged is either controlled or subsidized by a federal, state, or local governmental agency; and

(f) Accessory dwelling units, as defined and understood in Chapter 14 of this Portland City Code.

(By Referendum, 11-3-2020 By Referendum, 11-8-2022)



**Sec. 6-232. Definitions.**

*Allowable increase percentage* means the standard amount that the rent of a Covered Unit may be raised within the following Calendar Year, unless a Landlord is entitled to additional increases as provided in Sections 6-233 or 6-234 below. The allowable increase percentage shall be determined on September 1 of each year beginning on September 1, 2021, and shall be equal to 70 percent of the change in the Consumer Price Index (CPI-U) for Greater Boston Metro Area for the preceding twelve (12) months, as published in August by the United States Bureau of Labor Statistics or its designee. For the purposes of this ordinance, the Rent Board shall presume that the Allowable increase percentage is sufficient to allow a reasonably prudent landlord who received a fair return on investment prior to the enactment of this ordinance to continue to maintain a fair net operating income that increases over time at a just and reasonable rate, yielding a fair return on investment under the normal course of doing business.

*Base rent* means the initial amount of rent that a Landlord charged for a Covered Unit prior to the increases allowed under this ordinance, as more specifically defined in Section 6-233 of this Article. For the purposes of the ordinance, the Rent Board shall presume that the Base Rent was sufficient to have provided the Landlord a fair return on investment prior to the enactment of this ordinance.

*Banked rent* means the Base Rent for a Covered Unit, plus any increase in rent to which the Landlord was entitled under Sections 6-233 and 6-234 below, but that was not yet applied to the rent charged to a Tenant.

*Constructed* means a Rental Unit that has received its final certificate of occupancy from the City's Permitting and Inspections Department, or its designee.

*Covered unit* means a Rental Unit within the City of Portland that does not fall within a category exempted from this Article by Section 6-231.

*Current covered unit* means a Covered Unit that is occupied by a Tenant on January 1, 2021.

*Discontinued covered unit* means a Covered Unit that is not occupied on January 1, 2021 and has not been registered with the City of Portland under Section 6-151 of this Chapter.

*Fair return on investment* means an amount sufficient to allow a just and reasonable rate of return, to encourage the investment of capital in the rental housing market, to fairly compensate investors for the risks they have assumed, and to achieve minimum constitutionally protected standards. For the purposes of this ordinance, a Fair return on investment must be calculated using Maintenance of Net Operating Income methodology, as that term is used in other jurisdictions with similar ordinances, that presumes the net operating income the landlord earned from a Covered unit during calendar year 2019 yielded a fair return on investment, unless the landlord proves that special or peculiar circumstances prevented the landlord from receiving a fair return on investment during that period. The Rent Board may adopt rules or regulations to ensure the fair and consistent application of such methodology.

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

*Major renovation or reconfiguration* means one or more capital investments or improvements where the total cost of construction or improvement attributable to the Rental unit involved exceeds 20% of the property value, prior to improvement, of the Rental unit involved, as determined by the city's tax assessor.

*Qualified family member* means a spouse, parent, grandparent, brother, sister, child or grandchild related by blood, marriage, or adoption.

*Rent* means the consideration, including any deposit, bonus, benefit, or gratuity demanded or received for, or in consideration with, the use or occupancy of rental units and housing services. Such consideration includes, but is not limited to, monies and fair value of goods and services rendered to or for the benefit of the Landlord under the Rental

Agreement, or in exchange for a Rental Unit, or housing services of any kind.

*Rent board* means the set of appointed individuals responsible for the administration of this Article, in accordance with the terms set forth below.

*Rent stabilization allowances* means collectively the Allowable Increase Percentage and any additional rent increase exemptions approved by the Rent Board under Section 6-234 of this Article.

*Rent stabilization ordinance* means Chapter 6, Articles XII and XIII of the Code of Ordinances, City of Portland, Maine, as amended.

*Rental agreement* means a contract between a Landlord and a Tenant for the use and/or occupancy of a Rental Unit.

*Rental unit* means any dwelling unit that is rented or otherwise made available for rent for residential use or occupancy, together with all additional rights, privileges, or services connected with use or occupancy of such a unit, including but not limited to vehicle parking spaces, storage, and commons areas and/or recreational facilities held out for use by the Tenant.

*Rental year* means a period of twelve (12) consecutive months beginning on January 1, 2021, or the date on which a Covered Unit enters the rental housing market, whichever is earlier.

*Tenancy* means the right or entitlement of a Tenant to use or occupy a rental unit.

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

- (a) Tenant-based rental assistance through the Section 8 Housing Choice Voucher Program, 42 U.S.C § 1437f (o);

- (b) Tenant-based rental assistance through the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C § 12701 et seq.;
- (c) Tenant-based rental assistance under the HOD-Veterans Affairs Supportive Housing (HUD-VASH), authorized by§ 8 (o) (19) of the United States Housing Act of 1937, 42 U.S.C. § 1437f (o) (19);
- (d) Tenant-based rental assistance through the Shelter Plus Care Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11403-11407b, as amended;
- (e) Tenant-based rental assistance through the Supportive Housing Program authorized by title IV, subtitle F, of the Stewart B McKinney Homeless Assistance Act, 42 U.S.C. §§ 11381-11389, as amended;
- (f) Tenant-based rental assistance through the Section 8 Disaster Voucher Program (DVP);
- (g) Tenant-based rental assistance through the Housing Opportunities for Persons with AIDS (HOPWA) Program, 42 U.S.C. § 12901 -12912 as amended;
- (h) Tenant-based rental assistance through the Community Block Grant Program, 42 U.S.C. § 5301 et seq. as amended;
- (i) Tenant-based rental assistance through the Continuum of Care Program authorized by subtitle C of title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11381-11389;
- (j) Tenant-based rental assistance through the Rural Development Voucher Program authorized through § 542 of the Housing Act of 1949, as amended. See 78 Fed. Reg. 49374 (Aug. 14, 2013) (proposed rule);
- (k) Tenant-based rental assistance through the Maine Bridging Rental Assistance Program, authorized by M.R.S. Title 34-B § 3011;

- (l) Tenant-based rental assistance through the Maine State Housing Authority Home To Stay Program, M.R.S. Title 30-A § 4771;
- (m) Tenant-based rental assistance through the Maine State Housing Authority Stability Through Engagement Program, M.R.S. Title 30-A § 4771;
- (n) Tenant-based rental assistance through the City of Portland's Tennant Based Rental Assistance Program, M.R.S. Title 30-A § 4771;
- (o) Tenant-based rental assistance through the City of Portland's General Assistance Program, authorized by M.R.S. Title 22 § 4301 et seq.; and
- (p) Such other Tenant-based rental assistance or rental vouchers or rental coupons as may be authorized under any federal, state, or local program.

*Tenants Union* means any group, organization, committee, collective, association or entity, whether incorporated or unincorporated, of any kind, whatsoever, in which tenants participate and which exists for the purpose, in whole or in part, of dealing with Landlords concerning rental conditions or any matter related to the Landlord-tenant relationship, including but not limited to the rights and interests of tenants under this Chapter.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-233. Establishment of base rent.**

(a) *Base Rent for Current Covered Units.* Beginning on January 1, 2021, each Covered Unit shall be registered with the City in accordance with Section 6-151. Such registration must include proof of the rent charged by the Landlord for each Covered Unit as of June 1, 2020 (i.e., through presentation of a valid Rental Agreement, rent payment receipt, or other acceptable means within the opinion of the City). This amount shall be the Base Rent for purposes of the Rent Stabilization Ordinance, except as otherwise provided within this section..

(b) *Base rent for Discontinued Covered Units.*

- (i) If a Covered Unit was not required to be registered with the City as of April 1, 2021, but is required to be registered with the City after such date, the Base Rent shall be the amount of Rent charged 120 days prior to the date when the Covered Unit became required to be registered, or if no Rent was charged at such time, the first Rent charged by the Landlord any time thereafter. The Base Rent for any new Covered Unit entering the rental housing market for the first time shall be the Rent charged to the first Tenant, as set by the Landlord.
- (ii) If a Covered Unit was required to be registered with the City as of April 1, 2021, but is removed from the rental housing market, the Base Rent for such a Covered Unit upon reentry to the rental housing market shall be the Banked Rent, as measured from the time the Covered Unit was removed from the rental housing market.
- (iii) If a Covered Unit was required to be registered with the City as of January 1, 2021, but is subsequently removed from the rental housing market for a period of at least sixty (60) months, the Base Rent for such a Covered Unit shall be the Rent charged to the first Tenant upon reentry into the rental housing market, as set by the Landlord.

(c) *Base rent following major renovation or reconfiguration of Covered Units.* Upon a major renovation or reconfiguration of a Covered Unit, the Landlord may charge no more than the Banked Rent for that unit, or may apply to the Rent Board for determination of the appropriate increased Base Rent. When determining the appropriate increased Base Rent, the Rent Board may consider factors including the increase in floor area, the addition or upgrade of amenities, the amount necessary to ensure a fair return on investment, and any other factor determined relevant in the opinion of the Rent Board; the Rent Board may consider any amount of Banked Rent accrued for that unit, but after determining the appropriate Base Rent, all previously accrued Banked Rent shall be forfeited..

(d) *Base rent following consolidation of Covered Units.*  
When two (2) or more Covered Units are consolidated to create a single Covered Unit, the Base Rent for the resulting Covered Unit shall be equal to the Banked Rent of the larger of the two previously-existing Covered Units, increased by a percentage equal to the increase in square footage of the new Covered Unit. (By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-234. Rent increase limitations.**

(a) Beginning on September 1, 2021, and occurring no later than September 1 of each subsequent year, the Housing Safety Office shall establish and publish the Allowable Increase Percentage for the following calendar year, and shall announce and explain the methodology for calculating the Allowable Increase Percentage at the first meeting of the Rent Board following such publication. The Rent Board shall hear public comment after such announcement.

(b) A Landlord may not increase the rent charged for a Covered Unit within twelve (12) months following a previous Rent increase. After twelve (12) months, the Landlord may only increase the rent charged for a Covered Unit by an amount that conforms to the following specifications:

1. *Annual Increase Percentage.* Unless a Landlord qualifies for an additional increase as further described below, rent for a Covered Unit may not be increased by more than the Allowable Increase Percentage.
2. *New Tenancy.* A landlord may increase the rent on a Covered Unit by five percent (5%) of the base rent in addition to any other allowable increases when a new tenant occupies a unit, but only if the previous Tenancy was terminated voluntarily by the previous Tenant, without coercion or unreasonable influence from the Landlord. This increase may be applied at most once per twelve (12) months, regardless of the number of new tenancies. The Housing Safety Office shall investigate any report that the Tenancy was not terminated voluntarily by the Tenant, or that the Tenant was coerced or unreasonably influenced by the Landlord to terminate the Tenancy. Any tenancy in

which the property owner served the tenant with a notice to quit or summons and complaint for forcible entry and detainer shall not be deemed to be a situation in which the previous tenant voluntarily terminated the tenancy.

3. *Banked Rent.* If the Landlord has banked additional rent increases, in accordance with Section 6-235 below, this banked amount, in whole or in part, may be added to the increases permitted by subsections (i) and (ii) above.
4. *Additional Rent Board Approved Increases necessary to ensure a fair return on investment.* In addition to the above rent adjustments, upon receipt of an application submitted by the Landlord, the Rent Board may approve additional rent increases necessary to ensure a fair return on investment.

To calculate what amount is necessary to ensure a fair return on investment, the Rent Board shall employ generally acceptable Maintenance of Net Operating Income methodology, and may not consider any valuation-based or capitalization-based methodology or any calculation or methodology factoring market rent or market value of the Covered Unit.

Rent board approval under this provision is intended to ensure a fair rate of return under abnormal, unexpected, or irregular circumstances, including, but not limited to, capital improvements and minor renovations, uninsured repairs, the provision of new housing services, revaluation for property tax assessment, or other unusual expenses. The Rent Board shall presume that the Allowable Increase Percentage will be sufficient to satisfy all regular increases in operating costs, routine maintenance expenses, and other normal or regular costs or expenses, allowing the Landlord to maintain a fair return on investment.

The Landlord submitting an application for an additional rent increase bears the burden of proof, including the burden of providing all necessary documentation, to demonstrate that the increase is necessary to receive a fair return on investment. Such



documentation shall include, but is not limited to:  
historical net operating income, revenue and expenses;  
the costs and expenses requiring Rent board approval  
of an additional increase; and what portion of shared  
costs and expenses can be fairly attributed to each  
individual covered unit.

(c) At no time may a Landlord raise the rent of a Covered Unit by more than ten (10) percent. Any rent increases available to a Landlord in excess of ten (10) percent must be banked for later use.

(d) Before increasing the rent of a Covered Unit, a Landlord must send a signed document to the Tenant(s) no fewer than ninety (90) days before the effective date of the rent increase. This document must include the date on which the Tenancy began, the date on which the rent will be increased, the amount of the increase, any remaining Banked Rent that has not been included in the Rent increase, and the appropriate justifications for such a rent increase as defined in Section 6-234(b) above. Failure to provide such documentation shall be considered a violation of this Article, and any notice not containing all such documentation shall be void.

(e) Tenants, individually or collectively, who receive notice of a rent increase that they believe does not conform with this Section may file a complaint with the Housing Safety office. The Housing Safety office shall promptly investigate such complaint and take appropriate action. If, within fourteen (14) days of filing such a complaint, the notice is not rescinded by the Landlord, an appeal of said rent increase may be filed with the Rent Board. Upon receipt of the appeal, the Rent Board shall schedule a public hearing to be held no more than twenty-one (21) days after the filing of the completed appeal application. At the public hearing, the Board will consider de novo the rent charged under the existing Rental Agreement, the amount of the proposed new rent, and the factors which may or may not allow such an increase in accordance with this Article. Upon consideration of such evidence, the Board will render a decision as to whether the increased rent is allowable. An increase determined by the Board to be more than is allowed by this Article shall be considered a violation and the Board may determine the appropriate penalty for any such

violation in a manner consistent with the provisions of this Code. Multiple tenants collectively alleging the same or similar violations against a single Landlord, including but not limited to a Tenants Union or members of or participants in a Tenants Union, may file their complaints or appeals collectively as a single document, and the Rent Board shall hear all such matters together as a single complaint or appeal; but notwithstanding such consolidated hearing the Rent Board may elect to issue separate decisions.

f) A landlord who is not in substantial compliance with any provision of this chapter, including but not limited to the Rent Stabilization Ordinance, may not demand, accept or retain any rent increase otherwise permitted by this section or any other provision of this Code or Maine statute.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-235. Process of banking rent increases.**

If a Landlord chooses to not impose any rent increases to which they are entitled pursuant to Section 6-234 above, these increases may be banked, in whole or in part, with the annual registration required under Section 6-151. Banked increases may be used to raise the rent of Covered Units in subsequent years in addition to Rent Stabilization Allowances, subject to the limitations in Section 6-234, including that no single increase of such rent shall exceed ten (10) percent.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 235.1. Alternative calculation of maximum allowable rent.**

At no time shall any Landlord charge Rent on a Covered Unit that exceeds the Base Rent plus any accrued increases allowed under this Ordinance, and any Landlord who charges Rent on a Covered Unit that is greater than such amount is in violation of this Ordinance. This section shall not be construed to retroactively revoke any allowable increases accrued under previous versions of this Ordinance.

(By Referendum, 11-8-2022)

**Sec. 6-236. Termination of Tenancies.**

(a) In order to be terminated by a Landlord, all tenancies must be terminated by providing a minimum of 90 days' written notice to Tenant except as provided below:

1. "For Cause" tenancies terminable on 7 days' notice pursuant to 14 M.R.S. § 6002(1) may be terminated in accordance with Section 6002(1);
2. Short-term rentals with a term of fewer than 30 days' are exempt from the 90-day notice period outlined herein;
3. Where a Landlord provides the amount of one month's rent as reimbursement to Tenant for the inconvenience of termination, tenancies may be terminated by notice to the Tenant of sixty (60) to eighty-nine (89) days;
4. Where a Landlord provides the amount of two months' rent as reimbursement to Tenant for the inconvenience of termination, tenancies may be terminated by notice to the Tenant of thirty (30) to fifty-nine (59) days.

(b) Reimbursement amounts outlined under subsections (a) above are lump-sum amounts payable in a single installment for the collective benefit of all tenants of a unit. Tenants are responsible for allocating the reimbursement amount among themselves.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-237. Discrimination prohibited in sale or rental of housing units.**

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

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

(c) It shall be prohibited for a landlord to refuse to rent or negotiate for the rental of, or otherwise make unavailable or deny a dwelling to any tenant because of the tenant's source of income or because of the requirements of any program providing the source of income;

(d) It shall be prohibited for or a landlord to refuse to participate in or comply with any federal, state, or local requirements of a tenant-based rental assistance program, including, but not limited to the following:

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

(e) It shall be prohibited for a Landlord to refuse to rent or negotiate for the rental of, otherwise make unavailable or deny, a dwelling to a Tenant, retaliate against, or otherwise discriminate against a Tenant because the Tenant, or a Tenants Union on behalf of the Tenant, has complained or initiated a complaint or appeal to assert the Tenant's rights or interests under this Ordinance, or because the Tenant is a member of or

participates in a Tenants Union. There is rebuttable presumption that any adverse action by the Landlord, including but not limited to forcible entry and detainer, was commenced in retaliation against the Tenant if, within six months prior to the commencement of the adverse action the Tenant, or a Tenants Union on behalf of the Tenant, complained or initiated a complaint or appeal to assert the Tenant's rights or interests under this Ordinance.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-238. Notice of ordinance to tenants.**

(a) The Planning Department or its designee shall create and make available on the City's publicly accessible web site a plain language document that explains the rights, responsibilities, and protections created by this Ordinance.

(b) The document referenced above shall be provided by Landlords to all Tenants in Covered Units at the commencement of the rental of the Covered Unit and shall be provided again upon any update to the document made by the City.

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

(d) Landlords of buildings shall post a copy of the document referenced above in at least one (1) conspicuous common area within the building housing the Covered Units.

(By Referendum, 11-3-2020)

**Sec. 6-239. Non-waiver of rights.**

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

(By Referendum, 11-3-2020)

**Sec. 6-240. Enforcement and remedies.**

Any violation of this Article is considered a civil infraction; all such violations, including any penalty determined to be appropriate by the Rent Board, shall be enforced pursuant to the Portland City Code Chapter 1, §1-15. Violations of this Article, including enforcement of penalties for all such violations, shall be given the highest enforcement priority by the City.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-241. Limitation of Liabilities**

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

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)

**Sec. 6-242. Severability.**

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

(By Referendum, 11-3-2020)

**Sec. 6-243. Tenants Unions.**

(a) Any Tenants Union shall have standing as a party to assert the rights or interests of any Tenants, individually or collectively, under this Chapter in any complaint, appeal, or other proceeding brought before the Housing Safety Office, the Rent Board, or the Superior Court in an appeal from any final decision under this Chapter in accordance with Rule 80B of the Maine Rules of Civil Procedure.

(b) The Housing Safety Office shall create a registration form and accept the registration of Tenants Unions representing Tenants with rights and interests under this Chapter. Such registration shall include the name, telephone number, and e-mail address of a principal contact for the Tenants Union. The Housing Safety Office shall maintain and publish a list of Tenants Unions registered under this section, including contact information, for use by Tenants wishing to join or contact a

Tenants Union. Nothing in this Section shall be construed to require a Tenants Union to register with the City. The City shall be prohibited from requesting, collecting, maintaining or publishing the names of individual Tenant members of any Tenants Union.

(By Referendum, 11-8-2022)

**Sec. 6-244. - Sec. 6-249. Reserved.**

**ARTICLE XIII. RENT BOARD**

**Sec. 6-250. Creation; composition.**

There shall be a Rent Board of seven (7) members. Members of the Rent Board shall be residents of the city and shall not be officers or employees of the city or any of its agencies or departments.

Two (2) members shall be appointed to fill at-large seats, and may reside in any part of the city. The remaining five (5) members shall be comprised of one member from each of the five (5) city council districts with the highest concentration of Rental Units. Should the location of said city council districts be changed, the districts of Rent Board members shall change to mirror such changes.

The City shall take reasonable steps, but is not required, to appoint to the Rent Board with no more than three (3) landlords and at least three (3) tenants.

(By Referendum, 11-3-2020 By Referendum, 11-8-2022)

**Sec. 6-251. Appointment; terms.**

The members of the Rent Board shall be appointed by the Mayor, subject to the approval of the City Council for terms of three (3) years. Such members shall serve until their successors are duly appointed and qualified. Such terms shall be staggered so that the terms of not more than three (3) members shall expire in any calendar year.

(By Referendum, 11-3-2020 By Referendum, 11-8-2022)

**Sec. 6-252. Vacancies.**

Permanent vacancies on the Rent Board shall be filled by the City Council, in the same manner as other appointments hereunder, for the unexpired term of the former member.  
(By Referendum, 11-3-2020)

**Sec. 6-253. Removal of members.**

Any member of the Rent Board may be removed for cause by the City Council at any time; provided, however, that before any such removal, such member shall be given an opportunity to be heard in his or her own defense at a public hearing.  
(By Referendum, 11-3-2020)

**Sec. 6-254. Compensation.**

Members of the Rent Board shall serve without compensation.  
(By Referendum, 11-3-2020)

**Sec. 6-255. Chair and vice-chair.**

(a) The members of the Rent Board shall annually elect one (1) of their number as chair to preside at all meetings and hearings and to fulfill the customary functions of that office, and another of their number as vice-chair. The chair may administer oaths. The chair shall have the right, upon request, to designate any person or organization as a specially interested party for purposes of offering evidence and conducting cross-examination at hearings.

(b) In the absence of the chair, the vice-chair shall act as chair and shall have all the powers of the chair. The vice-chair shall have such other powers and duties as may from time to time be provided by the rules of the Rent Board.  
(By Referendum, 11-3-2020)

**Sec. 6-256. Staff secretary; minutes, public records.**

The Housing Safety Office shall designate a member of its staff to serve as staff secretary of the Rent Board and attend all its proceedings. The staff secretary shall keep the minutes of the proceedings of the Board, showing the vote of each member on every question, or his or her absence or failure to vote, and shall maintain the permanent records and decisions of all board meetings, hearings and proceedings, and all correspondence of the board, as required by statute. Such records shall be public



records open to inspection during working hours upon reasonable notice.

(By Referendum, 11-3-2020)

**Sec. 6-257. Quorum and necessary vote.**

As to any matter requiring a hearing, no business shall be transacted by the Rent Board without a quorum, consisting of four (4) members being present. The concurring vote of at least four (4) members shall be necessary to authorize any action by the Board. If less than a quorum is present, the hearing may be adjourned from time to time for a period not exceeding three (3) weeks at any one time. The staff secretary shall notify in writing all members of the date of the adjourned hearing and shall notify such other interested parties as may be directed in the vote of adjournment.

(By Referendum, 11-3-2020)

**Sec. 6-258. Meetings, hearings, and procedures.**

(a) Regular meetings of the Rent Board shall be held at the call of the chair or as provided by the rules of the board. Special meetings shall be called by the chair at the request of any three (3) members of the Board or at the request of the city council. All meetings and hearings of the board shall be open to the public.

(b) The Rent Board shall adopt its own rules of procedure for the conduct of its business not inconsistent with the statutes of the state and this article. Such rules shall be filed with the staff secretary and with the city clerk. Any rule so adopted which relates solely to the conduct of hearings, and which is not required by the statutes of the state or by this article, may be waived by the board upon good cause being shown.

(By Referendum, 11-3-2020)

**Sec. 6-259. Public hearings.**

Public hearings shall be held as required by the various statutes, codes, and ordinances pursuant to which matters are brought before the Rent Board and shall be conducted in accordance with relevant state law, this code, and the rules of the board.

(By Referendum, 11-3-2020)

**Sec. 6-260. Record and decisions.**

(a) The minutes of the staff secretary, and the transcript if one (1) is made, and all exhibits, papers, applications, and requests filed in any proceeding before the Rent Board, and the decision of the Board shall constitute the records.

(b) Every final decision of the Rent Board shall include written findings of fact, and shall specify the reason or reasons for such decision.

(c) The staff secretary shall mail notice of any decision of the Rent Board to the applicant and any designated interested parties within five (5) days of such decision.

(By Referendum, 11-3-2020)

**Sec. 6-261. Conflicts.**

No member of the Rent Board shall participate in the hearing or disposition of any matter in which they have an interest, as defined by 30-A M.R.S.A. § 2604(4), as amended.

(By Referendum, 11-3-2020)

**Sec. 6-262. Appeals to Superior Court.**

An appeal from any final decision of the Rent Board as to any matter over which it has final authority may be taken by any party or by any authorized officer or agent of the City to the Superior Court in accordance with Rule 80B of the Maine Rules of Civil Procedure.

(By Referendum, 11-3-2020)

**Sec. 6-263. Jurisdiction and authority.**

In addition to the jurisdiction conferred on it by other ordinances of the City and in accordance therewith, the Rent Board shall have the following jurisdiction and authority:

(a) To hear, review, and approve or deny Landlord applications for rent increases greater than the Allowable Increase Percentage, as provided for in Section 6-234 above;

(b) To hear, review, and approve or deny Landlord applications for increases in Base Rent due to the major

renovation or reconfiguration of existing Covered Units, as provided for in Section 6-234 above;

(c) To hear, review, and grant or deny complaints or appeals from Tenants, individually or collectively, regarding Rent charges or Rent increases not in compliance with the Rent Stabilization Ordinance, or other matters falling within the scope of the Rent Stabilization Ordinance, or allegations violations of Maine statute regarding the habitability of residential units; such appeals shall be heard and decided de novo;

(d) To hear, review, and approve or deny any requests from Landlords for an extension of time in which to reinstate Tenants temporarily displaced due to the Landlord's performance of necessary capital improvements to the Covered Unit and/or the building in which said unit is housed;

(e) To mediate any dispute arising between Landlords and Tenants where both parties request such mediation by submitting the landlord/tenant mediation form, as maintained and edited by the Housing Safety Office, signed by both Landlord and Tenant; all parties to such mediation must agree and shall be required to mediate in good faith; such authority to mediate disputes shall not be construed to limit the Rent Board's authority to hear, review or decide any tenant complaint or appeal without the consent of the Landlord; the Board may appoint one or more of its members, in lieu of the full Board, to mediate disputes on a rotating basis, and such mediation may be conducted outside of a public hearing, and a quorum of the Rent Board shall not be required for such mediation;

(f) To determine, in a manner consistent with the provisions of this Code, what penalties are appropriate for violations of the provisions of the Rent Stabilization Ordinance that are determined by the Rent Board;

(g) To prepare and recommend to the City Council changes and amendments to the City's Rent Stabilization Ordinance;

(h) To prepare an annual report on the state of the City's rental unit availability, which shall be presented to the City Council as part of a regularly-scheduled public hearing. This report shall include a summary of rents within each of the five

(5) council districts. Such reporting may or may not be done in conjunction with similar reporting required of the City's Rental Housing Advisory Committee, as established by this Chapter;

(i) To adopt or amend, subject to approval by the City Council, such rules and regulations as are necessary to implement, or to allow for the efficient and consistent application of, the provisions of the Rent Stabilization Ordinance, including but not limited to rules and regulations governing the proceedings of the Rent Board's hearing of Landlord applications or of Tenant complaints or appeals and rules and regulations providing standard procedures and methodology for calculating the amount of rent necessary to allow the Maintenance of Net Operating Income and yield a Fair Return on Investment under various circumstances; the Board may adopt, subject to approval by the City Council, rules and regulations, including methodology, allowing the Housing Safety Office or a hearing officer to review Landlord applications and to complete standard calculations in order to provide for or facilitate an expeditious process and efficient consideration by the Rent Board; Rules and Regulations adopted pursuant to this authority, and any amendments thereto, shall become effective only when approved by the City Council, and shall be kept on file in the Housing Safety Office;

(j) To initiate changes and amendments to the city's Rent Stabilization Ordinance.

(By Referendum, 11-3-2020; By Referendum, 11-8-2022)