Housing & Economic Development Committee Meeting
Tuesday, August 20, 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. 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.

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1. **Review and accept Minutes of previous meeting held on July 16, 2024.**

   a. See attached draft meeting Minutes.

2. **(Public Comment) - Review and Recommendation to the City Council regarding Affordable Housing Project for Youth and Family Outreach at 331-337 Cumberland Avenue as follows:**

   a. Funding Request from the Affordable Housing Development and Tax Increment Financing Application in the amount of $1,080,000 from the Jill C. Duson Housing Trust Fund; and,

   b. Approval of amendments to the 337 Cumberland Avenue Affordable Housing Development Tax Increment Financing District, District Program, and Credit Enhancement Agreement.

   NOTE: Pursuant to 1 M.RS.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiations for this Affordable Housing project.

   c. Public Comment Received - See Attached

3. **Verbal Update regarding Purchase and Sale Agreement with The Hemlock House for its purchase of the Former Fort McKinley Hospital Property, a tax-acquired property.**

4. **Discussion on proposed vacancy ordinance for the Downtown/Arts District area.**

   a. See attached Memorandum and backup.

Next Meeting Date: September 3, 2024

Minutes

Remote Housing and Economic Development Committee

July 16, 2024

NOTE: This meeting was held via Zoom and can be viewed at this link: htpps://portlandme.portal.civicclerk.com 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, July 16, 2024, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Councilor Pious Ali, and members Councilors Roberto Rodriguez and Kate Sykes; member Councilor Regina Phillips could not be present. Present from the City staff were Associate Corporation Counsel Avery Dandreta, Housing and Community Development Division Director Mary Davis, Planner Nell Donaldson, Inspections and Permitting Director Jessica Hanscombe, Planning and Urban Development Director Kevin Kraft, Assistant City Manager Dena Libner, Principal Administrative Officer Lori Paulette, Planner Zach Powell, Housing Program Manager Victoria Volent, and Housing and Economic Development Department Director Greg Watson.

Item #1: Review and accept Minutes of previous meeting held on July 2, 2024.

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

Item #2: Presentation of 2023 Annual Housing Report

Mr. Watson noted that this is the work of both the Housing and Economic Development Department and the Planning and Urban Development Department, thanking Kevin Kraft and

Victoria Volent for their efforts in compiling the report. Mr. Kraft will highlight the planning side of the report and Ms. Volent will highlight the funding aspects.

Mr. Kraft also thanked Nell Donaldson and Zachary Powell who assisted in the Report's preparation. He noted that year 2023 saw the highest totals in 13 years for housing approvals, with the Planning Board reviewing three-family units or more. There were 1,281 new units approved – 1,212 by the Planning Board and 69 administratively. He noted the breakdown at 436 ownership units, 845 rental units, and 570 affordable units. The downtown saw the most significant amount of rental units. He then described the bedroom make up, affordability levels, and various locations. Mr. Kraft then noted that approvals do have an expiration and there have been a number of requests to extend, mostly for financial reasons. Staff will keep track of these and the Housing Dashboard will be updated quarterly.

Ms. Volent then described the sources of funds as being local and Federal. The HOME program is the Federal source of funding in the form of block grants, for which the program has subsidized over 1,500 housing units since year 2000. Locally, there is the Jill C. Duson Housing Trust Fund (HTF), as well as the Affordable Housing Tax Increment Financing (AHTIF) program. Ms. Volent noted that the HTF is funded by City Council appropriations, Inclusionary Zoning, and any remaining revenue not used to fund short-term rental related administrative costs. She then described the various subsidized and non-subsidized projects in 2023 and noted that the Housing Report provides details on income limits based on household size and maximum rents that may be charged based on bedroom count. Lastly, Ms. Volent noted the impacts of funding cuts, inflation, and increased construction costs. The latter of which is an example of "trade costs", i.e., all labor and material costs divided by the total number of units. In July of 2023, trade costs were $244,000; September, $299,000; and, December $339,000.

Lastly, Ms. Volent pointed out that the Housing and Community Development Division is responsible for monitoring to ensure compliance with program regulations, Federal and State Statute, grant requirements, and terms and conditions of grant awards. This is a growing demand on staff resources to ensure compliance.

Councilor Sykes thanked staff for this incredible amount of work. She inquired about 2015 compared to 2023, and Mr. Kraft noted that had to do with the Midtown Project in 2015.

Councilor Sykes inquired about a regular report to keep track of approvals, permits therefor, and completion of projects.

Councilor Rodriguez appreciated this report and the Housing Dashboard, and Re-Code – the latter of which seems to help the housing market get better. He noted that would like to better understand off-site Inclusionary Zoning (IZ) units.

Mr. Kraft noted that there is an option of having the IZ units within the building itself or have units off-site within the neighborhood which can be in multiple sites. The 89 Elm Street project was the first project that had them tied into one building. Whether this was the intention of IZ will be further looked at through the recode process.

Chair Ali noted that that should be further looked into. The Report is great work and perhaps mid-year have a report indicating which projects are moving forward to be built.

Item #3: Policy Discussion: Parklet/Outdoor Dining Program (Councilor Roberto Rodriguez)

Mr. Watson noted that the City/City Council extended outdoor dining with the onset of COVID. In 2023, a survey was conducted to determine the level of interest in outdoor dining through late Fall/early Winter.

Ms. Hanscombe continued on that point noting that 70 businesses were surveyed, but less than 10 wanted it through November, which is currently the end date, being November 30th.

Councilor Sykes asked if the parklets were open to the public, and Ms. Hanscombe noted that they had to be patrons of the establishment. There is an open area on Dana Street with picnic tables where the public can eat, with Councilor Sykes adding that perhaps more areas like that could be created.

Councilor Rodriguez noted that he was not aware of that survey. He agreed that for snow plowing/removal the current outdoor dining season does seem to be working and suggested that staff continue to assess and ask businesses for their thoughts.

Chair Ali agreed.

Item #4: Review and Recommendation to the City Council regarding Funding Request received from the Affordable Housing Development and Tax Increment Financing Application. (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 discuss negotiations and provide guidance to staff)

Greg Watson provided an overview on staff's recommendation that each affordable housing development project requesting an affordable housing TIF during the current round of funding be funded at 75% for 30 years to reflect the conversation that unfolded during the Council meeting on Monday night. The recommendation places all of the applicants seeking funding in the MaineHousing QAP on equal footing. Similarly, the interest rate for any loan would be set at zero percent.

Mary Davis presented the TIF funding request from the 42 Atlantic Street project. In keeping with staff's recommendation that each affordable housing development project have a Credit Enhancement Agreement at 75% for 30 years, Mary presented the terms of the TIF based on the recommendation as opposed to underwriting's recommendation of 75% for 20 year and 25% for 10 years. The developer, Dan Black, was available to answer questions.

Councilor Sykes asked a clarifying question in regards to supportive services and was told 42 Atlantic would receive supportive services from the City's social services department as well the nonprofit organization Through These Doors.

Council Ali surveyed members regarding entering into executive session. Seeing no one, Councilor Ali then opened the meeting to public comment.

Zack Barowitz (22 Huntress Street)- is in support of staff's recommendation of a 75% and 30 year TIF term.

George Rheault (28 Hanover Street)- expressed support for the amended funding request for 42 Atlantic and noted because the project is within the historic district, there are additional expenses and burdens associated with the project. Additionally, this project is only happening because of the good work of LD 2003.

Wendy Cherubini (99 Federal Street)- supports the project as a perfect fit for Atlantic Street. It is the kind of infill housing we need.

Seeing no further comments, the public comment period was closed.

On motion made by Councilor Rodriguez, seconded by Councilor Sykes, the Committee voted 3-0 to accept the Credit Enhancement Agreement for 42 Atlantic Street at 75% for 30 years.

Mary Davis next presented the funding request from Avesta Housing regarding 197 and 207 Oxford Street. Avesta is requesting $650,000 in capital subsidy funding, and Affordable Housing Tax Increment Financing at 75% for 30 years. Staff supports the request but noted the available Housing Trust Fund balance would only support a loan of just under $610,000;

subsequently the motion for the Committee's consideration is worded as "up to $650,000". The proposed AHTIF District is located in the Bayside Area-wide Tax Increment Financing District thus requiring a motion to recommend the City Council remove the parcel from the Bayside District. The developer, Catherine Elliot is available to answer questions.

The Committee had clarifying questions regarding; the relationship of the project in conjunction with the redevelopment efforts of the developer, Reveler, who is the current owner of the 197 and 207 Oxford Street parcels, and; the Congressional Earmark allocation. Mary Davis confirmed Reveler is the current property owner, but Avesta would purchase the property at the loan closing, while the Congressional Earmark was taken into consideration during underwriting.

The Committee held a discussion regarding the inclusionary zoning requirements of market rate developers, the fee-in-lieu requirement of this project, and the sale of the property from Reveler to Avesta.

Catherine Elliott noted the benefits of the City receiving more affordable units in a subsidized housing proposal compared to the number of affordable units that would be provided under inclusionary zoning. She also noted the Congressional Earmark (a grant of just under $1.5 M), is a cash source to help fund the Housing First component of the development.

Councilor Ali opened the meeting for public comment:

George Rheault (28 Hanover Street)- asked the Committee Chair to recuse himself from the discussions as his landlord is directly related to the project, and asked for more information regarding the Congressional Allocation to confirm the project should be located in Downtown Portland (rather than in the Bayside neighborhood), and further noted the Congressional Allocation money is not properly reflected in the underwriting memo. In regards to Housing

First projects, Mr. Rheault noted during the last Housing First (Huston Commons) project funding discussion, the City Council directed that Housing First development not be located in Bayside due to criminal activity that makes it is a terrible place for people to get back on their feet. Approving the funding of this project would violate that City Council guidance. Mr. Rheault asked that action on this item be postponed due to lack of community engagement.

In response to his request for guidance from Corporation Counsel regarding recusal, Councilor Ali was told it would be worth more of a discussion and to hold off on recusing himself.

Ken Capron (1375 Forest Ave) - thinks what George just identified as a conflict of interest is highly odorous of a conflict of interest and does not see any alternative. He also does not understand why the City wants to drop the interest rate to 0%, and believes the City should be working towards the highest interest rate and not just offering 0% interest rate. He urged the City to negotiate with the developer.

Councilor Ali recused himself from the meeting.

Seeing no further comments, public comment was closed.

The Committee held a discussion regarding the Avesta project and its relationship to the joint site plan, and the time necessary to answer outstanding questions given the 9% tax credit deadline with MaineHousing. Staff outlined the timing and noted the applicant may apply for the 9% tax credits without receiving an Affordable Housing TIF from the City, but then the applicant would not receive the three scoring points associated with the AHTIF which would make their application less competitive.

Committee members noted their concern with the separation of the Inclusionary Zoning units from the market rate units, and their concern that the proposal does not sufficiently meet the site plan developer's responsibility with creating or paying the fee-in-lieu for not creating Inclusionary Zoning units. Staff noted the Planning Board is responsible for ensuring compliance with Inclusionary Zoning while the Council is responsible for decisions regarding city resources (i.e. Housing Trust fund, HOME, and AHTIF).

Given Councilor Ali's recusal, the Committee did not have a quorum and were advised to table the discussion.

Councilor Ali rejoined the meeting.

On a motion made by Councilor Rodriguez, seconded by Councilor Sykes, the Committee voted 3-0 to table the review and recommendation to the City Council regarding the funding request from 197 & 207 Oxford Street until the next meeting of the HEDC.

Item #5: Communication Item: 2024 Quarter 2 Rent Control Update

Greg Watson noted Jessica Hanscombe provided a summary report on Rent Control for the second quarter of the year covering April 1, 2024 through June 30, 2024. The one-page report provides data broken down between applications reviewed by the Rent Board, and inspections conducted by the Housing Safety Department.

Committee members had follow-up questions regarding the outcome of complaints (i.e. what were the findings of the investigations regarding complaints) to ensure the City is effectively fixing problems. The Committee requested the Permitting and Inspections Director provide a narrative in a future HEDC meeting rather than a follow-up via email.

Councilor Ali will forward an email he received on this subject to the Assistant City Manager for response.

On motion made by Councilor Rodriguez, seconded by Councilor Sykes , the Committee voted 3-0 to adjourn the meeting at approximately 7:33 p.m.

Next meeting is TBD.

Respectively submitted, Lori Paulette and Victoria Volent

City of Portland | Housing and Economic Development Department
Housing and Community Development Division
Mary P. Davis, Division Director

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

MEETING DATE
August 20, 2024

AGENDA ITEM # 2.a.
Review and Recommendation to the City Council Regarding Affordable Housing Project for Youth and Family Outreach at 331-337 Cumberland Avenue; a. Funding Request from the Affordable Housing Development and Tax Increment Financing Application in the amount of $1,080,000 from the Jill C. Duson Housing Trust Fund.

PURPOSE
To approve an allocation of funding from the Jill C. Duson Housing Trust Fund in the amount of $1,080,000

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT
Increase, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents.

BACKGROUND/ANALYSIS
Youth and Family Outreach (YFO), through YFO Resource Hub LP, a non-profit entity to be created, has requested a loan in the amount of $1,080,000 to construct a new 60-unit rental housing development which will include child care space. The site currently contains a vacant former restaurant and the chapel building that currently houses the YFO child care program, both of which will be removed to facilitate construction of the new building.

The project will include 60-units, 29 of which will be affordable to households at or below 50% of the area median income ($51,000 for a two-person household), 19 of which will be affordable to households at or below 60% of the area median income ($61,200 for a two-person household) and 12 market rate units (including 4 studios, 24 1-bedroom, 22 2-bedroom and 10 -bedroom).

An Affordable Housing Tax Increment Financing (AHTIF) District was previously approved on this site. There is a separate memo which addresses proposed amendments to the AHTIF District Development Program and Credit Enhancement Agreement.

The underwriting recommendation includes a loan in the amount of up to $1,080,000, at zero interest, over a 30-year term, with repayment of 10% of cashflow above MaineHousing's required $500/unit (as confirmed by MaineHousing underwriting),in the first 5 years of operations, followed by 30% of cashflow until fully retired. The underwriting memo also notes that the TIF continues to be necessary to keep the debt service coverage ratio within acceptable limits. The recommendation is conditioned on the satisfactory review of the following:

- A current market study supporting the projected rent structure, including an analysis of market rent and vacancy for the retail space;
- Current management financial statements and the most recent YFO audit available at the time of closing;
- Financing commitments for debt and equity prior to closing on terms and conditions acceptable to the City of Portland, including evidence that YFO has funds in hand for the YFO share of building construction and other development expenses, including acquisition and site prep, whether included in development budget or carried separately.

- If MaineHousing approves 4% LIHTC, satisfactory review of the revised budgets with the potential to reduce loan sizing to reflect a division of subsidy between City and State which is consistent with the City approved 9% budgets. (City of Portland's loan is 26.47% of the combined City and State $4,080,000 of soft debt.)
- Executed commitments to provide services to PBV units.
- An updated business plan for YFOs child care operation in the new facility.
- A written description of YFO's process for budget oversight, including the formulas for sharing costs between the commercial and residential condos;
- Condominium documents;
- All standard construction 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.

FISCAL IMPACT

- When completed, the project's total assessed-value is estimated at $8,740,000 for the housing portion of the development, which would yield $126,000 in annual assessed property value in year one at the current FY24 millage rate.
- The total assessed-value of the daycare portion of the project is estimated at $2,500,000, which would yield $36,000 in annual assessed property value in year one at the current FY24 millage rate. However, YFO is a 501(c)(3) entity, therefore this portion of the project would be tax exempt.
- The approximate total amount of tax revenue (aka captured valuation) for the housing portion of the project that would be returned to the project/developer is $2,868,063 in total over the remainder of the 30-year term (or $95,602 per year averaged over the 30-year term);
- The approximate total amount of tax revenue (aka non-captured valuation) that would be deposited into the general fund is $1,246,760 in total over the remainder of the 30-year term (or $41,558 per year averaged over the 30-year term);
- If the project is not completed, the parcels would remain tax exempt.
- 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 $47,257+, or $1,417,695 over the remainder of the life of the district.

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CONCLUSIONS

Recommendations

1. Motion to recommend to the City Council approval of a loan from the Jill C. Duson Housing Trust Fund in the amount of $1,080,000 for the Youth and Family Outreach Project at 337 Cumberland Avenue, at zero interest and term of 30 years, repaid with 10% of cashflow above MaineHousing's required $500/unit (as confirmed by MaineHousing underwriting), in the first 5 years of operations followed by 30% of cashflow until fully retired.

PRIOR COMMITTEE REVIEW

PREPARED BY

Mary Davis
Division Director
Housing and Community Development Division

ATTACHMENTS

Attachment 1: Underwriting Memo
Attachment 2: Project Information
Attachment 3: Updated TIF Spreadsheets

Urban Ventures

To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: Youth and Family Outreach (with Developers Collaborative as development consultant)
Date: 8/13/24

Youth and Family Outreach (YFO), the non-profit sponsor YFO Resource Hub LP, requests a loan of $1,080,000 for the proposed new construction 60-unit rental housing development and first floor child care space. The site is currently a vacant former restaurant and the church which YFO currently uses for day care space. The site already has a 75% 30-year Affordable Housing TIF which was approved in 2020 when YFO was partnering with Portland Housing Authority. 2020 was a uniquely difficult year to be moving a development forward -- the project was substantially delayed due to construction cost over runs and had to return their tax credit allocation.

The 60 housing units will serve a mixed income population, including 12 "Market Rate" (up to 100% AMI), 19 units at 60% AMI, and 29 units at 50% AMI. Unit sizes will range from efficiency to 3 bedrooms. As part of the Maine Housing 9% LIHTC competition and financing process, YFO is requesting 10 Project Based Vouchers. This would provide 20% of the LIHTC units with a deep subsidy for households with special housing needs for supportive services.

Developers Collaborative is serving as the fee developer for this housing project, and will not have an ownership stake in the project.

The requested loan is a subsidy of $18,000 per housing unit, or $22,500 per unit affordable to households below 60% AMI (12 units will be restricted to under 100% AMI). This is in addition to the previously approved TIF subsidy.

Sources and Uses

Sources:		Uses:	
Maine Housing Must Pay	$10,608,153	Acquisition	$0
Maine Housing 0% Deferred	$3,000,000	Construction hard costs	$20,805,781
Net Syndication Equity	$10,199,080	Hard & Soft Contingency	$1,079,039
AHP Capital Advance	$850,000	Soft costs	$2,286,895
IRA Solar Credits	$104,500	Capitalized Reserves	$920,018
City of Portland Loan	$ 1,080,000	Developer Fee	$750,000
Total Sources:	$25,841,733	Total Uses:	$25,841,733

YFO plans to submit an application for 9% LIHTC in September, along with a request for mortgage financing and 10 PBVs from Maine Housing. Evidence that YFO has funds in hand for their share of building construction and other development expenses, including acquisition and site prep, is a recommended condition of loan closing.

While YFO as a corporate entity has no track record with residential real estate development, the fee developer, Developers Collaborative, is a regular successful applicant, including last year in a similar role as development consultant for Equality Community Center. Developers Collaborative has an impressive success rate in 9% applications and has developed over 996 units using LIHTC, including 140 units in Portland. This is the second year Maine Housing has offered PBV's as part of the 9% LIHTC underwriting process, so the underwriting process and competition for these resources is becoming clearer. This site was awarded 9% LIHTC in the 2020 competition, but the project could not move forward at that time due to cost increases related to the pandemic.

A letter of interest is included from syndicator Evernorth, along with separate confirmation that Evernorth understands the ownership structure and significant commercial space. The letter offers a price of $.85 per LIHTC credit and $.95 per solar credit which is broadly consistent with Developers Collaborative recent experience.

For analysis of "Uses," see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a trades break down estimate by Penobscot based on drawings at the Conceptual Design Stage with a run date of 7/3/24. (Trade breakdown is preferable to a cost per square foot estimate.) This estimate includes provision for prevailing wage requirements. The direct costs for the day care center are separately budgeted, including interior finishes, structural elements including floor and elevator, and building skin including windows, doors and siding. However, reasonably allocatable costs such as site improvement and roof are borne entirely by the housing condo. Total housing construction cost divided among the 60 residential units is $363,747. While this cost per unit would have been considered high prior to COVID, it is not out of line with comparable sized units in the current construction cost environment.

Soft Costs:

Soft costs are moderate and within industry standard. Developer fee (paid to Developers Collaborative) is $750,000, the Maine Housing cap for funded developer fee. This is on the slim side of a reasonable developer's fee by industry standards, 3.1% of total development costs, excluding reserves and developer fee. However, Developers Collaborative has limited risk associated with this project – YFO is responsible for payment of soft costs in predevelopment, payment of a portion of Developer fee even if the project is terminated, and Developers Collaborative will have no on-going financial stake (and risk) in the project. In addition to direct staffing time, it is these project risks that are what developer fee is understood to cover.

Contingency:

Hard cost contingency is carried primarily in the development budget with the industry standard for new construction of 5%. The Penobscot estimate also includes a 4% contingency. As with each project in this round, it is still vulnerable to continued construction cost inflation due to the relatively early stage of predevelopment, continued high level of economic uncertainty, and persistent inflationary pressures in the construction industry. This level of contingency provides some protection from further delays due to price inflation.

Soft cost contingency is $60,000, which is 2.62% of soft costs. This is very low, especially for this early stage of project development. This concern is partially mitigated by the YFO's long history and successful fundraising, which demonstrates some capacity to cover unexpected costs.

Acquisition:

The site is owned by YFO, which acquired the 337 Cumberland property adjacent to their existing space in 2019 for $895,000. The property was appraised at $955,000 in 2018 which demonstrates the original sales price was consistent with market values. 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, as YFO will in the transfer. The proposed $0 transfer is clearly below market value.

All acquisition related expenses, including demolition and any needed brownfields work, has been pulled out of the 9% LIHTC budget, and is to be funded prior to transfer of the asset by YFO.

The "off budget" nature of all acquisition costs and day care direct construction costs might change if Maine Housing chooses to allocate 4% credits instead of 9% credits. The budgets supporting a 4% credit scenario have not been presented to the City, but the construction of the day care space would be includable in basis as a community facility. If Maine Housing approves a 4% credit allocation instead of 9% credits, that would be a substantial revision of the budget. Satisfactory review of the budgets in a 4% scenario, with the potential of loan resizing, is a recommended condition of loan approval.

Operating Budget & 20 Year Cashflow Projection

Project Income:

The operating budget anticipates charging the maximum allowable LIHTC rents at each income level, and the 12 "market rate" units capped at the maximum rent affordable to a household at 100% AMI. The budget assumes receipt of 10 Project Based Vouchers (PBV) from Maine Housing, which have a 110% of Fair Market Rent payment standard, substantially above LIHTC capped rents at all unit sizes. This is the second year Maine Housing has offered this option.

	<50% AMI (w PBV)	<50% AMI (no PBV)	<60% AMI	<100% AMI	Total by unit type
efficiency	1	1	2	0	4
1 bedroom	4	8	8	4	24
2 bedroom	3	6	5	8	22
3 bedroom	2	4	4	0	10
Total by income level:	10	19	19	12	60

No market study has been submitted by the developer. While the demand for units affordable at 60% AMI and below is well established, the "market rate" rent in relationship to 100% of AMI needs further documentation. A satisfactory current market study, including evaluation of the market rate rents, is a recommended condition of the loan.

Residential vacancy is budgeted at the industry standard of 5%, which is comfortably above Portland's recent historic vacancy rates.

The building will also include a single 12,608 sq. feet commercial space for YFO's child care operations. The anticipated ownership structure of the building is two condo units, one for the housing and one for the child care, with almost all operating costs allocated to the individual condo units including utilities, maintenance, taxes, and most insurance. YFO's ability to successfully operate the commercial condo is critically important to the stability of the project as a whole. YFO will be approximately doubling the child care slots available, as well as space available for services to small groups of children and families, and will be responsible for programming the community room shared with the residents. YFO has a business expansion plan finalized in 2023 which demonstrates effective demand for their expansion and provides budget projections which show the expanded program operating with a small positive margin (prior to depreciation). These projections take into account the growth in occupancy related expenses (including janitorial & maintenance) which will accompany expansion, but have not been updated for operating conditions (including inflation) in 2024. Satisfactory review of an updated business plan is a recommended condition of closing.

Operating Expense

The Developers Collaborative pro forma (for the residential condo only) reflects a per unit operating cost of $8,785, which appears high. However, of that, $2,099 per unit is real estate taxes, leaving $6,686 for other operating expenses which is reasonable in this cost environment. Grounds expense is an outlier, very high at $34,200/year for a building without landscaping or parking lot. Developer's Collaborative points to the need to maintain the playground, which will be available to children in residence in the building outside the hours of the child care center. Functionally, this means 2 of 7 days (29%), and opens the question of how operating expenses will be fairly divided between housing and child care. Prior to loan closing, satisfactory review of the process for dividing costs between the two condos is a recommended condition of this recommendation.

Supportive services are budgeted at a minimal $390/unit, which is designed to meet the Maine Housing minimum level of services. Deeper services needed for the PBV units serving households with special housing needs will be provided by Catholic Charities and Through These Doors. Commitment letters covering the terms and conditions, including the commitment of the organizations to cover the cost of provided services, are being negotiated for submission with the Maine Housing application in September. Satisfactory review of the commitments to provide services is a recommended condition of this recommendation.

30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

Even with the previously approved 75% TIF, DSCR is extraordinarily thin at 1.05 in year 1. With industry standard 2/3% inflators, DSCR doesn't hit Maine Housing's standard underwriting ratio of 1.15 till year 8. While the PBVs offer some additional assurance of steady operating income, 1.05 provides only the slenderest margin. Maine Housing has expressed a willingness to consider a minimum requirement of $500 per unit in annual cashflow (and year 1 shows $515/unit), in the early years, however, this thin margin increases the risk for every stakeholder in the project.

Developer Financials

YFO is a non-profit with a long history of service to Portland families, founded in 1844. Relative to the norms of the child care industry, YFO has exceptional financial strength, with Net Assets of over $2 million in 2023, including an endowment of over $1.5 million. However, housing development has put new financial pressures on YFO and long-term ownership of affordable housing will continue to place new financial constraints and asset management responsibilities on YFO. The Board of Directors has a strong mix of professions including lawyer, CPA, engineer, non-profit management, public finance, local business leaders, and advocates for children. What it does not yet include is affordable housing development or affordable housing management experience. YFO's Executive Director, Camelia Babson-Haley, acknowledges the expansion of YFO's core programming into affordable housing and her continued focus on early childhood education and family support as her core skill set. She is actively seeking new members with affordable housing expertise to add to the Board to meet the need for leadership and oversight in the expanded core mission area of affordable housing and asset management.

YFO has submitted audits covering FY 2020 – FY 2023 (and has previously submitted audits covering FY 2016 -- 2019.) Their fiscal year ends 9/30. Over the tumultuous period from 2018-2023, YFO has more than doubled its total assets to $2,559,547, increased net assets by 87%, and dramatically improved its Quick Ratio to a very impressive 7.85, all this while navigating a pandemic which literally closed the doors for months. Immediately prior to the pandemic, YFO acquired the adjacent property with a $500,000 loan from Genesis Fund and pursued a comprehensive redevelopment, at a time when real estate development costs were experiencing unprecedented price inflation.

YFO engaged in a capital campaign which raised $2.1 million (in cash and pledges) by end of 2022. These funds have covered some acquisition related expenses and established an endowed scholarship fund for low income families who need transitional funding before other child care supports kick in. This will add important stability to YFO's income stream while continuing to provide services to low income families. YFO is planning to initiate a next phase in their capital campaign and is in the process of selecting a campaign consultant. Evidence that YFO has funds in hand for their share of building construction and other development expenses, including acquisition and site prep, is a recommended condition of loan closing.

YFO Management's financials for the seven months ending 4/30/24 (as is typical) utilize somewhat different categories for reporting than the audit, so don't provide a direct comparison with prior audits. On the Balance Sheet, the 4/30/24 Quick Ratio was an alarming .5, but this includes the full amount of the Genesis Fund loan as a current liability. The Genesis Fund loan was subsequently extended to 2026. Adjusting out the Genesis Fund loan, the Quick Ratio was a moderate 3.30. The Balance Sheet shows a substantial jump in net assets to $2,804,218 due to $800,000 Accounts Receivable. This reflects successful fundraising, committed but not yet received -- commitments of $515,000 from Senate Earmark and $250,000 from State of Maine childcare infrastructure grants.

Impact of pandemic: The pandemic was much more disruptive to the child care industry than to subsidized affordable housing. In 2020, YFO was closed for months and after reopening, its operations were severely limited by the precautions necessary to prevent the spread of COVID-19. Class sizes were cut in half and before and after care eliminated, severely reducing program fee income. This was a systemic problem, not in any way a reflection of YFO's management. In fact, YFO's pandemic response reflected best practices for the industry and the level of care reflected in their revised protocols demonstrate the high quality of their services and management. Program Service Fees fell significantly and have only exceeded 2019 levels in 2023. Increases in government grants including PPP loans and ARPA grants helped offset the decline in fee income. Pandemic related supports are no longer available, but YFO continues to receive support from the State of Maine childcare worker wage supplement program, which helps YFO to better attract and retain childcare workers. As described above, despite the extraordinary constraints of the pandemic, YFO was able to exit the pandemic in stronger financial health than before.

YFO has experienced remarkable success in its long lifetime. Doubling program size and adding affordable housing makes this an exciting yet potentially fragile time in the life history of an organization. To continue to thrive in this new context, YFO needs to prioritize developing their Board's capacity for effective oversight of their new affordable housing program.

Recommendations

I recommend a loan in the amount $1,080,000, at zero interest, to be repaid with 10% of cashflow above MaineHousing's required $500/unit (as confirmed by MaineHousing underwriting), in the first 5 years of operations, followed by 30% of cashflow until fully retired, with a 30-year term, with loan closing conditioned upon satisfactory review of the following:

- A current market study supporting the projected rent structure, including an analysis of market rent and vacancy for the retail space;
- Current management financial statements and the most recent YFO audit available at the time of closing;
- Financing commitments for debt and equity prior to closing on terms and conditions acceptable to the City of Portland, including evidence that YFO has funds in hand for the YFO share of building construction and other development expenses, including acquisition and site prep, whether included in development budget or carried separately.
- If MaineHousing approves 4% LIHTC, satisfactory review of the revised budgets with the potential to reduce loan sizing to reflect a division of subsidy between City and State which is consistent with the City approved 9% budgets. (City of Portland's loan is 26.47% of the combined City and State $4,080,000 of soft debt.)
- Executed commitments to provide services to PBV units.
- An updated business plan for YFOs child care operation in the new facility.
- A written description of YFO's process for budget oversight, including the formulas for sharing costs between the commercial and residential condos;
- Condominium documents;
- All standard construction 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	8/13/2024
Project Name	
Project Address	331-337 Cumberland
Developer/Sponsor	YFO (w/Developers Collaborative as development consultant)
Total Units	60
Residential Sq Feet	59,829
Total Square Feet	72,437

		August 13 Revised Values			Change	
		Total	**Per Unit**	**Per Sq Ft**	Reservation to Commitment	
Sources of Funds						
Permanent Financing - MH 1st Lien 6% I only		$10,608,153	$176,803	$177	$ 281,806	3%
Permanent Financing - City of Portland		$1,080,000	$18,000	$18	$ 7,950	1%
Equity (LIHTC/tenant contributions)		$10,199,080	$169,985	$170	$ 99	0%
AHP Capital Advance		$850,000	$14,167	$14	$ -	0%
OTHER		$0	$0	$0	$ (780,000)	-100%
Maine Housinsg Subsidy		$3,000,000	$50,000	$50	$ 660,000	28%
IRA Solar Credits		$104,500	$1,742	$2	$ -	0%
Total Sources of Funds		**$25,841,733**	**$430,696**	**$432**	$ 169,855	1%
	(GAP)/Surplus	$0			$ (424,900)	-100%
Uses of Funds						
Hard Costs						
Site Improvements		$1,660,000	$27,667	$28	$ 485,000	41%
Rehabilitation			$0	$0		
New Construction		$16,637,665	$277,294	$278	$ 32,849	0%
Contractor's Profit, Overhead, & Gen. Requirements	10.0%	$1,729,563	$28,826	$29	$ (40,641)	-2%
Hazardous Materials abatement (if contracted separately)			$0	$0		
Demolition Cost (if contracted separately)			$0	$0		
Bond Premium		$353,553	$5,893	$6	$ 4,387	1%
Other -- Solar $275k, Utility Relocation $150k		$425,000	$7,083	$7	$ 425,000	#DIV/0!
Hard Cost Contingency (% of hard costs)	4.9%	$1,019,039	$16,984	$17	$ 24,080	2%
Total Hard Costs		**$21,824,820**	**$363,747**	**$365**	$ 930,675	4%
Soft Costs						
Building Permit & Fees		$303,162	$5,053	$5	$ 5,210	2%
Survey & Engineering		$80,000	$1,333	$1	$ -	0%
Design & Permitting (% of const exp)	2.3%	$364,000	$6,067	$6	$ -	0%
Borrower Legal (all closings, excluding syndication legal)		$45,000	$750	$1	$ -	0%
Title & Recording		$20,000	$333	$0	$ -	0%
Accounting		$10,000	$167	$0	$ -	0%
Construction Period Taxes		$10,000	$167	$0	$ -	0%
Construction Period Insurance		$55,000	$917	$1	$ -	0%
Other: FF&E, Security		$14,736	$246	$0	$ (5,264)	-26%
Other			$0	$0		
Total Soft Costs		**$901,898**	**$15,032**	**$15**	$ (54)	0%
Financing Costs						
Construction Loan Origination Fees		$42,000	$700	$1	$ -	0%
Construction Period Interest		$902,334	$15,039	$15	$ -	0%
Lender Inspection Fees		$35,000	$583	$1	$ -	0%
Letter of Credit Fee			$0	$0		
Permanent Loan Fee		$215,163	$3,586	$4	$ 5,636	3%
Construction Lender Legal			$0	$0		
Other		$0	$0	$0	$ -	#DIV/0!
Total Financing Costs		**$1,194,497**	**$19,908**	**$20**	$ 5,636	0%
Miscellaneous						
Market Survey		$5,500	$92	$0	$ -	0%
Appraisal		$7,500	$125	$0	$ -	0%
Environmental Study		$35,000	$583	$1	$ -	0%
LIHTC Fees -- prepaid monitoring		$142,500	$2,375	$2	$ -	0%
Other: Commissioning			$0	$0		

Relocation Costs			$0	$0		
Other			$0	$0		
Soft Cost Contingency (% of soft costs excl Dev Fee)	2.62%	$60,000	$1,000	$1	$ -	0%
Total Miscellaneous:		**$250,500**	**$4,175**	**$24**	$ -	0%
Acquisition						
Acquisition: Buildings		$0	$0	$0	$ -	#DIV/0!
Acquisition: Land		$0	$0	$0	$ (350,000)	-100%
Acquisition: Legal			$0	$0		
Other			$0	$0		
Total Acquisition		**$0**	**$0**	**$0**	$ (350,000)	-100%
Reserves and Developer Fee						
Operating Deficit Escrow		$568,583	$9,476	$10	$ 918	0%
Prefunded Replacement Reserve		$187,208	$3,120	$3	$ (34)	0%
Taxes & Insurance Escrow		$90,972	$1,516	$2	$ 7,614	9%
Developer Overhead		$500,000	$8,333	$8	$ -	0%
Developer Profit		$250,000	$4,167	$4	$ -	0%
Rent Up Reserve & Marketing		$48,000	$800	$1	$ -	0%
Other		$25,255	$421	$0	$ -	0%
Total Reserves and Developer Fee		**$1,670,018**	**$27,834**	**$28**	$ 8,498	1%
Total Uses of Funds		**$25,841,733**	**$430,696**	**$452**	$ 594,755	2%

Developer Fee Analysis: Total Fees: $750,000
(excluding reserves & developer fee) ercent of TDC: 3.10%

Project Operating Pro Forma

Date	August 12, 2024
Project Name	
Project Address	331-337 Cumberland
Developer/Sponsor	YFO (Developer's Collaborative as dev consultant)

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	Total Monthly Net Income	Total Annual Net Rent
0 BR	1		0	50%	$1,116	$108		$1,008	$1,008	$12,096
0 BR	1	PBV	0	50%	$1,450	$108		$1,342	$1,342	$16,104
0 BR	2		0	60%	$1,339	$108		$1,231	$2,462	$29,544
1 BR	8		0	50%	$1,195	$137		$1,058	$8,464	$101,568
1 BR	4	PBV	0	50%	$1,663	$137		$1,526	$6,104	$73,248
1 BR	8		0	60%	$1,434	$137		$1,297	$10,376	$124,512
1 BR	4		0	market	$2,231	$0		$2,231	$8,924	$107,088
2 BR	6		0	50%	$1,435	$175		$1,260	$7,560	$90,720
2 BR	3	PBV	0	50%	$2,140	$175		$1,965	$5,895	$70,740
2 BR	5		0	60%	$1,722	$175		$1,547	$7,735	$92,820
2 BR	8		0	market	$2,550	$0		$2,550	$20,400	$244,800
3 BR	4		0	50%	$1,485	$212		$1,273	$5,092	$61,104
3 BR	2	PBV	0	50%	$2,659	$212		$2,447	$4,894	$58,728
3 BR	4		0	60%	$1,772	$212		$1,560	$6,240	$74,880
Other			0	50%				$0	$0	$0
Other			0	60%				$0	$0	$0
Total:	**60**	**59829**	**0**						**$96,496**	**$1,157,952**
				T Bedrooms:	90	$73,644				
					average/unit	$1,227				

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

TIF 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
Income												
Sch. Gross Income - Residential		$1,157,952	$19,299	$1,181,111	$1,204,733	$1,228,828	$1,253,404	$1,278,473	$1,304,042	$1,330,123	$1,356,725	$1,383,860
Vacancy Loss	5.0%	($57,898)	($965)	($59,056)	($60,237)	($61,441)	($62,670)	($63,924)	($65,202)	($66,506)	($67,836)	($69,193)
Other income HAP Diff.			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF (inflated at 2%)	75%	$94,457	$1,574	$96,346	$98,273	$100,239	$102,244	$104,288	$106,374	$108,502	$110,672	$112,885
Effective Gross Income		**$1,194,512**	**$19,909**	**$1,218,402**	**$1,242,770**	**$1,267,625**	**$1,292,978**	**$1,318,837**	**$1,345,214**	**$1,372,118**	**$1,399,561**	**$1,427,552**
Administrative												
Management Fee	5.7%	$66,007	$1,100	$67,987	$70,027	$72,128	$74,291	$76,520	$78,816	$81,180	$83,616	$86,124
Management Charges	5.6%	$65,000	$1,083	$66,950	$68,959	$71,027	$73,158	$75,353	$77,613	$79,942	$82,340	$84,810
Marketing Expense		$1,500	$25	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957
Legal		$1,000	$17	$1,030	$1,061	$1,093	$1,126	$1,159	$1,194	$1,230	$1,267	$1,305
Audit & Accounting		$10,000	$167	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299	$12,668	$13,048
Admin Other		$960	$16	$989	$1,018	$1,049	$1,080	$1,113	$1,146	$1,181	$1,216	$1,253
Total Administrative		$144,467	$2,408	$148,801	$153,265	$157,863	$162,599	$167,477	$172,501	$177,676	$183,006	$188,497
Supportive Services		$23,400	$390	$24,102	$24,825	$25,570	$26,337	$27,127	$27,941	$28,779	$29,642	$30,532
Utilities												
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		$41,094	$685	$42,327	$43,597	$44,905	$46,252	$47,639	$49,068	$50,540	$52,057	$53,618
Water / Sewer		$21,600	$360	$22,248	$22,915	$23,603	$24,311	$25,040	$25,792	$26,565	$27,362	$28,183
Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$62,694	$1,045	$64,575	$66,512	$68,507	$70,563	$72,680	$74,860	$77,106	$79,419	$81,801
Total incl Utiltiy Allowance		$136,338	$2,272	$ 2.28								

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		$34,200	$570	$35,226	$36,283	$37,371	$38,492	$39,647	$40,837	$42,062	$43,324	$44,623
Janitorial		$12,000	$200	$12,360	$12,731	$13,113	$13,506	$13,911	$14,329	$14,758	$15,201	$15,657
Trash Removal		$10,400	$173	$10,712	$11,033	$11,364	$11,705	$12,056	$12,418	$12,791	$13,174	$13,570
Security			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equipment & Supplies		$14,400	$240	$14,832	$15,277	$15,735	$16,207	$16,694	$17,194	$17,710	$18,241	$18,789
Maintenance		$45,600	$760	$46,968	$48,377	$49,828	$51,323	$52,863	$54,449	$56,082	$57,765	$59,498
Maintenance Contracts			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance		$116,600	$1,943	$120,098	$123,701	$127,412	$131,234	$135,171	$139,226	$143,403	$147,705	$152,137
Taxes & Insurance												
Real Estate Taxes	2%	$125,943	$2,099	$128,462	$131,031	$133,652	$136,325	$139,051	$141,832	$144,669	$147,562	$150,514
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)		$24,000	$400	$24,720	$25,462	$26,225	$27,012	$27,823	$28,657	$29,517	$30,402	$31,315
Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance		$149,943	$2,499	$153,182	$156,493	$159,877	$163,337	$166,874	$170,490	$174,186	$177,965	$181,828
Replacement Reserves		$30,000	$500	$30,900	$31,827	$32,782	$33,765	$34,778	$35,822	$36,896	$38,003	$39,143
Operating Reserves			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses		**$527,104**	**$8,785**	**$541,658**	**$556,623**	**$572,011**	**$587,835**	**$604,107**	**$620,839**	**$638,046**	**$655,741**	**$673,938**
Net Operating Income		**$667,408**	**$11,123**	**$676,744**	**$686,147**	**$695,614**	**$705,143**	**$714,731**	**$724,375**	**$734,072**	**$743,820**	**$753,614**
Debt Service												
Maine Housing Interest Bearing		$636,489	$10,608	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)		$636,489	$10,608	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)		$30,919	$515	$40,255	$49,658	$59,125	$68,654	$78,242	$87,886	$97,583	$107,331	$117,125
Debt Service Coverage Ratio		**1.05**		**1.06**	**1.08**	**1.09**	**1.11**	**1.12**	**1.14**	**1.15**	**1.17**	**1.18**
Cash Flow Debt Payments												
City of Portland 10%	30.0%	$3,092	$155	$4,026	$4,966	$5,913	$6,865	$23,472	$26,366	$29,275	$32,199	$35,138
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$27,827**	**$361**	**$36,230**	**$44,692**	**$53,213**	**$61,788**	**$54,769**	**$61,520**	**$68,308**	**$75,132**	**$81,988**
Retained Cash Flow %	5%											

		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income											
Sch. Gross Income - Residential		$1,411,537	$1,439,768	$1,468,563	$1,497,934	$1,527,893	$1,558,451	$1,589,620	$1,621,412	$1,653,841	$1,686,917
Vacancy Loss	5.0%	($70,577)	($71,988)	($73,428)	($74,897)	($76,395)	($77,923)	($79,481)	($81,071)	($82,692)	($84,346)
Other income (laundry)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF	75%	$115,143	$117,446	$119,795	$122,191	$124,634	$127,127	$129,670	$132,263	$134,908	$137,606
Effective Gross Income		**$1,456,103**	**$1,485,225**	**$1,514,930**	**$1,545,228**	**$1,576,133**	**$1,607,655**	**$1,639,809**	**$1,672,605**	**$1,706,057**	**$1,740,178**
Administrative											
Management Fee		$88,708	$91,369	$94,110	$96,934	$99,842	$102,837	$105,922	$109,100	$112,372	$115,744
Management Charges		$87,355	$89,975	$92,674	$95,455	$98,318	$101,268	$104,306	$107,435	$110,658	$113,978
Marketing Expense		$2,016	$2,076	$2,139	$2,203	$2,269	$2,337	$2,407	$2,479	$2,554	$2,630
Legal		$1,344	$1,384	$1,426	$1,469	$1,513	$1,558	$1,605	$1,653	$1,702	$1,754
Audit & Accounting		$13,439	$13,842	$14,258	$14,685	$15,126	$15,580	$16,047	$16,528	$17,024	$17,535
Admin Other		$1,290	$1,329	$1,369	$1,410	$1,452	$1,496	$1,541	$1,587	$1,634	$1,683
Total Administrative		$194,152	$199,976	$205,975	$212,155	$218,519	$225,075	$231,827	$238,782	$245,945	$253,324
Supportive Services		$31,448	$32,391	$33,363	$34,364	$35,395	$36,456	$37,550	$38,677	$39,837	$41,032
Utilities											
Fuel Oil		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electric		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gas		$55,227	$56,884	$58,590	$60,348	$62,158	$64,023	$65,944	$67,922	$69,960	$72,059
Water / Sewer		$29,029	$29,899	$30,796	$31,720	$32,672	$33,652	$34,662	$35,702	$36,773	$37,876
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$84,255	$86,783	$89,387	$92,068	$94,830	$97,675	$100,605	$103,624	$106,732	$109,934

Maintenance	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Janitorial	$45,962	$47,341	$48,761	$50,224	$51,731	$53,282	$54,881	$56,527	$58,223	$59,970
Exterminating	$16,127	$16,611	$17,109	$17,622	$18,151	$18,696	$19,256	$19,834	$20,429	$21,042
Trash Removal	$13,977	$14,396	$14,828	$15,273	$15,731	$16,203	$16,689	$17,190	$17,705	$18,236
Security	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grounds	$19,352	$19,933	$20,531	$21,147	$21,781	$22,435	$23,108	$23,801	$24,515	$25,250
Maintenance	$61,283	$63,121	$65,015	$66,965	$68,974	$71,043	$73,175	$75,370	$77,631	$79,960
Elevator, HVAC, pool contracts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance	$156,701	$161,402	$166,244	$171,231	$176,368	$181,659	$187,109	$192,722	$198,504	$204,459
Taxes & Insurance										
Real Estate Taxes or PILOT	$153,524	$156,594	$159,726	$162,921	$166,179	$169,503	$172,893	$176,351	$179,878	$183,475
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)	$32,254	$33,222	$34,218	$35,245	$36,302	$37,391	$38,513	$39,668	$40,858	$42,084
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance	$185,778	$189,816	$193,944	$198,166	$202,481	$206,894	$211,406	$216,019	$220,736	$225,559
Replacement Reserves	$40,317	$41,527	$42,773	$44,056	$45,378	$46,739	$48,141	$49,585	$51,073	$52,605
Operating Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$692,651**	**$711,895**	**$731,686**	**$752,039**	**$772,971**	**$794,498**	**$816,638**	**$839,409**	**$862,827**	**$886,913**
Net Operating Income	**$763,452**	**$773,330**	**$783,244**	**$793,189**	**$803,162**	**$813,157**	**$823,170**	**$833,196**	**$843,229**	**$853,265**
Debt Service										
Maine Housing Interest Bearing	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)	$126,963	$136,841	$146,755	$156,700	$166,673	$176,668	$186,681	$196,707	$206,740	$216,776
Debt Service Coverage Ratio	**1.20**	**1.21**	**1.23**	**1.25**	**1.26**	**1.28**	**1.29**	**1.31**	**1.32**	**1.34**

Cash Flow Debt Payments											**Cash Flow D**
City of Portland	30.0%	$38,089	$41,052	$44,026	$47,010	$50,002	$53,000	$56,004	$59,012	$62,022	$65,033
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$88,874**	**$95,789**	**$102,728**	**$109,690**	**$116,671**	**$123,668**	**$130,677**	**$137,695**	**$144,718**	**$151,743**
Retained Cash Flow %	5%		$0			$0					Retained Cas

		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Income											
Sch. Gross Income - Residential		$1,720,656	$1,755,069	$1,790,170	$1,825,974	$1,862,493	$1,899,743	$1,937,738	$1,976,493	$2,016,022	$2,056,343
Vacancy Loss	0.0%	($86,033)	($87,753)	($89,509)	($91,299)	($93,125)	($94,987)	($96,887)	($98,825)	($100,801)	($102,817)
Other income (laundry)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF	75%	$140,359	$143,166	$146,029	$148,950	$0	$0	$0	$0	$0	$0
Effective Gross Income		**$1,774,981**	**$1,810,481**	**$1,846,691**	**$1,883,625**	**$1,769,368**	**$1,804,756**	**$1,840,851**	**$1,877,668**	**$1,915,221**	**$1,953,526**
Administrative											
Management Fee		$119,216	$122,792	$126,476	$130,271	$134,179	$138,204	$142,350	$146,621	$151,019	$155,550
Management Charges		$117,397	$120,919	$124,547	$128,283	$132,132	$136,096	$140,178	$144,384	$148,715	$153,177
Marketing Expense		$2,709	$2,790	$2,874	$2,960	$3,049	$3,141	$3,235	$3,332	$3,432	$3,535
Legal		$1,806	$1,860	$1,916	$1,974	$2,033	$2,094	$2,157	$2,221	$2,288	$2,357
Audit & Accounting		$18,061	$18,603	$19,161	$19,736	$20,328	$20,938	$21,566	$22,213	$22,879	$23,566
Admin Other		$1,734	$1,786	$1,839	$1,895	$1,951	$2,010	$2,070	$2,132	$2,196	$2,262
Total Administrative		$260,923	$268,751	$276,814	$285,118	$293,672	$302,482	$311,556	$320,903	$330,530	$340,446
Supportive Services		$42,263	$43,531	$44,837	$46,182	$47,567	$48,994	$50,464	$51,978	$53,538	$55,144
Utilities											
Fuel Oil		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electric		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gas		$74,220	$76,447	$78,740	$81,103	$83,536	$86,042	$88,623	$91,282	$94,020	$96,841
Water / Sewer		$39,012	$40,182	$41,388	$42,629	$43,908	$45,226	$46,582	$47,980	$49,419	$50,902
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$113,232	$116,629	$120,128	$123,732	$127,444	$131,267	$135,205	$139,261	$143,439	$147,743

Maintenance		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Janitorial		$61,769	$63,622	$65,531	$67,497	$69,522	$71,607	$73,755	$75,968	$78,247	$80,595
Exterminating		$21,673	$22,324	$22,993	$23,683	$24,394	$25,125	$25,879	$26,655	$27,455	$28,279
Trash Removal		$18,784	$19,347	$19,927	$20,525	$21,141	$21,775	$22,429	$23,101	$23,794	$24,508
Security		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grounds		$26,008	$26,788	$27,592	$28,420	$29,272	$30,150	$31,055	$31,987	$32,946	$33,935
Maintenance		$82,359	$84,829	$87,374	$89,996	$92,695	$95,476	$98,341	$101,291	$104,330	$107,459
Elevator, HVAC, pool contracts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance		$210,593	$216,910	$223,418	$230,120	$237,024	$244,135	$251,459	$259,002	$266,772	$274,776
Taxes & Insurance											
Real Estate Taxes or PILOT		$187,145	$190,888	$194,705	$198,599	$202,571	$206,623	$210,755	$214,970	$219,270	$223,655
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)		$43,347	$44,647	$45,986	$47,366	$48,787	$50,251	$51,758	$53,311	$54,910	$56,558
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance		$230,491	$235,535	$240,692	$245,966	$251,358	$256,874	$262,513	$268,281	$274,180	$280,213
Replacement Reserves		$54,183	$55,809	$57,483	$59,208	$60,984	$62,813	$64,698	$66,639	$68,638	$70,697
Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses		**$911,686**	**$937,165**	**$963,371**	**$990,325**	**$1,018,049**	**$1,046,565**	**$1,075,896**	**$1,106,065**	**$1,137,097**	**$1,169,017**
Net Operating Income		**$863,295**	**$873,316**	**$883,319**	**$893,299**	**$751,319**	**$758,191**	**$764,955**	**$771,603**	**$778,124**	**$784,508**
Debt Service											
Maine Housing Interest Bearing		$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)		$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)		$226,806	$236,827	$246,830	$256,810	$114,830	$121,702	$128,466	$135,114	$141,635	$148,019
Debt Service Coverage Ratio		**1.36**	**1.37**	**1.39**	**1.40**	**1.18**	**1.19**	**1.20**	**1.21**	**1.22**	**1.23**
ebt Payments					$976,899	$236,930					
City of Portland	0.0%	$68,042	$71,048	$74,049	$77,043	$34,449	$36,511	$38,540	$40,534	$42,491	$44,406
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$158,764**	**$165,779**	**$172,781**	**$179,767**	**$80,381**	**$85,191**	**$89,926**	**$94,580**	**$99,145**	**$103,614**
;h Flow %	0%										

B. Project Information

Please provide the following information.

B.1. Property Address
331-337 Cumberland Avenue Portland, ME 04101

B.2. Project Name
YFO Resource Hub

B.3. Tax chart, block, and lot number
33-K-5,6,7,9,10

B.4. Zoning Designation
B-3

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

B.6. Requested amount of Affordable Housing Development Funding
$1,080,000.00

B.7. Is the requested funding type AHTIF?
No

B.8. Total number of housing units to be constructed:
60

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:
60

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:
12

B.15. Total number of Units at 80% AMI:
0

B.16. Total number of Units at 60% AMI:
19

B.17. Total number of Units at 50% AMI:
29

B.18. Total number of Units at 40% AMI:
0

B.19. Housing Type
Rental

B.20. Total number of studio/efficiency units:
4

B.21. Total number of one-bedroom units:
24

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

B.23. Total number of three-bedroom units
10

B.24. Total number of four-bedroom units
0

B.25. Total number of five-bedroom units
0

B.26. Property Manager
Realty Resources Management

B.27. When is construction expected to begin?
07/15/2025

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).**

The Youth and Family Outreach ("YFO") development, located at 331-337 Cumberland Avenue, will provide new construction of sixty units of affordable mixed-income rental housing in addition to an expansion of YFO's existing childcare facility to serve fifty additional children. Of the sixty proposed units, 80% (48 units) will be restricted to households earning (60% AMI or less) and 20% (12 units) will be restricted to households earning 100% AMI or less. Of those 48 units, 60% (30 units) will be restricted to households earning 50% AMI or less, and there will be a mix of 4 studio units, 20 one-bedroom units, 14 two-bedroom units, and 10 three-bedroom units. Of the 12 units restricted to households earning 100% AMI or less, there will be a mix of 4 one-bedroom units and 8 two-bedroom units. The building will also include a laundry room, community room, fitness area, lobby, trash room, and bike/stroller storage. The primary building entrance for the childcare facility will be located on Cumberland Avenue while the primary building entrance for the apartment units will be located on Portland Street. The site will include outside play spaces for the childcare facility that may be used by residents outside of the daycare's regular operating hours. Realty Resources Management will be the property management company, who will provide an on-site Resident Services Coordinator free of charge to residents. The project will require the temporary relocation of the existing childcare space during construction and Developers Collaborative will assist YFO in finding a temporary space when the construction start date becomes closer.

YFO is located in the B3 Downtown Business zone, a mixed-use zone that permits multifamily dwellings and preschool facilities and has a stated purpose "to encourage increased housing opportunity downtown for a diverse residential population." YFO is centrally located near METRO Bus stops and a variety of services including public schools, public library, post office, Portland Food Co-op, and several banks. Immediately adjacent uses include the Portland Public Market parking garage, Preble Street Teen Shelter, Earl Apartments, and Preble Street Resource Center.

Portland's economy depends upon the availability of a diverse and affordable array of rental housing options. However, Portland has the highest housing costs in the state of Maine, and rising rental housing costs have become increasingly out-of-reach for many lower- and moderate-income citizens. According to MaineHousing, the median 2BR rent in Portland in 2020 was unaffordable to 71.1% of households, or approximately 13,000 households. The YFO development will provide affordable rental rates and restrict units to low-and moderate-income residents.

The YFO development also aligns with Portland's Comprehensive Plan, which was adopted by City Council on June 5, 2017, and which identified a desire to "increase, preserve, and modify the overall supply of housing City-wide to meet the needs, preferences and financial capabilities of all Portland households."

The YFO development is requesting $1,080,000 in Affordable Housing Development Funding. The City's participation is financially necessary to close a gap between the sources and uses. The feasibility of the project also depends upon receiving a 9% Low-Income Housing Tax Credit ("LIHTC") or a 4% LIHTC with the State Affordable Housing Tax Credit to be financially feasible. Without this funding from the City, a LIHTC Application would not be financially feasible.

Figure 1: The proposed building as seen from Cumberland Avenue

Fig 5 – Rendering from Cumberland Ave/Preble Street

Fig 6 – Rendering from Portland Street/Preble Street

1 | 1ST FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FIRST FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.01

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Childcare Center Architect

studio MLA ARCHITECTS
320 Washington St.
Brookline, MA 02445
617 608-1551

Revisions:

Key Plan:

SECOND FLOOR PLAN

Scale: As indicated

9 AUGUST, 2024

A1.02

1 | 3RD, 4TH, 5TH, 6TH FLOOR PLAN
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

THIRD FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.03

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

1 4TH FLOOR
1/8" = 1'-0"

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FOURTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.04

1 5TH FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FIFTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.05

1 6TH FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

SIXTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.06

City of Portland - Affordable Housing (AH) TIF Model
337 Cumberland Avenue, 33-K-5-6-7-9-10-13
OAV: $519,900 ao 3/31/2020
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 337 Cumberland Avenue AH TIF

TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	City OAV General Fund Revenues	
1	2020	$0	75.00%	$0	23.31	$0	$0	$0	$0	$12,119	
2	2021	$0	75.00%	$0	12.99	$0	$0	$0	$0	$6,754	
3	2022	$0	75.00%	$0	13.61	$0	$0	$0	$0	$7,076	
4	2023	$0	75.00%	$0	14.41	$0	$0	$0	$0	$7,492	Mil Rate Actual Above Line
5	2024	$0	75.00%	$0	14.70	$0	$0	$0	$0	$7,642	Mil Rate Est. FY2025 & On
6	2025	$0	75.00%	$0	14.99	$0	$0	$0	$0	$7,794	
7	2026	$8,220,100	75.00%	$6,165,075	15.29	$94,276	$94,276	$0	$31,425	$7,950	
8	2027	$8,220,100	75.00%	$6,165,075	15.60	$96,162	$96,162	$0	$32,054	$8,109	
9	2028	$8,220,100	75.00%	$6,165,075	15.91	$98,085	$98,085	$0	$32,695	$8,272	
10	2029	$8,220,100	75.00%	$6,165,075	16.23	$100,047	$100,047	$0	$33,349	$8,437	
11	2030	$8,220,100	75.00%	$6,165,075	16.55	$102,048	$102,048	$0	$34,016	$8,606	
12	2031	$8,220,100	75.00%	$6,165,075	16.88	$104,089	$104,089	$0	$34,696	$8,778	
13	2032	$8,220,100	75.00%	$6,165,075	17.22	$106,171	$106,171	$0	$35,390	$8,953	
14	2033	$8,220,100	75.00%	$6,165,075	17.57	$108,294	$108,294	$0	$36,098	$9,132	
15	2034	$8,220,100	75.00%	$6,165,075	17.92	$110,460	$110,460	$0	$36,820	$9,315	
16	2035	$8,220,100	75.00%	$6,165,075	18.28	$112,669	$112,669	$0	$37,556	$9,501	
17	2036	$8,220,100	75.00%	$6,165,075	18.64	$114,922	$114,922	$0	$38,307	$9,691	
18	2037	$8,220,100	75.00%	$6,165,075	19.01	$117,221	$117,221	$0	$39,074	$9,885	
19	2038	$8,220,100	75.00%	$6,165,075	19.39	$119,565	$119,565	$0	$39,855	$10,083	
20	2039	$8,220,100	75.00%	$6,165,075	19.78	$121,957	$121,957	$0	$40,652	$10,285	
21	2040	$8,220,100	75.00%	$6,165,075	20.18	$124,396	$124,396	$0	$41,465	$10,490	
22	2041	$8,220,100	75.00%	$6,165,075	20.58	$126,884	$126,884	$0	$42,295	$10,700	
23	2042	$8,220,100	75.00%	$6,165,075	20.99	$129,421	$129,421	$0	$43,140	$10,914	
24	2043	$8,220,100	75.00%	$6,165,075	21.41	$132,010	$132,010	$0	$44,003	$11,132	
25	2044	$8,220,100	75.00%	$6,165,075	21.84	$134,650	$134,650	$0	$44,883	$11,355	
26	2045	$8,220,100	75.00%	$6,165,075	22.28	$137,343	$137,343	$0	$45,781	$11,582	
27	2046	$8,220,100	75.00%	$6,165,075	22.72	$140,090	$140,090	$0	$46,697	$11,814	
28	2047	$8,220,100	75.00%	$6,165,075	23.18	$142,892	$142,892	$0	$47,631	$12,050	
29	2048	$8,220,100	75.00%	$6,165,075	23.64	$145,749	$145,749	$0	$48,583	$12,291	
30	2049	$8,220,100	75.00%	$6,165,075	24.11	$148,664	$148,664	$0	$49,555	$12,537	
30 Year TIF Total		**$197,282,400**		**$147,961,800**		**$2,868,063**	**$2,868,063**	**$0**	**$956,021**	**$290,739**	
30 Year Average				**$4,932,060**		**$95,602**	**$95,602**		**$31,867**	**$9,691**	

8-14-2024 Updated TIF Model at 75% for 30 Years - Amd OAV 11-2020.xls

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 337 Cumberland Avenue Affordable Housing TIF							
337 Cumberland Ave TIF Model/75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	**Tax Year-April 1**	**Total Added Valuation**	**Sheltered Valuation**	**Avoided Loss of State Aid to for Education**	**Avoided Loss of State Municipal Revenue Sharing**	**Avoided Increase in County Tax**	**Total Avoided Impacts**
1	2020	$0	$0	$0	$0	$0	$0
2	2021	$0	$0	$0	$0	$0	$0
3	2022	$0	$0	$0	$0	$0	$0
4	2023	$0	$0	$0	$0	$0	$0
5	2024	$0	$0	$0	$0	$0	$0
6	2025	$0	$0	$0	$0	$0	$0
7	2026	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
8	2027	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
9	2028	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
10	2029	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
11	2030	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
12	2031	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
13	2032	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
14	2033	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
15	2034	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
16	2035	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
17	2036	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
18	2037	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
19	2038	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
20	2039	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
21	2040	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
22	2041	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
23	2042	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
24	2043	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
25	2044	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
26	2045	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
27	2046	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
28	2047	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
29	2048	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
30	2049	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
30 Year TIF Total		**$197,282,400**	**$147,961,800**	**$1,225,124**	**$110,882**	**$81,689**	**$1,417,695**
30 Year TIF Avg.		**$6,576,080**	**$4,932,060**	**$40,837**	**$3,696**	**$2,723**	**$47,257**

City of Portland | Housing and Economic Development Department
Housing and Community Development Division
Mary P. Davis, Division Director

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

MEETING DATE
August 20, 2024

AGENDA ITEM #2.b.
Review and Recommendation to the City Council Regarding Affordable Housing Project for Youth and Family Outreach at 331- 337 Cumberland Avenue; b. Approval of Amendments to the 337 Cumberland Avenue Affordable Housing Development Tax Increment Financing District, District Program and Credit Enhancement Agreement.

PURPOSE
To amendment a previously approved Affordable Housing Tax Increment Financing District, Development Program and Credit Enhancement Agreement.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT
Increase, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents.

BACKGROUND/ANALYSIS
Youth and Family Outreach (YFO), through YFO Resource Hub LP, a non-profit entity to be created, has proposed construction of a new 60-unit rental housing development which will include child care space. The site currently contains a vacant former restaurant and the chapel building that currently houses the YFO child care program, both of which will be removed to facilitate construction of the new building.

The project will include 60-units, 29 of which will be affordable to households at or below 50% of the area median income ($51,000 for a two-person household), 19 of which will be affordable to households at or below 60% of the area median income ($61,200 for a two-person household) and 12 market rate units (including 4 studios, 24 1-bedroom, 22 2-bedroom and 10 -bedroom).

An Affordable Housing Tax Increment Financing District was previously approved on this site. The 337 Cumberland Avenue Affordable Housing Development Tax Increment Financing District was approved by the Portland City Council on August 3, 2020 (Order 19-20/21 and Order 20-20/21) and received a Certificate of Approval from MaineHousing on September 17, 2020. The current approved development district includes a slightly different unit mix (36 units at or below 50% of the area median income, 12 units at or below 60% of the area median income and 12 units at market rate) and will need to be amended to reflect the proposed new development program. The end date of the development district is March 31, 2050.

If the developer is successful through the MaineHousing Low Income Housing Tax Credit process (LIHTC) the 337 Cumberland Avenue Affordable Housing Development Tax Increment Financing District will need to be amended to reflect the proposed new development project. The City Council will also need to approve an amendment to the Credit Enhancement Agreement to reflect the proposed new development entity.

As noted in the memo for the previous item related to a loan for this project, the underwriting memo notes that the TIF continues to be necessary to keep the debt service coverage ratio within acceptable limits.

FISCAL IMPACT

- When completed, the project's total assessed-value is estimated at $8,740,000 for the housing portion of the development, which would yield $126,000 in annual assessed property value in year one at the current FY24 millage rate.
- The total assessed-value of the daycare portion of the project is estimated at $2,500,000, which would yield $36,000 in annual assessed property value in year one at the current FY24 millage rate. However, YFO is a 501(c)(3) entity, therefore this portion of the project would be tax exempt.
- The approximate total amount of tax revenue (aka captured valuation) for the housing portion of the project that would be returned to the project/developer is $2,868,063 in total over the remainder of the 30-year term (or $95,602 per year averaged over the 30-year term);
- The approximate total amount of tax revenue (aka non-captured valuation) that would be deposited into the general fund is $1,246,760 in total over the remainder of the 30-year term (or $41,558 per year averaged over the 30-year term);
- If the project is not completed, the parcels would remain tax exempt.
- 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 $47,257+, or $1,417,695 over the remainder of the life of the district.

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CONCLUSIONS

Recommendations

1. Motion to recommend to the City Council approval of an amendment to the 337 Cumberland Avenue Affordable Housing Development and Tax Increment Financing District and the Municipal Development Program for the District, regarding changes to the unit affordability and revenue generated as noted in the staff presentation.
2. Motion to recommend to the City Council approval of an amendment to the 337 Cumberland Avenue Affordable Housing Credit Enhancement Agreement to reflect the current development entity of YFO Resource HUB LP.

PRIOR COMMITTEE REVIEW

PREPARED BY

Mary Davis
Division Director
Housing and Community Development Division

ATTACHMENTS

Attachment 1: Underwriting Memo
Attachment 2: Project Information
Attachment 3: Update TIF Spreadsheets

Urban Ventures

To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: Youth and Family Outreach (with Developers Collaborative as development consultant)
Date: 8/13/24

Youth and Family Outreach (YFO), the non-profit sponsor YFO Resource Hub LP, requests a loan of $1,080,000 for the proposed new construction 60-unit rental housing development and first floor child care space. The site is currently a vacant former restaurant and the church which YFO currently uses for day care space. The site already has a 75% 30-year Affordable Housing TIF which was approved in 2020 when YFO was partnering with Portland Housing Authority. 2020 was a uniquely difficult year to be moving a development forward -- the project was substantially delayed due to construction cost over runs and had to return their tax credit allocation.

The 60 housing units will serve a mixed income population, including 12 “Market Rate” (up to 100% AMI), 19 units at 60% AMI, and 29 units at 50% AMI. Unit sizes will range from efficiency to 3 bedrooms. As part of the Maine Housing 9% LIHTC competition and financing process, YFO is requesting 10 Project Based Vouchers. This would provide 20% of the LIHTC units with a deep subsidy for households with special housing needs for supportive services.

Developers Collaborative is serving as the fee developer for this housing project, and will not have an ownership stake in the project.

The requested loan is a subsidy of $18,000 per housing unit, or $22,500 per unit affordable to households below 60% AMI (12 units will be restricted to under 100% AMI). This is in addition to the previously approved TIF subsidy.

Sources and Uses

Sources:		Uses:	
Maine Housing Must Pay	$10,608,153	Acquisition	$0
Maine Housing 0% Deferred	$3,000,000	Construction hard costs	$20,805,781
Net Syndication Equity	$10,199,080	Hard & Soft Contingency	$1,079,039
AHP Capital Advance	$850,000	Soft costs	$2,286,895
IRA Solar Credits	$104,500	Capitalized Reserves	$920,018
City of Portland Loan	$ 1,080,000	Developer Fee	$750,000
Total Sources:	$25,841,733	Total Uses:	$25,841,733

YFO plans to submit an application for 9% LIHTC in September, along with a request for mortgage financing and 10 PBVs from Maine Housing. Evidence that YFO has funds in hand for their share of building construction and other development expenses, including acquisition and site prep, is a recommended condition of loan closing.

While YFO as a corporate entity has no track record with residential real estate development, the fee developer, Developers Collaborative, is a regular successful applicant, including last year in a similar role as development consultant for Equality Community Center. Developers Collaborative has an impressive success rate in 9% applications and has developed over 996 units using LIHTC, including 140 units in Portland. This is the second year Maine Housing has offered PBV's as part of the 9% LIHTC underwriting process, so the underwriting process and competition for these resources is becoming clearer. This site was awarded 9% LIHTC in the 2020 competition, but the project could not move forward at that time due to cost increases related to the pandemic.

A letter of interest is included from syndicator Evernorth, along with separate confirmation that Evernorth understands the ownership structure and significant commercial space. The letter offers a price of $.85 per LIHTC credit and $.95 per solar credit which is broadly consistent with Developers Collaborative recent experience.

For analysis of "Uses," see Development Budget.

Development Budget

Construction Costs:

Construction costs are based on a trades break down estimate by Penobscot based on drawings at the Conceptual Design Stage with a run date of 7/3/24. (Trade breakdown is preferable to a cost per square foot estimate.) This estimate includes provision for prevailing wage requirements. The direct costs for the day care center are separately budgeted, including interior finishes, structural elements including floor and elevator, and building skin including windows, doors and siding. However, reasonably allocatable costs such as site improvement and roof are borne entirely by the housing condo. Total housing construction cost divided among the 60 residential units is $363,747. While this cost per unit would have been considered high prior to COVID, it is not out of line with comparable sized units in the current construction cost environment.

Soft Costs:

Soft costs are moderate and within industry standard. Developer fee (paid to Developers Collaborative) is $750,000, the Maine Housing cap for funded developer fee. This is on the slim side of a reasonable developer's fee by industry standards, 3.1% of total development costs, excluding reserves and developer fee. However, Developers Collaborative has limited risk associated with this project – YFO is responsible for payment of soft costs in predevelopment, payment of a portion of Developer fee even if the project is terminated, and Developers Collaborative will have no on-going financial stake (and risk) in the project. In addition to direct staffing time, it is these project risks that are what developer fee is understood to cover.

Contingency:

Hard cost contingency is carried primarily in the development budget with the industry standard for new construction of 5%. The Penobscot estimate also includes a 4% contingency. As with each project in this round, it is still vulnerable to continued construction cost inflation due to the relatively early stage of predevelopment, continued high level of economic uncertainty, and persistent inflationary pressures in the construction industry. This level of contingency provides some protection from further delays due to price inflation.

Soft cost contingency is $60,000, which is 2.62% of soft costs. This is very low, especially for this early stage of project development. This concern is partially mitigated by the YFO's long history and successful fundraising, which demonstrates some capacity to cover unexpected costs.

Acquisition:

The site is owned by YFO, which acquired the 337 Cumberland property adjacent to their existing space in 2019 for $895,000. The property was appraised at $955,000 in 2018 which demonstrates the original sales price was consistent with market values. 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, as YFO will in the transfer. The proposed $0 transfer is clearly below market value.

All acquisition related expenses, including demolition and any needed brownfields work, has been pulled out of the 9% LIHTC budget, and is to be funded prior to transfer of the asset by YFO.

The "off budget" nature of all acquisition costs and day care direct construction costs might change if Maine Housing chooses to allocate 4% credits instead of 9% credits. The budgets supporting a 4% credit scenario have not been presented to the City, but the construction of the day care space would be includable in basis as a community facility. If Maine Housing approves a 4% credit allocation instead of 9% credits, that would be a substantial revision of the budget. Satisfactory review of the budgets in a 4% scenario, with the potential of loan resizing, is a recommended condition of loan approval.

Operating Budget & 20 Year Cashflow Projection

Project Income:

The operating budget anticipates charging the maximum allowable LIHTC rents at each income level, and the 12 "market rate" units capped at the maximum rent affordable to a household at 100% AMI. The budget assumes receipt of 10 Project Based Vouchers (PBV) from Maine Housing, which have a 110% of Fair Market Rent payment standard, substantially above LIHTC capped rents at all unit sizes. This is the second year Maine Housing has offered this option.

	<50% AMI (w PBV)	<50% AMI (no PBV)	<60% AMI	<100% AMI	Total by unit type
efficiency	1	1	2	0	4
1 bedroom	4	8	8	4	24
2 bedroom	3	6	5	8	22
3 bedroom	2	4	4	0	10
Total by income level:	10	19	19	12	60

No market study has been submitted by the developer. While the demand for units affordable at 60% AMI and below is well established, the "market rate" rent in relationship to 100% of AMI needs further documentation. A satisfactory current market study, including evaluation of the market rate rents, is a recommended condition of the loan.

Residential vacancy is budgeted at the industry standard of 5%, which is comfortably above Portland's recent historic vacancy rates.

The building will also include a single 12,608 sq. feet commercial space for YFO's child care operations. The anticipated ownership structure of the building is two condo units, one for the housing and one for the child care, with almost all operating costs allocated to the individual condo units including utilities, maintenance, taxes, and most insurance. YFO's ability to successfully operate the commercial condo is critically important to the stability of the project as a whole. YFO will be approximately doubling the child care slots available, as well as space available for services to small groups of children and families, and will be responsible for programming the community room shared with the residents. YFO has a business expansion plan finalized in 2023 which demonstrates effective demand for their expansion and provides budget projections which show the expanded program operating with a small positive margin (prior to depreciation). These projections take into account the growth in occupancy related expenses (including janitorial & maintenance) which will accompany expansion, but have not been updated for operating conditions (including inflation) in 2024. Satisfactory review of an updated business plan is a recommended condition of closing.

Operating Expense

The Developers Collaborative pro forma (for the residential condo only) reflects a per unit operating cost of $8,785, which appears high. However, of that, $2,099 per unit is real estate taxes, leaving $6,686 for other operating expenses which is reasonable in this cost environment. Grounds expense is an outlier, very high at $34,200/year for a building without landscaping or parking lot. Developer's Collaborative points to the need to maintain the playground, which will be available to children in residence in the building outside the hours of the child care center. Functionally, this means 2 of 7 days (29%), and opens the question of how operating expenses will be fairly divided between housing and child care. Prior to loan closing, satisfactory review of the process for dividing costs between the two condos is a recommended condition of this recommendation.

Supportive services are budgeted at a minimal $390/unit, which is designed to meet the Maine Housing minimum level of services. Deeper services needed for the PBV units serving households with special housing needs will be provided by Catholic Charities and Through These Doors. Commitment letters covering the terms and conditions, including the commitment of the organizations to cover the cost of provided services, are being negotiated for submission with the Maine Housing application in September. Satisfactory review of the commitments to provide services is a recommended condition of this recommendation.

30 Year Cashflow & Debt Service Coverage Ratio (DSCR)

Even with the previously approved 75% TIF, DSCR is extraordinarily thin at 1.05 in year 1. With industry standard 2/3% inflators, DSCR doesn't hit Maine Housing's standard underwriting ratio of 1.15 till year 8. While the PBVs offer some additional assurance of steady operating income, 1.05 provides only the slenderest margin. Maine Housing has expressed a willingness to consider a minimum requirement of $500 per unit in annual cashflow (and year 1 shows $515/unit), in the early years, however, this thin margin increases the risk for every stakeholder in the project.

Developer Financials

YFO is a non-profit with a long history of service to Portland families, founded in 1844. Relative to the norms of the child care industry, YFO has exceptional financial strength, with Net Assets of over $2 million in 2023, including an endowment of over $1.5 million. However, housing development has put new financial pressures on YFO and long-term ownership of affordable housing will continue to place new financial constraints and asset management responsibilities on YFO. The Board of Directors has a strong mix of professions including lawyer, CPA, engineer, non-profit management, public finance, local business leaders, and advocates for children. What it does not yet include is affordable housing development or affordable housing management experience. YFO's Executive Director, Camelia Babson-Haley, acknowledges the expansion of YFO's core programming into affordable housing and her continued focus on early childhood education and family support as her core skill set. She is actively seeking new members with affordable housing expertise to add to the Board to meet the need for leadership and oversight in the expanded core mission area of affordable housing and asset management.

YFO has submitted audits covering FY 2020 – FY 2023 (and has previously submitted audits covering FY 2016 -- 2019.) Their fiscal year ends 9/30. Over the tumultuous period from 2018-2023, YFO has more than doubled its total assets to $2,559,547, increased net assets by 87%, and dramatically improved its Quick Ratio to a very impressive 7.85, all this while navigating a pandemic which literally closed the doors for months. Immediately prior to the pandemic, YFO acquired the adjacent property with a $500,000 loan from Genesis Fund and pursued a comprehensive redevelopment, at a time when real estate development costs were experiencing unprecedented price inflation.

YFO engaged in a capital campaign which raised $2.1 million (in cash and pledges) by end of 2022. These funds have covered some acquisition related expenses and established an endowed scholarship fund for low income families who need transitional funding before other child care supports kick in. This will add important stability to YFO's income stream while continuing to provide services to low income families. YFO is planning to initiate a next phase in their capital campaign and is in the process of selecting a campaign consultant. Evidence that YFO has funds in hand for their share of building construction and other development expenses, including acquisition and site prep, is a recommended condition of loan closing.

YFO Management's financials for the seven months ending 4/30/24 (as is typical) utilize somewhat different categories for reporting than the audit, so don't provide a direct comparison with prior audits. On the Balance Sheet, the 4/30/24 Quick Ratio was an alarming .5, but this includes the full amount of the Genesis Fund loan as a current liability. The Genesis Fund loan was subsequently extended to 2026. Adjusting out the Genesis Fund loan, the Quick Ratio was a moderate 3.30. The Balance Sheet shows a substantial jump in net assets to $2,804,218 due to $800,000 Accounts Receivable. This reflects successful fundraising, committed but not yet received -- commitments of $515,000 from Senate Earmark and $250,000 from State of Maine childcare infrastructure grants.

Impact of pandemic: The pandemic was much more disruptive to the child care industry than to subsidized affordable housing. In 2020, YFO was closed for months and after reopening, its operations were severely limited by the precautions necessary to prevent the spread of COVID-19. Class sizes were cut in half and before and after care eliminated, severely reducing program fee income. This was a systemic problem, not in any way a reflection of YFO's management. In fact, YFO's pandemic response reflected best practices for the industry and the level of care reflected in their revised protocols demonstrate the high quality of their services and management. Program Service Fees fell significantly and have only exceeded 2019 levels in 2023. Increases in government grants including PPP loans and ARPA grants helped offset the decline in fee income. Pandemic related supports are no longer available, but YFO continues to receive support from the State of Maine childcare worker wage supplement program, which helps YFO to better attract and retain childcare workers. As described above, despite the extraordinary constraints of the pandemic, YFO was able to exit the pandemic in stronger financial health than before.

YFO has experienced remarkable success in its long lifetime. Doubling program size and adding affordable housing makes this an exciting yet potentially fragile time in the life history of an organization. To continue to thrive in this new context, YFO needs to prioritize developing their Board's capacity for effective oversight of their new affordable housing program.

Recommendations

I recommend a loan in the amount $1,080,000, at zero interest, to be repaid with 10% of cashflow above MaineHousing's required $500/unit (as confirmed by MaineHousing underwriting), in the first 5 years of operations, followed by 30% of cashflow until fully retired, with a 30-year term, with loan closing conditioned upon satisfactory review of the following:

- A current market study supporting the projected rent structure, including an analysis of market rent and vacancy for the retail space;
- Current management financial statements and the most recent YFO audit available at the time of closing;
- Financing commitments for debt and equity prior to closing on terms and conditions acceptable to the City of Portland, including evidence that YFO has funds in hand for the YFO share of building construction and other development expenses, including acquisition and site prep, whether included in development budget or carried separately.
- If MaineHousing approves 4% LIHTC, satisfactory review of the revised budgets with the potential to reduce loan sizing to reflect a division of subsidy between City and State which is consistent with the City approved 9% budgets. (City of Portland's loan is 26.47% of the combined City and State $4,080,000 of soft debt.)
- Executed commitments to provide services to PBV units.
- An updated business plan for YFOs child care operation in the new facility.
- A written description of YFO's process for budget oversight, including the formulas for sharing costs between the commercial and residential condos;
- Condominium documents;
- All standard construction 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	8/13/2024
Project Name	
Project Address	331-337 Cumberland
Developer/Sponsor	YFO (w/Developers Collaborative as development consultant)
Total Units	60
Residential Sq Feet	59,829
Total Square Feet	72,437

		August 13 Revised Values			Change	
		Total	**Per Unit**	**Per Sq Ft**	Reservation to Commitment	
Sources of Funds						
Permanent Financing - MH 1st Lien 6% I only		$10,608,153	$176,803	$177	$ 281,806	3%
Permanent Financing - City of Portland		$1,080,000	$18,000	$18	$ 7,950	1%
Equity (LIHTC/tenant contributions)		$10,199,080	$169,985	$170	$ 99	0%
AHP Capital Advance		$850,000	$14,167	$14	$ -	0%
OTHER		$0	$0	$0	$ (780,000)	-100%
Maine Housinsg Subsidy		$3,000,000	$50,000	$50	$ 660,000	28%
IRA Solar Credits		$104,500	$1,742	$2	$ -	0%
Total Sources of Funds		**$25,841,733**	**$430,696**	**$432**	$ 169,855	1%
(GAP)/Surplus		$0			$ (424,900)	-100%
Uses of Funds						
Hard Costs						
Site Improvements		$1,660,000	$27,667	$28	$ 485,000	41%
Rehabilitation			$0	$0		
New Construction		$16,637,665	$277,294	$278	$ 32,849	0%
Contractor's Profit, Overhead, & Gen. Requirements	10.0%	$1,729,563	$28,826	$29	$ (40,641)	-2%
Hazardous Materials abatement (if contracted separately)			$0	$0		
Demolition Cost (if contracted separately)			$0	$0		
Bond Premium		$353,553	$5,893	$6	$ 4,387	1%
Other -- Solar $275k, Utility Relocation $150k		$425,000	$7,083	$7	$ 425,000	#DIV/0!
Hard Cost Contingency (% of hard costs)	4.9%	$1,019,039	$16,984	$17	$ 24,080	2%
Total Hard Costs		**$21,824,820**	**$363,747**	**$365**	$ 930,675	4%
Soft Costs						
Building Permit & Fees		$303,162	$5,053	$5	$ 5,210	2%
Survey & Engineering		$80,000	$1,333	$1	$ -	0%
Design & Permitting (% of const exp)	2.3%	$364,000	$6,067	$6	$ -	0%
Borrower Legal (all closings, excluding syndication legal)		$45,000	$750	$1	$ -	0%
Title & Recording		$20,000	$333	$0	$ -	0%
Accounting		$10,000	$167	$0	$ -	0%
Construction Period Taxes		$10,000	$167	$0	$ -	0%
Construction Period Insurance		$55,000	$917	$1	$ -	0%
Other: FF&E, Security		$14,736	$246	$0	$ (5,264)	-26%
Other			$0	$0		
Total Soft Costs		**$901,898**	**$15,032**	**$15**	$ (54)	0%
Financing Costs						
Construction Loan Origination Fees		$42,000	$700	$1	$ -	0%
Construction Period Interest		$902,334	$15,039	$15	$ -	0%
Lender Inspection Fees		$35,000	$583	$1	$ -	0%
Letter of Credit Fee			$0	$0		
Permanent Loan Fee		$215,163	$3,586	$4	$ 5,636	3%
Construction Lender Legal			$0	$0		
Other		$0	$0	$0	$ -	#DIV/0!
Total Financing Costs		**$1,194,497**	**$19,908**	**$20**	$ 5,636	0%
Miscellaneous						
Market Survey		$5,500	$92	$0	$ -	0%
Appraisal		$7,500	$125	$0	$ -	0%
Environmental Study		$35,000	$583	$1	$ -	0%
LIHTC Fees -- prepaid monitoring		$142,500	$2,375	$2	$ -	0%
Other: Commissioning			$0	$0		

Relocation Costs			$0	$0		
Other			$0	$0		
Soft Cost Contingency (% of soft costs excl Dev Fee)	2.62%	$60,000	$1,000	$1	$ -	0%
Total Miscellaneous:		**$250,500**	**$4,175**	**$24**	$ -	0%
Acquisition						
Acquisition: Buildings		$0	$0	$0	$ -	#DIV/0!
Acquisition: Land		$0	$0	$0	$ (350,000)	-100%
Acquisition: Legal			$0	$0		
Other			$0	$0		
Total Acquisition		**$0**	**$0**	**$0**	$ (350,000)	-100%
Reserves and Developer Fee						
Operating Deficit Escrow		$568,583	$9,476	$10	$ 918	0%
Prefunded Replacement Reserve		$187,208	$3,120	$3	$ (34)	0%
Taxes & Insurance Escrow		$90,972	$1,516	$2	$ 7,614	9%
Developer Overhead		$500,000	$8,333	$8	$ -	0%
Developer Profit		$250,000	$4,167	$4	$ -	0%
Rent Up Reserve & Marketing		$48,000	$800	$1	$ -	0%
Other		$25,255	$421	$0	$ -	0%
Total Reserves and Developer Fee		**$1,670,018**	**$27,834**	**$28**	$ 8,498	1%
Total Uses of Funds		**$25,841,733**	**$430,696**	**$452**	$ 594,755	2%

Developer Fee Analysis: Total Fees: $750,000
(excluding reserves & developer fee) ercent of TDC: 3.10%

Project Operating Pro Forma

Date	August 12, 2024
Project Name	
Project Address	331-337 Cumberland
Developer/Sponsor	YFO (Developer's Collaborative as dev consultant)

Rental Income

Unit Type	Number of Units	Per Unit Sq Ft	Total Sq Ft	Restriction on % Median Inc.	Maximum LIHTC Rents Per Unit Monthly Gross Rent	Utility Deductions	Rent Subsidy	Per Unit Monthly Net Rent	Total Monthly Net Income	Total Annual Net Rent
0 BR	1		0	50%	$1,116	$108		$1,008	$1,008	$12,096
0 BR	1	PBV	0	50%	$1,450	$108		$1,342	$1,342	$16,104
0 BR	2		0	60%	$1,339	$108		$1,231	$2,462	$29,544
1 BR	8		0	50%	$1,195	$137		$1,058	$8,464	$101,568
1 BR	4	PBV	0	50%	$1,663	$137		$1,526	$6,104	$73,248
1 BR	8		0	60%	$1,434	$137		$1,297	$10,376	$124,512
1 BR	4		0	market	$2,231	$0		$2,231	$8,924	$107,088
2 BR	6		0	50%	$1,435	$175		$1,260	$7,560	$90,720
2 BR	3	PBV	0	50%	$2,140	$175		$1,965	$5,895	$70,740
2 BR	5		0	60%	$1,722	$175		$1,547	$7,735	$92,820
2 BR	8		0	market	$2,550	$0		$2,550	$20,400	$244,800
3 BR	4		0	50%	$1,485	$212		$1,273	$5,092	$61,104
3 BR	2	PBV	0	50%	$2,659	$212		$2,447	$4,894	$58,728
3 BR	4		0	60%	$1,772	$212		$1,560	$6,240	$74,880
Other			0	50%				$0	$0	$0
Other			0	60%				$0	$0	$0
Total:	**60**	**59829**	**0**						**$96,496**	**$1,157,952**
				T Bedrooms:	90	$73,644				
					average/unit	$1,227				

Operating Expenses

Rent Increase Rate	2.0%
Expenses Increase Rate	3.0%

TIF **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
Income												
Sch. Gross Income - Residential		$1,157,952	$19,299	$1,181,111	$1,204,733	$1,228,828	$1,253,404	$1,278,473	$1,304,042	$1,330,123	$1,356,725	$1,383,860
Vacancy Loss	5.0%	($57,898)	($965)	($59,056)	($60,237)	($61,441)	($62,670)	($63,924)	($65,202)	($66,506)	($67,836)	($69,193)
Other income HAP Diff.			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF (inflated at 2%)	75%	$94,457	$1,574	$96,346	$98,273	$100,239	$102,244	$104,288	$106,374	$108,502	$110,672	$112,885
Effective Gross Income		**$1,194,512**	**$19,909**	**$1,218,402**	**$1,242,770**	**$1,267,625**	**$1,292,978**	**$1,318,837**	**$1,345,214**	**$1,372,118**	**$1,399,561**	**$1,427,552**
Administrative												
Management Fee	5.7%	$66,007	$1,100	$67,987	$70,027	$72,128	$74,291	$76,520	$78,816	$81,180	$83,616	$86,124
Management Charges	5.6%	$65,000	$1,083	$66,950	$68,959	$71,027	$73,158	$75,353	$77,613	$79,942	$82,340	$84,810
Marketing Expense		$1,500	$25	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957
Legal		$1,000	$17	$1,030	$1,061	$1,093	$1,126	$1,159	$1,194	$1,230	$1,267	$1,305
Audit & Accounting		$10,000	$167	$10,300	$10,609	$10,927	$11,255	$11,593	$11,941	$12,299	$12,668	$13,048
Admin Other		$960	$16	$989	$1,018	$1,049	$1,080	$1,113	$1,146	$1,181	$1,216	$1,253
Total Administrative		$144,467	$2,408	$148,801	$153,265	$157,863	$162,599	$167,477	$172,501	$177,676	$183,006	$188,497
Supportive Services		$23,400	$390	$24,102	$24,825	$25,570	$26,337	$27,127	$27,941	$28,779	$29,642	$30,532
Utilities												
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		$41,094	$685	$42,327	$43,597	$44,905	$46,252	$47,639	$49,068	$50,540	$52,057	$53,618
Water / Sewer		$21,600	$360	$22,248	$22,915	$23,603	$24,311	$25,040	$25,792	$26,565	$27,362	$28,183
Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$62,694	$1,045	$64,575	$66,512	$68,507	$70,563	$72,680	$74,860	$77,106	$79,419	$81,801
Total incl Utiltiy Allowance		$136,338	$2,272	$ 2.28								

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	$34,200	$570	$35,226	$36,283	$37,371	$38,492	$39,647	$40,837	$42,062	$43,324	$44,623
Janitorial	$12,000	$200	$12,360	$12,731	$13,113	$13,506	$13,911	$14,329	$14,758	$15,201	$15,657
Trash Removal	$10,400	$173	$10,712	$11,033	$11,364	$11,705	$12,056	$12,418	$12,791	$13,174	$13,570
Security		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equipment & Supplies	$14,400	$240	$14,832	$15,277	$15,735	$16,207	$16,694	$17,194	$17,710	$18,241	$18,789
Maintenance	$45,600	$760	$46,968	$48,377	$49,828	$51,323	$52,863	$54,449	$56,082	$57,765	$59,498
Maintenance Contracts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance	$116,600	$1,943	$120,098	$123,701	$127,412	$131,234	$135,171	$139,226	$143,403	$147,705	$152,137
Taxes & Insurance											
Real Estate Taxes 2%	$125,943	$2,099	$128,462	$131,031	$133,652	$136,325	$139,051	$141,832	$144,669	$147,562	$150,514
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)	$24,000	$400	$24,720	$25,462	$26,225	$27,012	$27,823	$28,657	$29,517	$30,402	$31,315
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance	$149,943	$2,499	$153,182	$156,493	$159,877	$163,337	$166,874	$170,490	$174,186	$177,965	$181,828
Replacement Reserves	$30,000	$500	$30,900	$31,827	$32,782	$33,765	$34,778	$35,822	$36,896	$38,003	$39,143
Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$527,104**	**$8,785**	**$541,658**	**$556,623**	**$572,011**	**$587,835**	**$604,107**	**$620,839**	**$638,046**	**$655,741**	**$673,938**
Net Operating Income	**$667,408**	**$11,123**	**$676,744**	**$686,147**	**$695,614**	**$705,143**	**$714,731**	**$724,375**	**$734,072**	**$743,820**	**$753,614**
Debt Service											
Maine Housing Interest Bearing	$636,489	$10,608	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)	$636,489	$10,608	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)	$30,919	$515	$40,255	$49,658	$59,125	$68,654	$78,242	$87,886	$97,583	$107,331	$117,125
Debt Service Coverage Ratio	**1.05**		**1.06**	**1.08**	**1.09**	**1.11**	**1.12**	**1.14**	**1.15**	**1.17**	**1.18**
Cash Flow Debt Payments											
City of Portland 10% 30.0%	$3,092	$155	$4,026	$4,966	$5,913	$6,865	$23,472	$26,366	$29,275	$32,199	$35,138
Developer Fee Loan 0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project	**$27,827**	**$361**	**$36,230**	**$44,692**	**$53,213**	**$61,788**	**$54,769**	**$61,520**	**$68,308**	**$75,132**	**$81,988**
Retained Cash Flow % 5%											

		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income											
Sch. Gross Income - Residential		$1,411,537	$1,439,768	$1,468,563	$1,497,934	$1,527,893	$1,558,451	$1,589,620	$1,621,412	$1,653,841	$1,686,917
Vacancy Loss	5.0%	($70,577)	($71,988)	($73,428)	($74,897)	($76,395)	($77,923)	($79,481)	($81,071)	($82,692)	($84,346)
Other income (laundry)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF	75%	$115,143	$117,446	$119,795	$122,191	$124,634	$127,127	$129,670	$132,263	$134,908	$137,606
Effective Gross Income		**$1,456,103**	**$1,485,225**	**$1,514,930**	**$1,545,228**	**$1,576,133**	**$1,607,655**	**$1,639,809**	**$1,672,605**	**$1,706,057**	**$1,740,178**
Administrative											
Management Fee		$88,708	$91,369	$94,110	$96,934	$99,842	$102,837	$105,922	$109,100	$112,372	$115,744
Management Charges		$87,355	$89,975	$92,674	$95,455	$98,318	$101,268	$104,306	$107,435	$110,658	$113,978
Marketing Expense		$2,016	$2,076	$2,139	$2,203	$2,269	$2,337	$2,407	$2,479	$2,554	$2,630
Legal		$1,344	$1,384	$1,426	$1,469	$1,513	$1,558	$1,605	$1,653	$1,702	$1,754
Audit & Accounting		$13,439	$13,842	$14,258	$14,685	$15,126	$15,580	$16,047	$16,528	$17,024	$17,535
Admin Other		$1,290	$1,329	$1,369	$1,410	$1,452	$1,496	$1,541	$1,587	$1,634	$1,683
Total Administrative		$194,152	$199,976	$205,975	$212,155	$218,519	$225,075	$231,827	$238,782	$245,945	$253,324
Supportive Services		$31,448	$32,391	$33,363	$34,364	$35,395	$36,456	$37,550	$38,677	$39,837	$41,032
Utilities											
Fuel Oil		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electric		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gas		$55,227	$56,884	$58,590	$60,348	$62,158	$64,023	$65,944	$67,922	$69,960	$72,059
Water / Sewer		$29,029	$29,899	$30,796	$31,720	$32,672	$33,652	$34,662	$35,702	$36,773	$37,876
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$84,255	$86,783	$89,387	$92,068	$94,830	$97,675	$100,605	$103,624	$106,732	$109,934

Maintenance		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Janitorial		$45,962	$47,341	$48,761	$50,224	$51,731	$53,282	$54,881	$56,527	$58,223	$59,970
Exterminating		$16,127	$16,611	$17,109	$17,622	$18,151	$18,696	$19,256	$19,834	$20,429	$21,042
Trash Removal		$13,977	$14,396	$14,828	$15,273	$15,731	$16,203	$16,689	$17,190	$17,705	$18,236
Security		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grounds		$19,352	$19,933	$20,531	$21,147	$21,781	$22,435	$23,108	$23,801	$24,515	$25,250
Maintenance		$61,283	$63,121	$65,015	$66,965	$68,974	$71,043	$73,175	$75,370	$77,631	$79,960
Elevator, HVAC, pool contracts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance		$156,701	$161,402	$166,244	$171,231	$176,368	$181,659	$187,109	$192,722	$198,504	$204,459
Taxes & Insurance											
Real Estate Taxes or PILOT		$153,524	$156,594	$159,726	$162,921	$166,179	$169,503	$172,893	$176,351	$179,878	$183,475
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)		$32,254	$33,222	$34,218	$35,245	$36,302	$37,391	$38,513	$39,668	$40,858	$42,084
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance		$185,778	$189,816	$193,944	$198,166	$202,481	$206,894	$211,406	$216,019	$220,736	$225,559
Replacement Reserves		$40,317	$41,527	$42,773	$44,056	$45,378	$46,739	$48,141	$49,585	$51,073	$52,605
Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses		**$692,651**	**$711,895**	**$731,686**	**$752,039**	**$772,971**	**$794,498**	**$816,638**	**$839,409**	**$862,827**	**$886,913**
Net Operating Income		**$763,452**	**$773,330**	**$783,244**	**$793,189**	**$803,162**	**$813,157**	**$823,170**	**$833,196**	**$843,229**	**$853,265**
Debt Service											
Maine Housing Interest Bearing		$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)		$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)		$126,963	$136,841	$146,755	$156,700	$166,673	$176,668	$186,681	$196,707	$206,740	$216,776
Debt Service Coverage Ratio		**1.20**	**1.21**	**1.23**	**1.25**	**1.26**	**1.28**	**1.29**	**1.31**	**1.32**	**1.34**
Cash Flow Debt Payments											**Cash Flow D**
City of Portland	30.0%	$38,089	$41,052	$44,026	$47,010	$50,002	$53,000	$56,004	$59,012	$62,022	$65,033
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$88,874**	**$95,789**	**$102,728**	**$109,690**	**$116,671**	**$123,668**	**$130,677**	**$137,695**	**$144,718**	**$151,743**
Retained Cash Flow %	5%		$0			$0					Retained Cas

		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Income											
Sch. Gross Income - Residential		$1,720,656	$1,755,069	$1,790,170	$1,825,974	$1,862,493	$1,899,743	$1,937,738	$1,976,493	$2,016,022	$2,056,343
Vacancy Loss	0.0%	($86,033)	($87,753)	($89,509)	($91,299)	($93,125)	($94,987)	($96,887)	($98,825)	($100,801)	($102,817)
Other income (laundry)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TIF	75%	$140,359	$143,166	$146,029	$148,950	$0	$0	$0	$0	$0	$0
Effective Gross Income		**$1,774,981**	**$1,810,481**	**$1,846,691**	**$1,883,625**	**$1,769,368**	**$1,804,756**	**$1,840,851**	**$1,877,668**	**$1,915,221**	**$1,953,526**
Administrative											
Management Fee		$119,216	$122,792	$126,476	$130,271	$134,179	$138,204	$142,350	$146,621	$151,019	$155,550
Management Charges		$117,397	$120,919	$124,547	$128,283	$132,132	$136,096	$140,178	$144,384	$148,715	$153,177
Marketing Expense		$2,709	$2,790	$2,874	$2,960	$3,049	$3,141	$3,235	$3,332	$3,432	$3,535
Legal		$1,806	$1,860	$1,916	$1,974	$2,033	$2,094	$2,157	$2,221	$2,288	$2,357
Audit & Accounting		$18,061	$18,603	$19,161	$19,736	$20,328	$20,938	$21,566	$22,213	$22,879	$23,566
Admin Other		$1,734	$1,786	$1,839	$1,895	$1,951	$2,010	$2,070	$2,132	$2,196	$2,262
Total Administrative		$260,923	$268,751	$276,814	$285,118	$293,672	$302,482	$311,556	$320,903	$330,530	$340,446
Supportive Services		$42,263	$43,531	$44,837	$46,182	$47,567	$48,994	$50,464	$51,978	$53,538	$55,144
Utilities											
Fuel Oil		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Electric		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gas		$74,220	$76,447	$78,740	$81,103	$83,536	$86,042	$88,623	$91,282	$94,020	$96,841
Water / Sewer		$39,012	$40,182	$41,388	$42,629	$43,908	$45,226	$46,582	$47,980	$49,419	$50,902
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Utilities		$113,232	$116,629	$120,128	$123,732	$127,444	$131,267	$135,205	$139,261	$143,439	$147,743

Maintenance	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Janitorial	$61,769	$63,622	$65,531	$67,497	$69,522	$71,607	$73,755	$75,968	$78,247	$80,595
Exterminating	$21,673	$22,324	$22,993	$23,683	$24,394	$25,125	$25,879	$26,655	$27,455	$28,279
Trash Removal	$18,784	$19,347	$19,927	$20,525	$21,141	$21,775	$22,429	$23,101	$23,794	$24,508
Security	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Grounds	$26,008	$26,788	$27,592	$28,420	$29,272	$30,150	$31,055	$31,987	$32,946	$33,935
Maintenance	$82,359	$84,829	$87,374	$89,996	$92,695	$95,476	$98,341	$101,291	$104,330	$107,459
Elevator, HVAC, pool contracts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Maintenance	$210,593	$216,910	$223,418	$230,120	$237,024	$244,135	$251,459	$259,002	$266,772	$274,776
Taxes & Insurance										
Real Estate Taxes or PILOT	$187,145	$190,888	$194,705	$198,599	$202,571	$206,623	$210,755	$214,970	$219,270	$223,655
Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property, liability)	$43,347	$44,647	$45,986	$47,366	$48,787	$50,251	$51,758	$53,311	$54,910	$56,558
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Taxes & Insurance	$230,491	$235,535	$240,692	$245,966	$251,358	$256,874	$262,513	$268,281	$274,180	$280,213
Replacement Reserves	$54,183	$55,809	$57,483	$59,208	$60,984	$62,813	$64,698	$66,639	$68,638	$70,697
Operating Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$911,686**	**$937,165**	**$963,371**	**$990,325**	**$1,018,049**	**$1,046,565**	**$1,075,896**	**$1,106,065**	**$1,137,097**	**$1,169,017**
Net Operating Income	**$863,295**	**$873,316**	**$883,319**	**$893,299**	**$751,319**	**$758,191**	**$764,955**	**$771,603**	**$778,124**	**$784,508**
Debt Service										
Maine Housing Interest Bearing	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Second Lien	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service (Must Pay)	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489	$636,489
Cash Flow (after Must Pay Debt)	$226,806	$236,827	$246,830	$256,810	$114,830	$121,702	$128,466	$135,114	$141,635	$148,019
Debt Service Coverage Ratio	**1.36**	**1.37**	**1.39**	**1.40**	**1.18**	**1.19**	**1.20**	**1.21**	**1.22**	**1.23**

ebt Payments		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
					$976,899	$236,930					
City of Portland	0.0%	$68,042	$71,048	$74,049	$77,043	$34,449	$36,511	$38,540	$40,534	$42,491	$44,406
Developer Fee Loan	0.0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow Retained by Project		**$158,764**	**$165,779**	**$172,781**	**$179,767**	**$80,381**	**$85,191**	**$89,926**	**$94,580**	**$99,145**	**$103,614**
h Flow %	0%										

B. Project Information

Completed by reading.lauraj@gmail.com on 5/14/2024 10:17 AM

Case Id: 30510
Name: Youth and Family Outreach - 2024
Address: 331-337 Cumberland Avenue, Portland, ME

B. Project Information

Please provide the following information.

B.1. Property Address
331-337 Cumberland Avenue Portland, ME 04101

B.2. Project Name
YFO Resource Hub

B.3. Tax chart, block, and lot number
33-K-5,6,7,9,10

B.4. Zoning Designation
B-3

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

B.6. Requested amount of Affordable Housing Development Funding
$1,080,000.00

B.7. Is the requested funding type AHTIF?
No

B.8. Total number of housing units to be constructed:
60

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:
60

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:
12

B.15. Total number of Units at 80% AMI:
0

B.16. Total number of Units at 60% AMI:
19

B.17. Total number of Units at 50% AMI:
29

B.18. Total number of Units at 40% AMI:
0

B.19. Housing Type
Rental

B.20. Total number of studio/efficiency units:
4

B.21. Total number of one-bedroom units:
24

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

B.23. Total number of three-bedroom units
10

B.24. Total number of four-bedroom units
0

B.25. Total number of five-bedroom units
0

B.26. Property Manager
Realty Resources Management

B.27. When is construction expected to begin?
07/15/2025

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).**

The Youth and Family Outreach ("YFO") development, located at 331-337 Cumberland Avenue, will provide new construction of sixty units of affordable mixed-income rental housing in addition to an expansion of YFO's existing childcare facility to serve fifty additional children. Of the sixty proposed units, 80% (48 units) will be restricted to households earning (60% AMI or less) and 20% (12 units) will be restricted to households earning 100% AMI or less. Of those 48 units, 60% (30 units) will be restricted to households earning 50% AMI or less, and there will be a mix of 4 studio units, 20 one-bedroom units, 14 two-bedroom units, and 10 three-bedroom units. Of the 12 units restricted to households earning 100% AMI or less, there will be a mix of 4 one-bedroom units and 8 two-bedroom units. The building will also include a laundry room, community room, fitness area, lobby, trash room, and bike/stroller storage. The primary building entrance for the childcare facility will be located on Cumberland Avenue while the primary building entrance for the apartment units will be located on Portland Street. The site will include outside play spaces for the childcare facility that may be used by residents outside of the daycare's regular operating hours. Realty Resources Management will be the property management company, who will provide an on-site Resident Services Coordinator free of charge to residents. The project will require the temporary relocation of the existing childcare space during construction and Developers Collaborative will assist YFO in finding a temporary space when the construction start date becomes closer.

YFO is located in the B3 Downtown Business zone, a mixed-use zone that permits multifamily dwellings and preschool facilities and has a stated purpose "to encourage increased housing opportunity downtown for a diverse residential population." YFO is centrally located near METRO Bus stops and a variety of services including public schools, public library, post office, Portland Food Co-op, and several banks. Immediately adjacent uses include the Portland Public Market parking garage, Preble Street Teen Shelter, Earl Apartments, and Preble Street Resource Center.

Portland's economy depends upon the availability of a diverse and affordable array of rental housing options. However, Portland has the highest housing costs in the state of Maine, and rising rental housing costs have become increasingly out-of-reach for many lower- and moderate-income citizens. According to MaineHousing, the median 2BR rent in Portland in 2020 was unaffordable to 71.1% of households, or approximately 13,000 households. The YFO development will provide affordable rental rates and restrict units to low-and moderate-income residents.

The YFO development also aligns with Portland's Comprehensive Plan, which was adopted by City Council on June 5, 2017, and which identified a desire to "increase, preserve, and modify the overall supply of housing City-wide to meet the needs, preferences and financial capabilities of all Portland households."

The YFO development is requesting $1,080,000 in Affordable Housing Development Funding. The City's participation is financially necessary to close a gap between the sources and uses. The feasibility of the project also depends upon receiving a 9% Low-Income Housing Tax Credit ("LIHTC") or a 4% LIHTC with the State Affordable Housing Tax Credit to be financially feasible. Without this funding from the City, a LIHTC Application would not be financially feasible.

Figure 1: The proposed building as seen from Cumberland Avenue

Fig 5 – Rendering from Cumberland Ave/Preble Street

Fig 6 – Rendering from Portland Street/Preble Street

1 1ST FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FIRST FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.01

1 2ND FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Childcare Center Architect
studio MLA ARCHITECTS
320 Washington St.
Brookline, MA 02445
617 608-1551

Revisions:

Key Plan:

SECOND FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.02

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

1 3RD, 4TH, 5TH, 6TH FLOOR PLAN
1/8" = 1'-0"

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

THIRD FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.03

1 4TH FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FOURTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.04

1 5TH FLOOR
1/8" = 1'-0"

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:
337 CUMBERLAND AVENUE
Portland, Maine

Owner/Client:
Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

FIFTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.05

AREAS

FIRST FLOOR	10,986 GSF
SECOND FLOOR	12,519 GSF
THIRD FLOOR	12,228 GSF
FOURTH FLOOR	12,555 GSF
FIFTHT FLOOR	12,555 GSF
SIXTH FLOOR	12,025 GSF +
TOTAL	72,868 GSF

UNIT COUNT

	STUDIO	1-BR	2-BR	3-BR	TOTAL
MARKET RATE:		4	8		12
MAINE HOUSING:	4	20	14	10	48
FIRST FLOOR		1	2	1	4
THIRD FLOOR	1	6	4	3	14
FOURTH FLOOR	1	6	4	3	14
FIFTH FLOOR	1	6	7	1	14
SIXTH FLOOR	1	6	6	1	14
TOTAL	4	24	22	10	60

1 | 6TH FLOOR

1/8" = 1'-0"

architecture invivid
631 Stevens Ave Ste #200
Portland, ME 04103
207 - 939 - 7602

Project:

337 CUMBERLAND AVENUE

Portland, Maine

Owner/Client:

Youth and Family Outreach

Consultant:

Revisions:

Key Plan:

SIXTH FLOOR PLAN

Scale:
As indicated

9 AUGUST, 2024

A1.06

City of Portland - Affordable Housing (AH) TIF Model
337 Cumberland Avenue, 33-K-5-6-7-9-10-13
OAV: $519,900 ao 3/31/2020
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 337 Cumberland Avenue AH TIF

TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	City OAV General Fund Revenues	
1	2020	$0	75.00%	$0	23.31	$0	$0	$0	$0	$12,119	
2	2021	$0	75.00%	$0	12.99	$0	$0	$0	$0	$6,754	
3	2022	$0	75.00%	$0	13.61	$0	$0	$0	$0	$7,076	
4	2023	$0	75.00%	$0	14.41	$0	$0	$0	$0	$7,492	Mil Rate Actual Above Line
5	2024	$0	75.00%	$0	14.70	$0	$0	$0	$0	$7,642	Mil Rate Est. FY2025 & On
6	2025	$0	75.00%	$0	14.99	$0	$0	$0	$0	$7,794	
7	2026	$8,220,100	75.00%	$6,165,075	15.29	$94,276	$94,276	$0	$31,425	$7,950	
8	2027	$8,220,100	75.00%	$6,165,075	15.60	$96,162	$96,162	$0	$32,054	$8,109	
9	2028	$8,220,100	75.00%	$6,165,075	15.91	$98,085	$98,085	$0	$32,695	$8,272	
10	2029	$8,220,100	75.00%	$6,165,075	16.23	$100,047	$100,047	$0	$33,349	$8,437	
11	2030	$8,220,100	75.00%	$6,165,075	16.55	$102,048	$102,048	$0	$34,016	$8,606	
12	2031	$8,220,100	75.00%	$6,165,075	16.88	$104,089	$104,089	$0	$34,696	$8,778	
13	2032	$8,220,100	75.00%	$6,165,075	17.22	$106,171	$106,171	$0	$35,390	$8,953	
14	2033	$8,220,100	75.00%	$6,165,075	17.57	$108,294	$108,294	$0	$36,098	$9,132	
15	2034	$8,220,100	75.00%	$6,165,075	17.92	$110,460	$110,460	$0	$36,820	$9,315	
16	2035	$8,220,100	75.00%	$6,165,075	18.28	$112,669	$112,669	$0	$37,556	$9,501	
17	2036	$8,220,100	75.00%	$6,165,075	18.64	$114,922	$114,922	$0	$38,307	$9,691	
18	2037	$8,220,100	75.00%	$6,165,075	19.01	$117,221	$117,221	$0	$39,074	$9,885	
19	2038	$8,220,100	75.00%	$6,165,075	19.39	$119,565	$119,565	$0	$39,855	$10,083	
20	2039	$8,220,100	75.00%	$6,165,075	19.78	$121,957	$121,957	$0	$40,652	$10,285	
21	2040	$8,220,100	75.00%	$6,165,075	20.18	$124,396	$124,396	$0	$41,465	$10,490	
22	2041	$8,220,100	75.00%	$6,165,075	20.58	$126,884	$126,884	$0	$42,295	$10,700	
23	2042	$8,220,100	75.00%	$6,165,075	20.99	$129,421	$129,421	$0	$43,140	$10,914	
24	2043	$8,220,100	75.00%	$6,165,075	21.41	$132,010	$132,010	$0	$44,003	$11,132	
25	2044	$8,220,100	75.00%	$6,165,075	21.84	$134,650	$134,650	$0	$44,883	$11,355	
26	2045	$8,220,100	75.00%	$6,165,075	22.28	$137,343	$137,343	$0	$45,781	$11,582	
27	2046	$8,220,100	75.00%	$6,165,075	22.72	$140,090	$140,090	$0	$46,697	$11,814	
28	2047	$8,220,100	75.00%	$6,165,075	23.18	$142,892	$142,892	$0	$47,631	$12,050	
29	2048	$8,220,100	75.00%	$6,165,075	23.64	$145,749	$145,749	$0	$48,583	$12,291	
30	2049	$8,220,100	75.00%	$6,165,075	24.11	$148,664	$148,664	$0	$49,555	$12,537	
30 Year TIF Total		**$197,282,400**		**$147,961,800**		**$2,868,063**	**$2,868,063**	**$0**	**$956,021**	**$290,739**	
30 Year Average				**$4,932,060**		**$95,602**	**$95,602**		**$31,867**	**$9,691**	

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 337 Cumberland Avenue Affordable Housing TIF

337 Cumberland Ave TIF Model/75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	$0	$0	$0	$0	$0	$0
2	2021	$0	$0	$0	$0	$0	$0
3	2022	$0	$0	$0	$0	$0	$0
4	2023	$0	$0	$0	$0	$0	$0
5	2024	$0	$0	$0	$0	$0	$0
6	2025	$0	$0	$0	$0	$0	$0
7	2026	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
8	2027	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
9	2028	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
10	2029	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
11	2030	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
12	2031	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
13	2032	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
14	2033	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
15	2034	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
16	2035	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
17	2036	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
18	2037	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
19	2038	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
20	2039	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
21	2040	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
22	2041	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
23	2042	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
24	2043	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
25	2044	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
26	2045	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
27	2046	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
28	2047	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
29	2048	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
30	2049	$8,220,100	$6,165,075	$51,047	$4,620	$3,404	$59,071
30 Year TIF Total		**$197,282,400**	**$147,961,800**	**$1,225,124**	**$110,882**	**$81,689**	**$1,417,695**
30 Year TIF Avg.		**$6,576,080**	**$4,932,060**	**$40,837**	**$3,696**	**$2,723**	**$47,257**

Lori Paulette <ljn@portlandmaine.gov>

HEDC Public Comment - 331 - 337 Cumberland Avenue Funding Requests - Please do not subsidize an inferior housing environment

George Rheault <george.rheault@gmail.com> Mon, Aug 19, 2024 at 11:48 AM
To: edd@portlandmaine.gov, Mary Davis <mpd@portlandmaine.gov>, gwatson@portlandmaine.gov, Pious Ali <pali@portlandmaine.gov>, Roberto Rodríguez <rrodriguez@portlandmaine.gov>, Regina Phillips <rphillips@portlandmaine.gov>, Kate Sykes <ksykes@portlandmaine.gov>, Mark Dion <mdion@portlandmaine.gov>, Anna Trevorrow <atrevorrow@portlandmaine.gov>, Victoria Pelletier <vpelletier@portlandmaine.gov>, Anna Bullett <abullett@portlandmaine.gov>

See below for issues raised during the planning process surrounding how this apartment building is UNLIKELY to be a safe, enjoyable and welcoming environment for the residents (especially families with children) who will have to live in it.

In fact, there is a good chance that the less-than-ideal apartment conditions which residents will contend with will make for a very difficult to manage building with very high rates of turnover (families that can find a way to leave will do so as soon as possible) and potentially lead to a high proportion of problem tenants over time due to the building getting a reputation for not being very livable or attractive. A BAD BUILDING IS FAR MORE EXPENSIVE TO OPERATE AND MANAGE AND PUTS ENORMOUS FINANCIAL PRESSURE ON ITS OWNERS AND MANAGERS.

All the committee members have to do is look carefully at the floor-by-floor plans to imagine what it might be like to live here:
- NO ONSITE PARKING - not even an off-street loading zone or temporary parking driveway to enable families to safely unload groceries/shopping, strollers or children
- ALL of the units on the Preble Street elevation will get to stare at the massive concrete parking garage across the street (which served the former Public Market building). Who wants to stare at an ugly parking garage at home?
- ALL of the units along the edge of the playground will be staring into the windows of adjacent units as well as the units next door at 341 Cumberland Avenue as well as contend with the Monday through Friday playground noise of over a 100 children playing
- The entrances to the apartments (both the front and back door) is right up against a homeless healthcare clinic which is routinely crowded around its street frontage with unhoused persons seeking help and assistance but unfortunately also displaying all of their dysfunctional infirmities such as substance abuse and mental health disease. Also the now notorious Elena's Way homeless shelter is across the street which has been attracting lots of anti-social behavior around its entrance since it opened (not necessarily the fault of the operator of the homeless shelter but they also freely admit they have little power to address the chaotic issues constantly erupting around their facility).

FYI: The Planning Board did not cover itself with any glory in caring about any of this - unlike the withering scrutiny they usually give to housing projects in more affluent parts of Portland - this project was waved through with barely any attention paid (in fact the public hearing approval was so hastily done and confusing it is not even clear that the Planning Board even knew what exactly they were approving). It was obvious this was a very political approval ("our friends want us to support this project, so we will look the other way here...") rather than an approval on the merits.

Also, the Planning Board approved this by the bare minimum of 4 votes - Marpheen Chann was absent, as was Brandon Mazer (he conveniently skipped out early due to his attorney duties for the City of South Portland) and David Silk's law firm is representing Y&FO so he had to recuse himself. Of the four remaining members, Sean Murphy and Maggie Stanley were not even present for the initial workshop on this project and there is no indication from the record that they had reviewed the materials and meeting video from the initial workshop which meant they were not even fully briefed on the project's review path.

---------- Forwarded message ---------
From: **George Rheault** <george.rheault@gmail.com>
Date: Mon, Aug 12, 2024 at 12:02 PM
Subject: Public Comment - 331 - 337 Cumberland Avenue: Design Issues
To: Planning Board <planningboard@portlandmaine.gov>, Kevin Kraft <kkraft@portlandmaine.gov>, Matthew Grooms <mgrooms@portlandmaine.gov>, Eric Freeman <efreeman@portlandmaine.gov>, jmy <jmy@portlandmaine.gov>

Just a note to make clear that the public has not conceded ANY design issues relating to this development.

It is absurd that the applicant is using the excuse that Central Maine Power is driving its building envelope when the 60 Parris Street condo loft building, the Brown Street "Arts District Parking Garage" and the Chestnut Street Lofts project (circa 2007-2008) are all of very recent vintage and have street facades that come very close to overhead power lines.

NOW is the time to bury the power lines around the site because lots of excavation will be happening anyway there (new sidewalks etc.). At the very least, the public deserves to see the sight lines from the apartments which will be impacted by the overhead power lines and how much it will detract from the quality of life in those units.

We also have a ton of other issues to evaluate.

- lack of sound-proofing above and below the child care areas and playground area
- lack of sound-proofing for street noise
- units buried in back corners
- lots of privacy issues - neighboring residential windows looking directly into new units
- air conditioning (fresh air provision and protection from vehicle exhaust)
- protection from kitchen/meal prep facility (Monday - Friday)
- headlights from Public Market Parking Garage
- lack of resident parking and drop-off/pick-up
- communal laundry vs. in-unit laundry
- long walks from elevator to unit entries

City of portland

Lori Paulette <ljn@portlandmaine.gov>

HEDC Public Comment - 331-337 Cumberland Avenue: Why is Our City Council Funding DEMOLITIION OF OUR CITY'S HISTORY?

George Rheault <george.rheault@gmail.com> Mon, Aug 19, 2024 at 11:59 AM
To: edd@portlandmaine.gov, Mary Davis <mpd@portlandmaine.gov>, gwatson@portlandmaine.gov

I have lived in Portland for almost exactly 9 years. Looking at all the various things that the City of Portland has spent massive amounts of staff time (which means money and energy that is not being spent on other things) and City Council policy-setting doing in the historic preservation arena, it is unbelievable that the the City Council is being asked by city staff to literally pay for the bulldozers to destroy the Preble Chapel. If I had more time, I would attach a list.

NO ONE WILL EVER FORGET YOUR DESTRUCTIVE LEGACY HERE

What is even worse, is that the "crisis" of lack of housing and lack of affordable child care - which are the excuses for sacrificing the Preble Chapel - are both artificially created - the result of decades of failure and inaction by our City Council and state and federal governments to address. Opportunity hoarding, especially in our most affluent single-family residential areas, makes it impossible to meet the demand for housing and child care services, SO what is the solution? Demolish some of the last remaining historic fabric left in the "sacrifice zone" of West Bayside, to build the things that are ILLEGAL to build in most of our city and region.

Can anyone with a straight face say that the Preble Chapel is NOT historic enough to be saved?

See attachments as well as the material at this link: Hybrid Historic Preservation Meeting 6/12/2024 • City of Portland Meetings & Agenda Portal • CivicClerk

2 attachments


RELIGION

Preble Chapel Founded 125 Years Ago

Evening_Express_1976_10_16_5.jpg
691K


Preble Chapel Has Historic Merit

Judges Named For Sidewalk Art Festival

Evening_Express_1967_07_26_21.jpg
935K

RELIGION

Preble Chapel Founded 125 Years Ago

On Sunday, Oct. 24, the 125th anniversary of the founding of Preble Chapel will be observed at the Chapel, with an open house at 5:30 p.m., followed by a service of worship at 7 p.m.

Conducting the service will be the host pastor, Rev. Arthur N. Moore, minister emeritus Rev. Wilburn B. Miller, Rev. Richard Hasty, minister of the First Parish Church, and Rev. Vincent B. Silliman, minister of the Yarmouth Universalist Church.

Preble chapel was built in 1850 on land given by Mary Deering Preble, wife of Commodore Edward Preble, father of the American Navy.

Foundation of the chapel was an offshoot of historic First Parish Church and was started by the Portland Ministry at Large of the Unitarian denomination.

The idea of establishing the chapel began in 1847 when the Rev. Ichabod Nichols, D.D., decided to establish a ministry-at-large and received the support of First Parish Church and Park Street Church (now Holy Trinity Hellenic Orthodox Church.)

At first, the minister held services in rooms in Monument Square (Market Square) in the old City Hall building. It was at this time that Commodore Preble's wife donated the land at Cumberland Avenue and Preble Street.

Mary Deering Preble was a rather elderly woman at the time. She was the daughter of Nathaniel Deering, a well known shipbuilder of the town which in his day was called Falmouth.

At the suggestion of the Rev. Ichabod Nichols, pastor of the First Parish Church, action was taken in the 1840's by the city's two Unitarian societies to found and support a Portland ministry-at-large. To this end, the Channing Circle, a group of First Parish Women, held a fair which raised $500, and approximately the same sum was contributed by the men of the church.

In April, 1849, the Rev. William Hadley, a Union College graduate, started his work as Portland's minister at large. He immediately opened a Sunday School in the Merchant's Exchange at Middle and Exchange Streets. By August, Hadley's school numbered 170 children from the city's poorest families. It was necessary to find clothing for many of them before they were fit enough to be enrolled.

Besides these programs, Hadley held Christian services for those having no other church. These took place in the Exchange and the Old City Hall in Monument Square.

However, the inconvenience of operating in public places was considered great enough to merit a special building.

The problem was explained to Mary Deering Preble who donated land for the purpose at Cumberland Avenue and Preble Street. Her gift was made in September, 1850 under the conditions that a chapel must be built on the land within two years. To comply with this provision, the trustees of the Portland Ministry at Large raised $500 by subscription to match the Channing Circle $500.

The building was started in the spring of 1851 and was finished in October of that year. Named in honor of Mrs. Preble, it was dedicated completely free from debt on October 29, 1851.

The architect and builder of the Preble Chapel was James Kirby, a Portland carpenter of whom little is known. In a booklet on the dedicationof the building, the comment was made that "he faithfully and promptly fulfilled his contract."

The Rev. William H. Hadley resigned as Portland's minister-at-large in 1856 and was followed by the Rev. Oliver P. Tuckerman who died in service in 1868.

Then the Rev. William T. Phelan was invited to the pulpit. During his ministry, the Preble Chapel underwent its first renovation which cost $3,000.

The exterior was painted a light shade instead of its original dark olive color. Some doors were changed, new floors were laid and the pews were taken out.

The Rev. Phelan resigned in 1904 after 36 years of service and was replaced by the Rev. Arthur G. Pettengill. In 1924 his ideas for a $10,000 remodeling and enlarging of the chapel were carried out by architects John Calvin and John Howard Stevens. Two major changes were the addition on the rear and stuccoing of the whole structure which covered over the Gothic Revival board-and-batten walls.

The Rev. Pettengill died in 1935 and his wife took his place until 1947. During Rev. Bertha Pettengill's service pews were once again installed in the chapel.

In 1948 Rev. Arthur N. Moore was called to the Preble Chapel.

The spirit of the Portland Ministry at Large still survives, for over the years, the Rev. Moore has assumed a number of projects which have gone beyond the bounds of this parish.

Although the Preble Chapel has been renovated twice, it retains its Gothic Revival feeling on the interior. The main structure is still open to the roof, has original windows and some original doors and woodwork. The pulpit and two lovely empire chairs near it have probably been in the church since it was built.

The 1924 stuccoing of the exterior is regrettable, and one would hope that the white plaster may some day be removed so that the Preble Chapel could be restored to its true architctural character.

In the first 75 years of its history Preble Chapel had only four ministers; the Rev. William Tait Phelan who served 36 years and the Rev. A.G. Pettengill who began his ministry at the church in 1905.

The church was incorporated with by-laws and election of officers on January 16, 1921. In March, 1960 the membership voted to merge the American Unitarian Association with the Universalist Church of America.

A rare "Vinegar Bible", so-called because of the vinegar misprint in the parable of the vineyard, is one of 20 existing volumes of the Bible which was printed in England in 1717. It was used in the pulpit of Preble Chapel for 100 years without fanfare. But in recent years it has been kept in a vault at First Parish Church and is owned by the Ministry at Large. Still in a remarkable state of preservation after 248 years, the Bible has a hand-tooled morocco cover. A careless printer caused the mistake which gave the Bible its colorful name. It is believed to be the only Bible of its kind in Maine. It was given to the church by Mrs. John (Lucy Oxnard) Fox. It is believed to have been used by Thomas Oxard, lay reader of the Unitarian Society formed here in 1792 when the Congregational churches split throughout New England. The flyleaf of the volume has the signature of Edward, son of Thomas Oxnard.

Portland's Heritage . . .

Preble Chapel Has Historic Merit

By E. G. SHETTLEWORTH JR.

Old buildings that have been remodeled can be deceiving, for they often give the appearance of having little historical or architectual merit.

One of these is the Preble Chapel at Cumberland Ave. and Preble St. Underneath its stuccoed walls exists a delightful carpenter gothic structure of the 1850s with an interesting history.

At the suggestion of the Rev. Ichabod Nichols, pastor of the First Parish Church, action was taken in the 1840s by the city's two Unitarian societies to found and support a Portland ministry at large.

To this end, the Channing Circle, a group of First Parish women, held a fair which raised $500, and approximately the same sum was contributed by the men of the church.

In April, 1849, the Rev. William Hobart Hadley, a Union College graduate, started his work as Portland's minister at large. He immediately opened a Sunday school in the Merchant's Exchance at Middle and Exchange Streets.

By August Hadley's school numbered 170 children from the city's poorest families. It was necessary to find clothing for many of them before they were fit enough to be enrolled.

Portland's first evening school for adults and those who could not attend day school also was established. Hadley felt strongly about its worth and set forth his convictions in his first annual report of 1850.

"I am forced to the firm conclusion that any city of the population of Portland, and with its temptations to allure youth from the paths of virtue, would be justified, and find great profit, in maintaining evening schools of a very high order, even if their expense were four times as great as that of the day schools, in proportion to the amount of instruction given."

Besides these programs, Hadley held Christian services for those having no other church. These took place in the Exchange and the Old City Hall in Monument Square.

However, the inconvenience of operating in public places was considered great enough to merit a special building.

The problem was explained to Madam Mary Deering Preble, widow of Commodore Edward Preble, who donated land for the purpose at Cumberland Ave. and Preble St.

Her gift was made in September, 1850 under the condition that a chapel must be built on the land within two years. To comply with this provision, the trustees of the Portland Ministry at Large raised $2000 by subscription to which the Channing Circle added $900.

The building was started in the spring of 1851 and was completed in October of that year. Named in honor of Madam Preble, it was dedicated completely free from debt on Oct. 29, 1851.

The architect and builder of the Preble Chapel was James Kirby, a Portland carpenter of whom little is known. In a booklet on the dedication of the building, the comment was made that "he faithfully and promptly fulfilled his contract."

At the time that Kirby designed the church, he advertised in the Portland directory with C. K. Kirby who went to Boston about 1852 and drew the plans for the Boston Public Library on Bolyston St. in 1857. James Kirby stayed in Portland until at least 1856.

The chapel which he created was typical of a group of modest, wooden, Gothic Revival churches that appeared in America during the 1850s. Many of these were inspired by plans of Richard Upjohn, an important architect of the time.

The basement of the building consisted of one spacious room for the evening school. Over this was the chapel, 50 by 34 feet, open to the roof and divided into 54 pews.

On each side of the passage into the chapel was a room, one for the minister and the other for the ladies of the church. These were connected to the chapel on one side by folding doors.

The Rev. William H. Hadley resigned as Portland's minister at large in 1856 and was followed by the Rev. Oliver P. Tuckerman who died in service in 1868.

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Two major changes were the addition on the rear and the stuccoing of the whole structure which covered over the Gothic Revival board-and-batten walls.

The Rev. Pettengill died in 1935 and his wife took his place until 1947. A year later the present minister, Rev. Arthur N. Moore, was called to the Preble Chapel.

The Rev. Moore soon found that his time was taken up with serving the chapel's regular congregation and what activities remained from the old Portland Ministry at Large had to be suspended. However, the spirit of the Ministry survives, for over the years the Rev. Moore has assumed a number of projects which have gone beyond the bounds of his parish.

Although the Preble Chapel has been renovated twice, it retains its Gothic Revival feeling on the interior. The main structure is still open to the roof, has original windows and some original doors and woodwork. The pulpit and two lovely empire chairs near it have probably been in the church since it was built.

Yet the 1924 stuccoing of the exterior is regrettable, and one would hope that the white plaster may some day be removed so that the Preble Chapel could be restored to its true architectural character.

TWO VIEWS—Preble Chapel is shown at left in an 1851 woodcut, and at right is the chapel at Preble St. and Cumberland Avenue as it appears today. (Woodcut courtesy of the Maine Historical Society) (By Staff Photographer Olson)

Portland And The Arts

Judges Named For Sidewalk Art Festival

U. S. Navy Photo

Arthur Hahn Laurence Sisson Gene Klebe

By JOHN R. THORNON

Judges for the Second Annual Channel Six Portland Sidewalk Art Festival have been announced. The event will take place Aug. 19.

Gene Klebe of Bristol, Eugene Sisson of Boothbay Harbor, and Arthur Hahn, art director of WCSH-TV, will form the jury. They will be responsible for selecting all award winners, and will be out viewing on Congress Street and Free Street bright and early on the 19th so their selections can be announced in the morning.

After the award checks have been given to the artists, nonwinning paintings can then be released for sale to the public.

Chairman of the Maine Art Commission, and a member of the state Commission for Arts and Humanities, Klebe is an internationally famous artist, whose paintings for the Navy are known to millions.

Selected by the U. S. Navy to paint the Navy's activities in the Antarctic, and its projects in Vietnam and the

City of Portland | Housing and Econ. Development Dept.
Gregory P. Watson, AICP, Director

To: Housing and Economic Development Committee
Councilor Pious Ali, Chair

MEETING DATE
August 20, 2024

AGENDA ITEM
Commercial Vacancy Policy Discussion

PURPOSE
Staff are seeking Committee feedback regarding interest in developing a draft policy to discourage storefront vacancies in the Arts District (on Congress Street).

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT
This item supports the City Council's goal of improved public engagement.

BACKGROUND/ANALYSIS
In the Spring of 2024, the HED Director and staff were invited to participate in a working group focused on neighborhood vibrancy in the Arts District. The working group was convened by Portland Downtown & Maine Mechanics Hall, and is called the "Congress Street/Arts District Solutions Group." The group hopes to assess and address issues in the neighborhood, and along Congress Street in particular. The group is composed of property owners, Maine College of Art & Design, the Portland Museum of Art, Friends of Congress Square Park, and others.

The Congress Street/Arts District Solutions Group is particularly concerned by the number of commercial retail vacancies in this area. Commercial vacancies, especially those of storefronts, contribute to reduced foot traffic, decreased property values, and deteriorated properties and neighborhoods. This can create a domino effect, contributing to further vacancies.

The national retail vacancy rate was approximately 7% in 2020, and has fallen to approximately 5% since (Cushman & Wakefield). In 2022, Downtown Portland’s retail vacancy was approximately 3% (Harrington/MEREDA). However on Congress Street, the hub of the Arts District, the concentration of vacant storefronts is much more concentrated. A recent staff survey identified at least 10 empty and/or boarded up storefronts between 443 and 600 Congress Street, a distance of less than half a mile.

FISCAL IMPACT
NA

CONCLUSION

With an indication of support from Committee members, HED Director and staff would work with Corporation Counsel to develop a draft policy proposal for the consideration of HEDC at a future meeting.

As part of their consideration, staff would consider opportunities to introduce both "carrots" to incentivize neighborhood revitalization, as well as "sticks" to dissuade commercial vacancies.

Examples of policies implemented in other cities include:

- Encourage temporary use of vacant space with "pop-up" or start-up businesses prior to finding a more permanent space.
- Registration requirements to encourage communication and collaboration with owners of properties vacant for long periods of time, as well as to collect data to inform future programs and/or policy direction;
- Facilitating or encouraging the temporary activation of vacant storefronts to mitigate blight.
- Collaborate with the surrounding artist community to provide active utilization of vacant space with locally sourced art.
- Loan and/or grant products to support capital improvements to building exteriors and façades.

PRIOR COMMITTEE REVIEW

N/A

PREPARED BY

Gregory P. Watson
Director
Housing and Economic Development Department

ATTACHMENTS

Attachment A - Portland's Art District Challenges and Opportunities slide deck

City of portland

PORTLAND'S ARTS DISTRICT

Challenges and Opportunities


LONGFELLOW SQUARE
Westin Harborview Hotel
Portland Stage
SHEPLEY
Portland Public Library
Metro Bus
CHESTNUT
MYRTLE
PEARL
WILMOT
TO I-295
FOREST
OAK
CASCO
BROWN
PREBLE
CONGRESS SQUARE
Portland Downtown
State Theatre
Wadsworth Longfellow House
City Hall
CONGRESS
500
400
600
300
Children's Museum of Maine
Maine College of Art
African Tribal Art Museum
MONUMENT SQUARE
Post Office
The Press Hotel
Lincoln Park
Portland Museum of Art
FREE
Cross Insurance Arena
FEDERAL
100
SPRING
Tommy's Park
Post Office Park
NEWBURY
MIDDLE
200
Holiday Inn by the Bay
Greater Portland Landmarks
Police
HAMPSHIRE
INDIA
FRANKLIN / RTE 1A
Victoria Mansion
PLEASANT
COTTON
UNION
EXCHANGE
Portland Regency Hotel
MILK
STATE
PARK
HIGH
DANFORTH
FORE
CENTER
CROSS
WHARF
DANA
MOULTON
MARKET
SILVER
PEARL
GOLD
BOOTHBY SQUARE
Hilton Garden Inn
Custom House
Maine Narrow Gauge Railroad
THAMES
Courtyard by Marriott Portland
MAPLE
YORK
Visitor Information
Casco Bay Ferry Terminal
CUMBERLAND WHARF
UNION WHARF
CHANDLER'S WHARF
LONG WHARF
PORTLAND PIER
CUSTOM HOUSE WHARF
OCEAN GATEWAY PIER
MAINE STATE PIER
WRIGHT'S WHARF
PORTLAND FISH PIER
HOBSON'S WHARF
CASCO BAY BRIDGE/RTE 77
EST. 1633
PORTLAND
DOWNTOWN
DOWNTOWN MAP

OPPORTUNITIES

Wayfinding

Foot Traffic

Public Space

Neighborhood Identity

Beautification and improvements (in public areas, and to façades)

Art

Lighting

CHALLENGES

Commercial Vacancies

Boarded up storefronts

Loitering

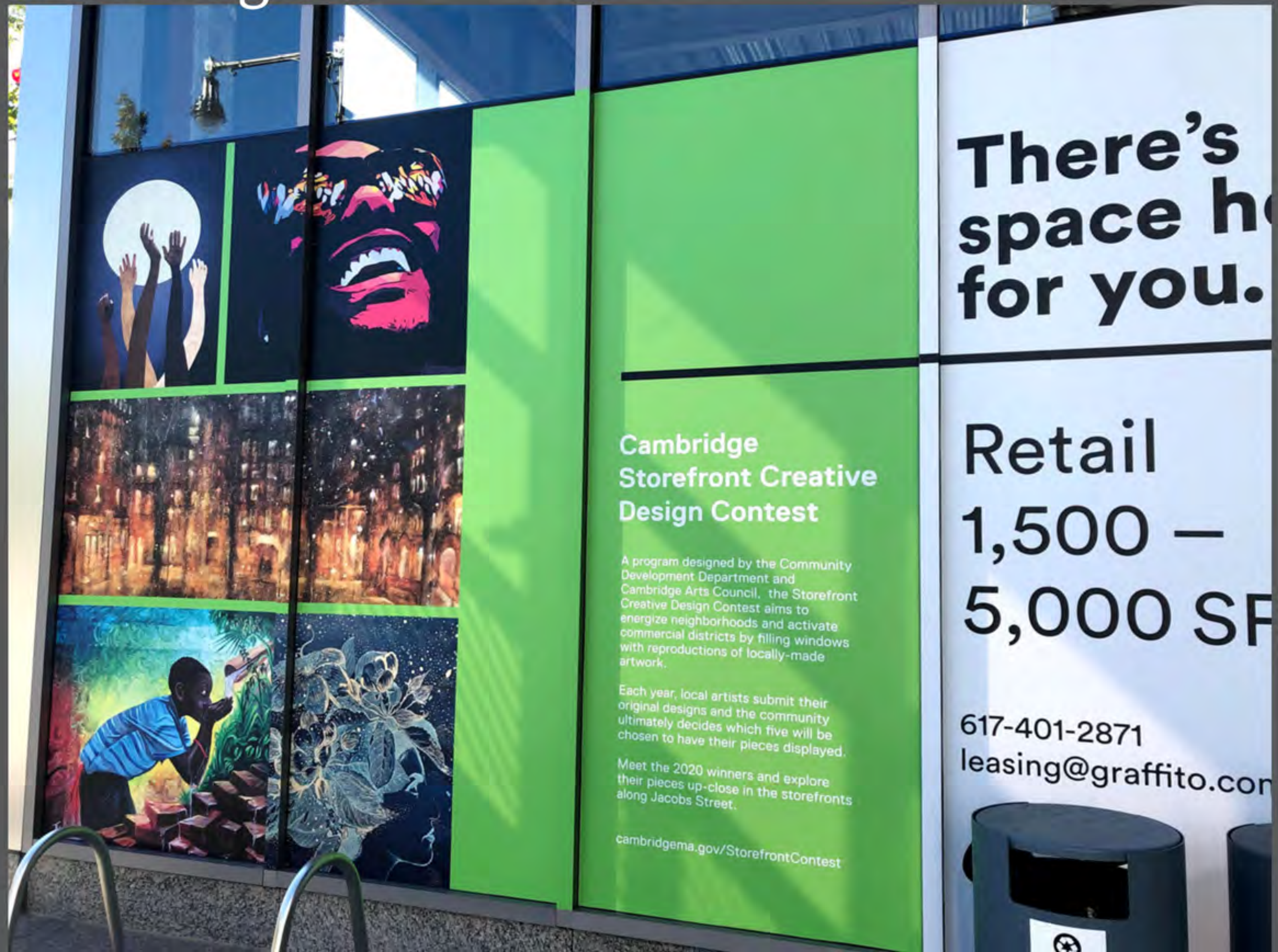
Off-street vehicular traffic

What's Working In Other Communities?

- Art in storefronts (NYC, Cambridge MA, Melrose MA, San Francisco CA)
- Public Investments/Incentives (carrot)
- Vacancy Policies/Ordinances (stick)

NYC:

Cambridge:



San Francisco:

Possible tools to address retail vacancies and increase neighborhood vibrancy

Source: 2024 Maine Market Outlook, The Boulos Company

- Loans and grants to encourage exterior building improvements
- Commercial Vacancy Policies
- Temporary Installations (ie art, pop-ups)
- Signage and Wayfinding