

**Housing & Economic
Development Committee Meeting**
Tuesday, September 3, 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.

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/81287382094?pwd=TUtFQUUp4bkclMGZlYUplckhHMlJIUT09>

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+1 305 224 1968 US

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+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

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Webinar ID: 812 8738 2094

International numbers available: <https://portlandmaine-gov.zoom.us/j/81287382094>

1. (Public Comment) Review and recommendation to the City Council to approve:

- a. Amendment to Purchase and Sale Agreement with Maine Cooperative Development Re: 165 Lambert Street, Lambert Woods South.
- b. Share Loan Terms

Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to review proprietary confidential information and provide direction to staff regarding negotiations.

2. (Public Comment) Review and recommendation to City Council to approve Purchase and Sale Agreement with The Hemlock House for its purchase of the former Fort McKinley Hospital Property, a tax-acquired property.

- a. See attached Memorandum and backup.

Note: Pursuant to 1 M.R.S.A. 405(6)(F) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to review proprietary confidential information and provide direction to staff regarding negotiations.

3. Communication Item - 2023-2024 HUD Consolidated Annual Performance Report (CAPER)

- a. See attached Report.

Next Meeting Date: September 17, 2024



To: Councilor Ali, Chair

Members of the Housing and Economic Development Committee

MEETING DATE: September 3, 2024

AGENDA ITEM

Lambert Woods South (LWS) Updates, Possible Amendments to Purchase and Sale Agreement and HEDC Timeline re: Affordable Housing and Tax Increment Financing, and approval of Share Loan Subsidy Terms – 165 Lambert Street.

PURPOSE

Staff is seeking input from the Housing and Economic Development Committee (HEDC) regarding the deadlines connected with the Purchase and Sale Agreement and HEDC financing recommendations, along with approval of the terms for the share loan subsidy.

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

Maine Cooperative Development Partners (MCDP) is proposing to create a limited-equity cooperative with 90 homes, on city-owned property at 165 Lambert Street. The development will include 2 studios, 40 one-bedroom, 20 two-bedroom, and 28 three-bedroom units. MCDP has a signed Purchase and Sale Agreement with the City of Portland that requires the units to remain affordable to households up to 100% (\$127,500 Family of 4, 2024) of the area median income for 99 years. The project will comply with the City's Green Building Ordinance.

At the May 7, 2024 HEDC meeting, the Committee voted 4-0 to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement as well as a loan from the Jill C. Duson Housing Trust Fund (\$4m) for the Lambert Woods South project. The recommendation was conditioned on the completion of several steps prior to the item appearing on a Council Agenda. One of the first conditions was receiving HUD concept approval. A copy of the HUD Concept Approval letter, dated August 28, 2024, is attached as Attachment A.

While the process is moving forward, the timeline needs to be adjusted to accommodate delays, including a switch to a modular construction model. The MCDP team has proposed the following timeline:

- *Satisfactory underwriting analysis prior to inclusion on a City Council agenda.*
- *Prior to inclusion on a City Council agenda, developer must receive HUD 213 program concept approval. Concept approval must be received no later than July 31, 2024. **Received August 28, 2024***
- *Developer must submit a pre-application for the HUD 213 program no later than **November 30, 2024** and receive pre-application approval from HUD no later than **January 31, 2025***

- **Developer submits firm application to HUD by March 14, 2025** (then HUD has 60 days to review firm applications, although that timing can change dependent on issues raised during review.)
- **Developer must receive HUD 213 program commitment no later than May 31, 2025.**
- **Construction loan closing no later than August 30, 2025.** Construction loan closing is dependent on the developer achieving 90% sale of shares to members, as required by HUD. Developer will work concurrently with the loan application to sell shares to members to ensure sales objectives are achieved as quickly as possible. In addition, closing on HUD loans is dependent on the capacity of HUD legal to review and approve all loan documentation subject to the HUD commitment. Typically, this takes 45 to 60 days from the date of commitment.

Staff has worked with the MCDP team to create guidelines for the Share Subsidy Loan Program (Attachment B). Staff also worked with the MCDP team to review and confirm how the reservation process will work and how eligible households will be determined (Attachment C).

FISCAL IMPACT

The terms of the Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement and the terms of the \$4,000,000 loan from the Jill C. Duson Housing Trust remain unchanged from the terms recommended by the HEDC on May 7, 2024.

CONCLUSIONS

Staff is requesting the Committee enter into executive session to discuss the proposed amended terms to the P&S and the previous timeline approved by the HEDC. Based on the outcome of the executive session, Staff is requesting the HEDC approve three items in connection with this project - (1) An amendment to the Purchase and Sale Agreement; (2) An amendment to the previous HEDC approval regarding timeline by which the project can be submitted to the City Council for approval and begin construction; and (3) The terms of the Share Subsidy Loan Program.

Recommendations

1. Motion to recommend to the City Council approval of a Second Amendment to the Purchase and Sale Agreement with Maine Cooperative Development Partners LLC for property located at 165 Lambert Street with the terms as outlined in the attached Second Amendment to Purchase and Sale Agreement.
2. Motion to amend the project timeline previously approved by the HEDC as discussed and agreed to during this meeting.
3. Motion to recommend to the City Council approval of the terms of the Share Subsidy Loan Program, as outlined by staff and attached as Attachment B.

PRIOR COMMITTEE REVIEW in 2024

July 2, 2024, May 7, 2024, April 16, 2024

PREPARED BY

Mary Davis
Division Director
Housing and Community Development Division

ATTACHMENTS

Attachment A: HUD Concept Recommendation Letter
Attachment B: Share Subsidy Loan Terms
Attachment C: MCDP Reservation Process and Underwriting Guidelines for Lambert Woods South Co-ops
Attachment D: Second Amendment to Purchase and Sale Agreement



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Multifamily Northeast Region
New York Regional Center
Jacob K. Javits Federal Building
26 Federal Plaza, Suite 3214
New York, NY 10278-0068

DATE: August 28th, 2024

Chad Nykiel
MAP Underwriter
Centennial Mortgage, Inc.
Via Email

SUBJECT: Concept Meeting Recommendation
Project: Lambert Woods South Cooperative
Project Address: 165 Lambert Street, Portland, ME 04103
SOA: 213 New Construction

Dear Mr. Nykiel:

The above-referenced concept meeting was held on August 20th, 2024, with Underwriters Farrah Benoit and Mark Meigher. Based on the information presented during the meeting and a preliminary review of the transaction's merits, the HUD review team encourages the submission of this application. Please be sure to address the following recommendations in the submission of your application:

Specific Requirements:

1. Submission of a pre-application (two-stage processing).
2. Submit a comprehensive market analysis report prepared by a qualified third-party market analyst, which must evaluate the project's ability to achieve and sustain occupancy at 100% of the Area Median Income. The report must also assess the affordability of the units for prospective members using the FHA qualifying ratios for housing costs and total debt obligations. Market demand should be substantiated using data from similar cooperative developments. Parking spaces must be justified by adequate market support from comparable developments to demonstrate how the property's insufficient parking is validated by the market is required. This analysis must include a detailed discussion of the market demand, absorption rates, and the income levels of the target population, as well as a Band of Affordability Analysis.
3. Submit a waiver request to increase the FHA qualifying ratios as part of the pre-application package.
4. The submission must include all relevant agreements, terms, and conditions associated with the shared loan structure and city subsidy as part of the pre-application package. These documents must be reviewed and approved by HUD legal counsel.
5. All prospective cooperative members must be qualified based on their debt-to-income ratios calculated at the restricted Area Median Income level.
6. Provide justification for the projected 6% annual appreciation rate, including supporting data. Verify that this rate will maintain share prices at an affordable level for cooperative members.
7. Submit verification documenting 90% pre-sale is required prior to initial endorsement.
8. Include detailed information on any/ all other funding sources and a draft of the TIF. A final approval of the TIF will be required for the Firm submission.
9. Clarify in the pre-application whether members receiving subsidies are eligible for equity appreciation of cooperative shares, and if not, specify which party receives the appreciation upon sale and how equity will be allocated.
10. All funding sources must be disclosed with the pre-application package and must comply with the Cooperative Handbooks.
11. Confirm the nature of the development highlighted in gray located across the street from Lambert Woods ("Subject Property") on the submitted site plan. Should this development be a future Phase 2 of the Subject

Property, please confirm the total number of parking spaces both onsite and offsite as well as the potential impact on the SP's development.

12. All share prices must be disclosed, by unit, as well as the related maintenance fees.
13. Provide detailed explanation in the pre-application submission on how parking will be managed during snowstorms if a City of Portland ordinance requires the removal of cars from public streets for snow plowing. Include details on any emergency off-site parking locations, their distance from the subject property, and any transportation arrangements for members, including frequency, to access their vehicles during such events.
14. Provide an updated Natural Resources Protection Act Freshwater Wetland Alteration to reflect the increase from the originally approved 14 units by the Maine Department of Environmental Protection in the pre-application submission.

General Requirements:

- See Attachment 1 for HUD Previous Participation requirements and recommendations.
- Any additional documents requested (recorded covenants, agreements, leases, third party reports, etc., draft or final) requested and provided during the Concept Meeting review period were reviewed within the context of this meeting. Approval of these documents should not be inferred at this time.
- The Lender's Narrative should be in a text-searchable PDF format (or an accompanying "Word" format, which will inherently be text-searchable).
- If a REO schedule is applicable to this transaction, please be sure that all REO statements contain the following:
 - A PDF version, along with true and correct / HUD warning language certification, establishing the date by which the REO statement is current.
 - An additional excel version, for HUD analysis purposes.
 - The following data is sometimes missing; please ensure this data is provided for each property:
 - Whether or not FHA insured
 - Principal's ownership percentage
 - Outstanding debt
 - Total LTV of all debt
 - Occupancy percentage
 - Pending judgements, Legal suits / actions, or bankruptcy claims
 - Principal's Cashflow and Equity interests, based on its ownership percentage.
 - Recourse or non-recourse.
- New Construction and Substantial Rehabilitation loans: Please include the 92328-LI in the Section 6 of the application, as it will be required by Office of Labor Relations in order to issue the final Wage Decision.
- HEROS: In addition to the required environmental review studies, we ask that you provide the following:
 - Please have the environmental consultant enter data directly into HEROs.
 - Please specify that the consultant has created a HEROs file, and provide the "ER-ID" number of the file, in the "Environmental" section of the Lender's Narrative.
 - Once completed, HEROs files may be "Assigned" to Wendy Santiago at HUD for the Northeast Region.
 - Note: CPD maintains some great resources for the environmental review, including a Guidance for Multifamily FHA Partners Using HEROs tips sheet, here: <https://www.hudexchange.info/programs/environmental-review/housing/#featured-topics>



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- For new construction or substantial rehabilitation projects, please also review the HEROS Environmental Assessment Format and submit all required information as part of your application:
<https://www.hudexchange.info/resource/5173/part-50-environmental-assessment-format/>
- Historical Consultation: The Maine SHPO review and approval (if applicable) must be included with your application. Per the Delegation Memo dated 03/18/2021, HUD authorized MAP approved lenders and their authorized representatives to act on behalf of HUD to consult with SHPOs to initiate the Section 106 review process, identify and evaluate historic properties, and assess effects. Section 106 consultation may begin once HUD has issued an FHA number. For more information, please review the Delegation Memo at the following URL:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/HousingSection106.pdf>

If you intend to use the HUD delegation memo, let the assigned HUD Underwriter know and keep them informed on the process. Our office recommends lenders/authorized representatives consult with MN SHPO in two phases. First, consult on an APE definition and anticipated scope of survey efforts. Second, consult regarding the final identification efforts (survey reports, if any) and a Section 106 finding of effect. This does not apply to Indian Tribes. HUD must conduct consultation directly with Indian Tribes. EA consultants are encouraged to provide draft THPO letters to HUD to facilitate the consultation process.

- Ensure that the Coastal Zone Management submission is completed, and obtain the necessary review and approval.
- Please be aware that tree clearing related to the endangered Northern Long-Eared Bat constitutes a choice-limiting action under HUD's environmental review process. Therefore, no tree clearing or related activities, including Time-of-Year-Restrictions, may not occur until the HEROS process is completed, and the Firm Commitment is issued.
- Radon-resistant construction is required, and a post-construction radon report indicating acceptable radon levels must be submitted to HUD prior to the final endorsement inspection. Any elevated radon levels must be addressed through mitigation and retesting.
- Ensure Climate Change factors in the Environmental Assessment are thoroughly addressed, with appropriate backup documentation provided as part of the pre-application submission.
- The application must meet the new FFRMS requirements for construction above the 500-year floodplain elevation if the HEROS is not certified before 01/01/2025.
- Ensure the project undergoes the required 8-step decision-making process as outlined in 24 CFR 55.20 to comply with HUD's wetland and floodplain management regulations. All documentation supporting this process must be submitted and approved as part of the environmental review.

Upon submission, the HUD application fee is considered earned and non-refundable.

Please note that this letter constitutes only an invitation to submit an application and does not constitute a commitment by HUD. Once the normal processing procedures are underway, HUD will determine whether we will continue moving forward with the transaction or the conditions under which we are willing to proceed. Furthermore, this letter does not represent an open-ended invitation, and if the Lender does not act on this letter in a reasonable

period, or if there is a material change to the proposal, HUD reserves the right to withdraw the invitation and require a new Concept Meeting.

Lenders should take extra care to ensure that their loan application is complete with third party reports that are fresh with waivers fully articulated and included. To do otherwise is to risk HUD's rejection under new protocols.

Once your application is within 30 days of being ready for submission, request an FHA number by email to NE.FHANumber@hud.gov. After receiving an FHA number assignment, the application submission should be uploaded through the FHA Catalyst system (<https://hud2.my.salesforce.com/>). The Lender must email notification of the application submission, along with the Catalyst ID number (CB-xxxxxx), to Northeast.Production@hud.gov.

You may contact me with any questions at Farrah.Benoit@hud.gov or 212-542-7755.

Sincerely,

BART
GOLDBERG

Digitally signed by BART GOLDBERG
DN: cn = BART GOLDBERG c = US
o = U.S. Government OU =
Department of Housing and Urban
Development, Office of Administration
Date: 2024.08.27 15:36:56 -04'00'

Bart Goldberg
Underwriting Branch Chief
Multifamily Northeast Regional Center

CC: SharePoint electronic file, HUD UW: Farrah Benoit and Mark Meigher
Encl: Attachment 1: Previous Participation submission



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Attachment 1: Previous Participation submission

1. **APPS electronic submission:** For all Specified Capacities, HUD strongly recommends that HUD 2530 Previous Participation Submissions are sent via electronic submission using the HUD APPS system rather than using the “paper” HUD 2530 form.
2. **Form HUD 2530:** If a “paper” submission using Form HUD 2530 is submitted, HUD strongly recommends that the Specified Capacities create their baseline in the Active Partners Performance System (APPS).
 - a. To create a **baseline**, please use:
[http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/apps/appsmfhmParticipantUserRegistration\(hud.gov\)](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/apps/appsmfhmParticipantUserRegistration(hud.gov)) [Secure Systems Registration].
3. **BPRS Registration:** No matter which submission method is used, each Specified Capacity and their Controlling Participants must **always** be properly registered in the Business Partner Registration System (BPRS).
 - a. To **register**, please use: [MultiFamily Housing Programs \(hud.gov\)](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/bprs) [Business Partner Registration System, or BPRS]
4. **Timing:** Please note that it **may take several weeks** to create an initial baseline, or to add a new Controlling Participants to an existing baseline, as HUD transmits the initial registration Coordinator IDs (M ID for establishing a first-time Coordinator) and Access Key Codes (for each added individual or entity) via postal mail.
5. **Guidance:** For more detailed instructions, please see the Multifamily Housing - Active Partners Performance System website, scroll down to the “APPS Industry User Guide” section, and select the “APPS Quick Tips” guide: [Multifamily Housing - Active Partners Performance System](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/apps/appsmfhmParticipantUserRegistration(hud.gov)).

Draft Version dated August 15, 2024

To qualify for a City of Portland Share Loan, the household:

- (1) must be income eligible, meaning the household's income is at or below 100% of the area median income;
- (2) must not own other residential real estate that could be used as a primary residence;
- (3) must meet the asset limit; liquid assets over and beyond the asset limit must be used towards the share price;
- (4) must complete a Homebuyer Education Course or Financial Health/Budgeting Course;
- (5) must have a minimum cash contribution of \$1,000 or two percent (2%) of the total share price, whichever is higher. This amount cannot be borrowed. Gifts from family members or friends are allowed; grants from a non-profit entity, charitable foundation or employer are allowed.

Maximum City Share Loan Amount will be 40% of the Share Price.*

Home Size	Total Number	Share Price	City Loan	Final Share (if eligible)
Studio	2	\$25,000	\$10,000	\$15,000
One Bedroom	40	\$45,000	\$18,000	\$27,000
Two Bedroom	20	\$60,000	\$24,000	\$36,000
Three Bedroom – 1 bath	4	\$65,000	\$26,000	\$39,000
Three Bedroom – 1 and half bath	24	\$75,000	\$30,000	\$45,000

*Share Loan Amounts up to 98% of the Share Price may be provided, on a case by case basis, if funding is available. To be eligible for a 98% Share Loan, a household must be income eligible at or below 80% of the area median income (adjusted for family size).

Loan Terms:

Interest Rate: 0%

Term: Due on sale of the share.

No monthly payments required.

City Share Loans may be rolled over to a purchaser of the share who meets the qualifications noted above. If the subsequent purchaser of the share does not meet the qualifications, the share loan will be repaid to the City of Portland and placed into an account for future share loans at Lambert Woods South.

Definitions:

Income Eligible Household: A household whose adjusted gross income is verified by the City of Portland to be at or below 100% of the area median income, adjusted by family size. See chart below.

2024 Income Limits – Portland HUD Metro FMR Area – 100% area median income by household size

Household Size	1 - Person	2 - Person	3 - Person	4 - Person	5 – Person	5 – Person
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100% AMI	\$89,250	\$102,000	\$114,750	\$127,500	\$137,700	\$147,900
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Liquid Assets: Assets that can be quickly and easily converted to cash within a short period of time (90 days) while retaining their market value and without paying a penalty. Liquid assets include but are not limited to cash on hand, checking or savings accounts, money market accounts, certificates of deposit, stocks, bonds. The following are not considered liquid assets: Treasury or savings bonds, 401k plans, Roth IRA, retirement or pension funds, roll-over IRAs, traditional IRAs, education savings accounts.

Asset Limit: See chart below. (for internal review purposes, the asset limit is based on AMI by household size; 3-month emergency fund plus the Share Price by bedroom size, ex. Studio = \$38,250 + \$25,000)

Share Loan Program Asset Limits						
2024 Income Limits - Portland HUD Metro FMR Area						
Household Size						
AMI	1	2	3	4	5	6
100%	89,250	102,000	114,750	127,500	137,700	147,900
3 months emergency fund	22,313	25,500	28,688	31,875	34,425	36,975
Studio						
3 month Emergency Fund	22,313	25,500				
Share Price	25,000	25,000				
Asset Limit	47,313	50,500				
1 Bedroom						
3 month Emergency Fund	22,313	25,500				
Share Price	45,000	45,000				
Asset Limit	67,313	70,500				
2 Bedroom						
3 month Emergency Fund		25,500	28,688	31,875		
Share Price		60,000	60,000	60,000		
Asset Limit		85,500	88,688	91,875		
3 Bedroom - Flats						
3 month Emergency Fund			28,688	31,875	34,425	36,975
Share Price			65,000	65,000	65,000	65,000
Asset Limit			93,688	96,875	99,425	101,975
3 Bedroom - Townhouse						
3 month Emergency Fund			28,688	31,875	34,425	36,975
Share Price			75,000	75,000	75,000	75,000
Asset Limit			103,688	106,875	109,425	111,975

MCDP Reservation Process and Underwriting Guidelines for Lambert Woods South Coops - draft

Thank you for being interested in our homes! We hope to have you as a neighbor.

We currently plan open reservation requests for Lambert Woods South Cooperative in December 2024, with occupancy in late 2026.

There are local, state and federal regulations that apply eligibility, and this document is our current understanding of the process and is subject to change.

Are you Eligible?

Home Ownership

You cannot own another home you can live in at the same time that you live at Lambert South Coop. If you currently own a home you could sell that home to move into Lambert South Coop.

Income Limits

The project has an upper limit of 120% of Area Median Income. Reservations will be given first to households that are below 100% AMI, and if needed, up to 20% of homes can go to households that are between 100-120% AMI. See below to estimate your household's income.

Estimate your income: Use [this form](#) to calculate your household's gross income. If someone in your household is pregnant, that child counts towards your household size. The form calculates gross income based on the last 6 weeks income at the time you apply.

Check to see if your income is eligible: Look on the table below to estimate what row and column your household fits into in based on gross income and household size. The rows are *maximums*, so for example if you have two people in your household and make \$110,000, you would be in the 120% row for 2 occupants, so your household would be in the 120% band for Area Median Income ("AMI").

Your income will be officially verified by both the Federal Housing & Urban Development Department (HUD) and the City of Portland after you apply.

2024 Income Limits - Portland HUD Metro FMR Area						
	Household Size					
AMI	1	2	3	4	5	6
100%	\$ 89,250	\$ 102,000	\$ 114,750	\$ 127,500	\$ 137,700	\$147,900
120%	\$ 107,100	\$ 122,400	\$ 137,700	\$ 153,000	\$ 165,250	\$177,480

What does it Cost?

The City of Portland requires that projects they support restrict the number of people and bedrooms; So for example, a 2 person household can choose a 1 bedroom or 2 bedroom home, but not a 3 bedroom home. If someone in your household is pregnant, that child counts towards your household size. The City of Portland does not allow a household of 7 people to purchase a 3 bedroom unit.

Allowed Unit Size	
Studio	1-2 person
1 Bedroom	1-2 people
2 Bedroom	2-4 people
3 Bedroom	3-6 people

Maximum Monthly Charges

Studio	1 Bedroom	2 Bedroom	3 Bedroom
\$ 1,912	\$ 2,231	\$ 2,550	\$ 2,868

Maximum rents include all utilities except internet, phone, tv and parking, and are set annually by HUD - the US Department of Housing & Urban Development.

HUD Minimum Income Requirements

You will need to meet HUD's *minimum* income numbers to ensure you're not spending more than about 40% of your gross income on housing including utilities. This chart is the minimum income if you were to spend 50% of your income on housing expenses. Actual amount allowed will depend on your assets, credit, and other factors, and may be as low as 31%. More detail in the appendix at bottom of this document.

2024 Estimated Minimum Income Requirements - Lambert Woods South

Studio	1 Bedroom	2 Bedroom	3 Bedroom	% of Income spent on housing
\$45,888	\$53,544	\$61,200	\$68,832	50% of income
\$57,360	\$66,930	\$76,500	\$86,040	40% of income
\$76,480	\$89,240	\$102,000	\$114,720	30% of income

Lambert Coop Reservation Process

Step 1. [Pre-Qualification Survey](#) This survey expresses initial interest and confirms rough income eligibility (in 2022-2023, we also invited eligible households to make a \$500 deposit)

Step 2. Application & Income Verification. Starting Fall 2024, we will start accepting applications. You will need to provide:

1. Lambert Woods South Application
2. Complete [MaineHousing Income Form](#)

3. 2 most recent paystubs
4. [HUD asset form](#)
5. City of Portland Share Loan application if desired. (see details below)

Step 3. Sign Subscription Agreement. This is the legal agreement that hold you to paying the remainder of the share price if your income verification and Share Loan application passes.

Step 4. Pay Deposit. Pre-screened households will be invited to sign a subscription agreement, choose a specific unit and pay a refundable deposit so that total deposits equal 10% of the share price. The Subscription Agreement is the legal agreement for you to own your share and have a lease to pay the monthly amount.

Step 5. Income Verification.

Both the City of Portland and HUD will use the documents to verify income.

Step 6. Notification. We'll let you know when your income has been fully verified.

Step 7. Training. There will be regular trainings while we are under construction, you will be required to participate in some percent of the trainings.

Step 8. Final Share Purchase.

Just before move-in, we will contact you to pay the remainder of the full share price, current estimates below, depending on the success of our Housing Trust Fund request of the city, interest rates and construction costs, and any grants we are able to access. We are still working out details of share loan and grants programs for those who need financial assistance.

Step 9. Move-In.

Priority Households

Priority for Lambert Woods Cooperative will be given in the following order based on City of Portland requirements.

1. Households who have already paid deposits
2. First time homebuyers
3. Current residents of the City who have lived in Portland as their primary residence for the past two years
4. Previous residents of the City who were displaced within the last 12 months prior to the Workforce Unit becoming available
5. Persons employed full time by the City of Portland but who live outside the city.

Estimated Share Prices & Share Loan Eligibility

The City of Portland is contributing about \$2M from the Jill Dusen Housing Trust Fund to reduce the share price for coop buyers with assets below a certain level.

Share Loan Eligibility

To qualify for a City of Portland Share Loan, the household must:

- Be income eligible, meaning the household's income is at or below 100% of the area median income;
- Not own other residential real estate that could be used as a primary residence;
- Be under the asset limit; liquid assets over and beyond the asset limit must be used towards the share price;
- Complete a Homebuyer Education Course, Financial Health/Budgeting Course, or Cooperative Ownership Course before completing final sale and moving in to your home. [HomeWorks Classes and eHome America](#) are eligible, and other courses will be posted.
- Have a minimum cash contribution of \$1,000 or two percent (2%) of the total share price, whichever is higher. This amount cannot be borrowed. Gifts from family members or friends are allowed; grants from a non-profit entity, charitable foundation or employer are allowed.

The city's loan pays for a portion of the share price, and when you sell your share, the city's portion rolls over to the next eligible buyer. There are no payments to be made on the loan until the share is sold. The loans are intended for households that do not have enough assets to pay the full share price and still have 3 months' income as an emergency fund. Households may receive gifts from family or friends to help pay for their share loan.

The fund is sized so that every household that is eligible can get a loan for up to 40% of the Share Price. After the initial application process and awarding of share loans, any remaining funds may be made available to households below 80% AMI with asset low enough to necessitate a loan greater than 40%; those households may receive up to 98% loan.

The intention is to leave every household with 3 months emergency prudent reserve fund after paying their share price.

You can calculate your assets using [this form](#).

Share Price by Home Size, with and without Share Loan

Home Size	Number of Units	Share Price	Share Price w/ City Share Loan
Studio First Floor Flat	2	25,000	15,000
1 BR First Floor Rowhome or Flat	40	45,000	27,000
2BR First or Second Floor Flat	20	60,000	36,000
3BR First Floor Flat	4	65,000	39,000
3BR Two Story Rowhome	24	75,000	45,000
Total	90		

Asset Limit to Qualify for 40% City Share Loan

	1 person	2 people	3 people	4 people	5 people	6 people
Studio	47,313	50,500				
1 Bedroom	67,313	70,500				

2 Bedroom		85,500	88,688	91,875		
3 Bedroom - Flats			93,688	96,875	99,425	101,975
3 Bedroom - Townhouse			103,688	106,875	109,425	111,975

Share Loan Terms:

Interest Rate: 0%

Term: Due on sale of the share.

No monthly payments required.

City Share Loans may be rolled over to a purchaser of the share who meets the qualifications noted above. If the subsequent purchaser of the share does not meet the qualifications, the share loan will be repaid to the City of Portland and placed into an account for future share loans at Lambert Woods South.

Definitions:

Income Eligible Household: A household whose adjusted gross income is verified by the City of Portland to be at or below 100% of the area median income, adjusted by family size. See chart below.

Liquid Assets: Assets that can be quickly and easily converted to cash within a short period of time (90 days) while retaining their market value and without paying a penalty. Liquid assets include but are not limited to cash on hand, checking or savings accounts, money market accounts, certificates of deposit, stocks, bonds. The following are not considered liquid assets: Treasury or savings bonds, 401k plans, Roth IRA, retirement or pension funds, roll-over IRAs, traditional IRAs, education savings accounts.

Appendix: Minimum Income and Approvable Ratio Requirements

Following HUD's rules, qualifying for housing in Lambert Woods South is dependent on the projected ratio of housing expenses to your income, your credit score, and how much debt and cash reserves you have. If your income doesn't match, we encourage you to reach out to Town and Country Federal Credit Union or other organization to improve your financial status. This is a rough guide for how this is calculated.

In the case of a **credit score 500-579 or no credit score**, you qualify for this housing only if the following ratios apply:

- Housing Payments to Income (PTI): max 31%
- Total Fixed Debt Payments to Adjusted Gross Income (DTI): max 43%
- Energy efficient homes may have stretch ratios of 33% PTI and 45% DTI (We expect our homes to qualify as Energy Efficient)

In the case of a **credit score of 580 and above** with...

1. Housing Payments to Income (PTI) is **31%** max and Total Fixed Debt Payments to Adjusted Gross Income (DTI) is **43%** max. Energy efficient homes may have stretch ratios of 33% PTI / 45% DTI to qualify (We expect our homes to qualify)
2. Housing Payments to Income (PTI) can be **37%** max and Total Fixed Debt Payments to Adjusted Gross Income (DTI) can be **47%** if **one** of the following factors apply:
 - Verified and documented cash reserves or Residual income
 - New housing payment is only minimal increase over existing
3. Housing Payments to Income (PTI) can be **40%** max if there are no fixed debts
4. Housing Payments to Income (PTI) can be **40%** max and Total Fixed Debt Payments to Adjusted Gross Income (DTI) can be **50%** if **two** of the following factors apply:
 - Verified and documented cash reserves or Residual income
 - Minimal increase in housing payment
 - Significant additional income not reflected in effective income; and/or

Calculation example: Jenny and Kareem have a gross income of \$69,000 and an Adjusted Gross Income (AGI) of \$59,000/year, or \$4,916/month. They have a car payment of \$400/month and no other debts. They have a credit score of 600, and it's just the two of them living in the house. Ideally, they'd like a two bedroom home.

1. Because they are a two person household and their AGI is less than \$71,520, they would potentially be eligible for a one bedroom for \$1,564/month or a two bedroom home for \$1,788/month.
2. Because their credit score is over 580, the maximum housing payment they would be allowed to spend is 31% of their income. The cost of a two bedroom home, \$1,788 divided by their monthly income of \$4,916 is a PTI of 36%, which is higher than the normally allowed max of 31%. When you include their car payment of \$400/month, their Total Debt Payments would be $\$400 + \$1,788 = \$2,188$ divided by $\$4,916 = 44\%$, which is higher than the normally allowed max of 43%.
3. Since the PTI and the DTI are higher than normally allowed, they would have to show cash reserves or other income to allow for higher PTI and DTI ratios.
4. Another option would be for them to purchase a share for a one bedroom instead. The cost of a one bedroom home is \$1,564 divided by \$4,916 = a PTI of 31% which equals the normally allowed max of PTI. Their total debt payments would equal 39%, which is less than the normally allowed max. So without any extra cash reserves or income, Jenny and Kareem would be able to afford a one bedroom. Last updated 10/2/23

**SECOND AMENDMENT
TO
PURCHASE AND SALE AGREEMENT**

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT is made as of the ____ day of September, 2024, by and between the CITY OF PORTLAND, a Maine municipal corporation with a place of business in Portland, Maine and mailing address of 389 Congress Street, Portland, Maine 04101 (“Seller” of “City”) and MAINE COOPERATIVE DEVELOPMENT PARTNERS LLC, a Maine limited liability company with a mailing address of 6 City Center, Fl. 3, Portland, Maine 04101 (“Buyer”).

WHEREAS, City and Buyer entered into a certain Purchase And Sale Agreement dated January 4, 2021, as amended by a First Amendment dated May 10, 2022 (collectively, the “Agreement”) with respect to certain real property located at or near 165 Lambert Street as more fully described in the Agreement; and

WHEREAS, the deadline for the Closing Date under the Agreement has passed, and Seller and Buyer wish to extend that deadline while they negotiate additional substantive changes to the Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Buyer hereby agree as follows:

1. Unless otherwise defined in this Amendment, capitalized terms used in this Amendment have the same meaning as those terms have in the Agreement.
2. The opening paragraph in section 10 of the Agreement is hereby deleted and replaced with the following:

CLOSING. Time is of the essence in the performance of this agreement. The closing shall be held at the offices of Buyer’s counsel at a time agreeable to the parties on or before August 30, 2025 (the “Closing Date”). At the Closing:

3. The following language is added to the Agreement as section 10(e):
 - e. Notwithstanding anything to the contrary in this Agreement, in the event that Buyer has not obtained the financing and approvals necessary to complete the construction loan closing for the Project on the Closing Date, Seller will have the option, but not the obligation, to notify the Buyer of its desire to terminate this Agreement, at which time this Agreement shall terminate, Seller shall pay to Buyer a payment equal to that described in Section 11(e) of the Agreement, and the parties will have no further obligation to each other hereunder.

4. Except as specifically amended hereby, the Agreement shall remain in full force and effect and the parties hereto ratify the terms and conditions of the Agreement.

IN WITNESS WHEREOF, this Second Amendment has been executed and delivered as of the day and year first above written.

MAINE COOPERATIVE
DEVELOPMENT PARTNERS LLC

By: _____
Print Name:
Its:

CITY OF PORTLAND

By: _____
Danielle P. West
Its Interim City Manager

MEMORANDUM

TO: Chair and Members of the Housing and Economic Development Committee

FROM: Greg Watson, Housing and Economic Development Director

DATE: August 15, 2024

SUBJECT: Recommendation to City Council to Approve Selection of the Sole Bidder – Hemlock House Development LLC – and authorize the City Manager to enter into a Purchase and Sale Agreement in response to the Request for Proposals for Sale of Tax-Acquired Property at Diamond Cove - Former Fort McKinley Hospital Building

I. SUMMARY

The HEDC is asked to review the single proposal from the RFP to sell vacant tax-acquired property at Diamond Cove – Former Fort McKinley Hospital Building - and recommend to the City Council to select this proposal from Hemlock House Development LLC and authorize the City Manager to enter into a Purchase and Sale Agreement.

II. DESCRIPTION

The City Council authorized the RFP for sale of this property at its April 25, 2022, meeting. The RFP was then advertised May 10, 2022, with Proposals due July 12, 2022; none were received and the process was placed on hold.

The RFP was then re-issued on February 16, 2024, due to stated interest in the property from the development community with Proposals due March 28, 2024. One Proposal was received from Hemlock House Development, LLC, with a concept plan to develop nine (9) market-rate condos, with units ranging from 1,500 to 2,600 square feet in compliance with current IR Zoning. Each of the units would have 2.5 baths, and there would be 3, 4-bedroom units and 6, 3-bedroom units. The estimated timeline for completion is May 2027.

The Committee is asked to review the proposed Purchase and Sale Agreement, in substantial form as attached, and vote on a recommendation to the City Council to select this proposal and authorize the City Manager to execute the Purchase and Sale Agreement and any other documents to effectuate the sale of the property.

III. BACKGROUND

The property was tax-acquired in 2003. In May 2007, the City entered into a Purchase and Sale Agreement with David Bateman that included two separate properties (the former Double Barracks and the Hospital Building). The Double Barracks was redeveloped as the Inn at Diamond Cove. The Agreement to acquire the Hospital Building expired in 2019. That property has been vacant for an extended period of time, and this historic building continues to deteriorate.

Per the RFP, the property would be sold “As Is, Where Is”, with a goal to sell it for fair market value to recoup back taxes and interest (estimated at approximately \$170,000 with interest accruing daily), and costs of approximately \$30,000 incurred to board up the property for public safety. The RFP approach includes support and involvement of members of the Diamond Cove Homeowners Association Board of Directors (DCHA) due to the DCHA ownership of all property surrounding the footprint of the Hospital Building, and the need for DCHA approval to connect to a new waste water system and water supply.

The sole Bidder regularly purchases and develops historical properties in Maine and regularly uses State and Federal historic tax credits to support its projects and is well-suited to the particular needs of this property.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result is to sell this property to support City and Diamond Cove compatible redevelopment and reuse.

V. FINANCIAL IMPACT

The RFP states that “the City expects to receive fair market value for the property, including repayment of past due property taxes and maintenance expenses”, currently estimated at \$200,000. The Proposal received offers \$201,500 for the property, which would make the City whole for this dilapidated and long vacant property.

VI. STAFF RECOMMENDATION

Staff recommends that the HEDC vote to recommend to the City Council the selection of the Hemlock House Development Proposal and authorize the City Manager to enter into a Purchase and Sale Agreement, in substantially the form as attached, for \$201,500 to sell this property.

The City commissioned a third party, independent underwriting review of the RFP proposal submitted by Hemlock House. David McLaughlin conducted extensive diligence regarding Hemlock House Development's capability to successfully develop the proposed McKinley Development presented in the recent proposal to City.

Included in that review was Jonathan Miller's resume (Principal for Hemlock House), relevant past projects completed by the development team, 2021 and 2022 tax returns, the 2023/2024 management statements and a current balance sheet. The review included a particular focus on the adequacy of startup working capital and past projects completed.

Based on the information reviewed, our underwriter was able to conclude that the prospective developer has relevant experience that includes completion of four developments that utilized Historic Tax Credits (both State and Federal) totaling 38 residential units, of which 12 units in two separate projects (164 and 187 Water Street, Augusta) are owned. Those two owned projects are both completed, stabilized, and operating at close to a 10% excess in cash flow after debt service. The business is reasonably well capitalized and operating profitably with good cash flow coverage.

The proposed and available startup working capital for this project will be \$400k which should be adequate given the scale of the redevelopment proposal. These funds are accessible through an affiliated entity and confirmation of their allocation to the project budget will be requested prior to closing.

This project proposal will be subject to further extensive diligence review in connection with their anticipated bank financing, which will include a feasibility study and/or construction manager's report as preclosing conditions.

VIII. LIST ATTACHMENTS

- Proposed Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT IS made this ____ day of September 2024 by and between the City OF PORTLAND, a body politic and corporate located in Cumberland County, Maine, (“Seller” or “City”), and HEMLOCK HOUSE DEVELOPMENT LLC, a Maine limited liability corporation with a mailing address of 272 Sweetser Road, North Yarmouth, ME 04097 (“Buyer”) (Buyer and Seller are referred to in this agreement as the “parties”).

RECITALS

WHEREAS, the CITY is the owner of certain tax acquired real estate known as the Fort McKinley Hospital located at or about 159 Diamond Avenue, Portland, Maine, which real estate is identified on the City’s tax maps as CBL 083 M190001 (the “Premises”); and

WHEREAS, the CITY desires to sell the Premises and published a Request for Proposals dated February 16, 2024 for the sale and development of the Premises, as copy of which is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the BUYER desires to purchase the Premises and submitted a proposal in response to the Request for Proposals, a copy of which is attached hereto as Exhibit B and made a part hereof.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties, intending to be legally bound, agree as follows:

1. **SALE.** City agrees to sell the Premises to Buyer, and Buyer agrees to purchase the Premises in accordance with the terms and conditions set forth in this Agreement.
2. **CONSIDERATION.** The purchase price for the Premises shall be Two Hundred One Thousand Five Hundred Dollars (\$201,500.00) (the “Purchase Price”), payable as follows:
 - a. Upon execution of this Agreement, Buyer shall pay to City a One Thousand Dollar (\$1,000.00) deposit, which the City shall hold in escrow without interest and apply to the Purchase Price at closing; and
 - b. The Buyer shall pay the remainder of the Purchase Price to the City by wire transfer (or as otherwise reasonably requested by the City) at closing.
3. **TITLE.** City shall convey the Premises to Buyer at the closing by Municipal Quitclaim Deed without covenant. Title to the Premises shall be subject to (i) easements described herein; (ii) easements for utilities servicing or otherwise affecting the property, (ii) City ordinances, and (iii) real estate taxes not yet due and

payable. Further, Buyer acknowledges that the deed will contain a restriction stating that in the event that the Premises or any portion thereof becomes exempt from real and personal property taxes, by transfer, conversion, or otherwise, then the then-owner of the exempt portion will be required to make annual payments to the City in lieu of taxes in the amount equal to the amount of property taxes that would have been assessed on the exempt portion of the real and personal property situated on the Premises had such property remained taxable. Such restriction shall also confirm that Buyer and its successors and assigns shall possess and be vested with all rights and privileges as to abatement and appeal of valuations, rates, and the like as are accorded owners of real and personal property in Maine. Within ninety (90) days of the Effective Date (the "Title Review Period"), Buyer shall notify Seller in writing if any matters affecting title to the premises are objectionable to Buyer in Buyer's sole discretion and, at Buyer's option, may declare the Contract null and void and any Deposit shall be returned to the Buyer and neither party shall have any further obligation hereunder. The City will have no obligation to cure any title defects identified by Buyer. If the Buyer does not declare the Contract void within the period set forth above, the Buyer shall have waived the right to object to title, except with respect to any changes to title arising between the Title Review Period and the Closing Date, and Buyer shall have agreed to accept title to the premises without reduction of the Purchase Price and without any liability on the part of Seller therefor.

4. CONDITION OF PREMISES; RELEASE AND INDEMNIFICATION; PROPERTY SOLD "AS-IS, WHERE-IS."

- a. Buyer is encouraged to seek information from professionals regarding any specific issue of concern. This Agreement is subject to the Buyer's due diligence for all matters related to the Premises and Buyer's use of the Premises, as well as due diligence for design, planning and to obtain any governmental permits and approvals desirable to Buyer, with the results being satisfactory to Buyer in its sole discretion. The parties shall use reasonable efforts to coordinate on such inspections, from time to time, and Seller shall allow the Buyer (and Buyer's inspectors) access to the entire property (including buildings and improvements thereon) during the Due Diligence Period (as hereinafter defined). Buyer shall require any person entering the Premises to sign a Release, Assumption Of Risk And Indemnity Agreement form, a copy of which is attached hereto as Exhibit C.
- b. Seller shall, within seven (7) days of the Effective Date, deliver to Buyer copies of all available inspections, tests (building and environmental), title insurance reports and policies, surveys and other similar materials regarding the Premises, equipment and improvement within the premises, that are in Seller's possession. It is acknowledged that Seller shall provide such due diligence materials as a courtesy to aid Buyer in its due diligence, but without representation or warranty whatsoever.
- c. During the Due Diligence Period (as hereinafter defined) the Buyer shall have reasonable access to the premises and improvements and equipment therein during regular business hours, as necessary for Buyer to inspect the same. All inspections will be done by inspectors and professionals chosen

and paid for by the Buyer. If the result of any inspection or other condition is unsatisfactory to the Buyer, in Buyer's sole discretion, Buyer may declare the Agreement null and void by notifying Seller(s) in writing within 365 days following the Effective Date (the "Due Diligence Period"), and upon such termination the Deposit shall be returned to the Buyer. Buyer shall cause any contractors, consultants or any other party conducting any inspections to procure automobile insurance, if applicable, and general public liability insurance coverage in amounts of not less than Four Hundred Thousand Dollars (\$400,000.00) per occurrence for bodily injury, death and property damage, listing the City as an additional insured thereon, and also Workers' Compensation Insurance coverage to the extent required by law; the forms of all such insurance to be subject to City's Corporation Counsel's reasonable satisfaction.

- a. Buyer, which term includes its agents, acknowledges that there may be hazardous materials and other dangerous conditions on the Premises that may expose persons entering the Premises in the course of Due Diligence investigations to bodily injury, death, or property damage, and Buyer agrees its entry to the Premises is at its own risk. Buyer hereby releases the City and its officers, agents and personnel (collectively, the "Releasees") from any and all claims, liabilities, damages, losses, costs, judgments, fees and expenses arising out of or resulting, directly or indirectly, from Buyer's entry of the Premises, including, without limitation, injuries, losses and damages for bodily injury (including disability or death) and property damage, regardless of cause, including any and all claims, damages and liabilities that arise out of or result from any actions or omissions, including negligence, on the part of any of the Releasees. Buyer promises not to sue any of the Releasees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows and shall survive termination of this agreement.
- b. Buyer further agrees, to the fullest extent permitted by law, that Buyer shall defend, indemnify and hold the City, its officers, agents and employees, harmless at all times from any claims, liability, losses, costs, expenses (including, without limitation, reasonable attorney's fees) fines, damages or judgments (collectively, "Claims"), just or unjust, that arise out or are related to any entry of the Premises by Buyer, its agents, officers, directors, employees, contractors, subcontractors, invitees, or anyone else entering the Premises on behalf of Buyer, which Claims include, without being limited to, Claims for personal injury, death, or property damage and including Claims based upon violation of any environmental law or regulation governing hazardous substances.
- c. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- d. Buyer acknowledges that Buyer has had an opportunity to inspect the Premises, and to hire professionals to do so, and that the Premises will be sold "as is, where is" and "with all faults." City, and its agents, make no representations or warranties with respect to the accuracy of any statement as to boundaries or acreage, or as to any other matters contained in any description of the Premises, or as to the fitness of the Premises for a particular purpose, or as to development rights, merchantability, habitability, or as to

any other matter, including without limitation, land use, zoning and subdivision issues or the environmental, mechanical, or structural condition of the Premises. Acceptance by Buyer of the Deed at closing and payment of the purchase price shall be deemed to be full performance and discharge by the City of every agreement and obligation contained herein.

5. **REAL ESTATE TAXES, PRORATIONS AND TRANSFER TAX.** Buyer shall be liable for all real estate taxes beginning as of the closing date and continuing thereafter. Any utilities for the Premises shall be prorated as of the closing date. The Maine real estate transfer tax shall be paid for by Buyer in accordance with 36 M.R.S. § 4641-A. City is exempt from paying the transfer tax pursuant to 36 M.R.S. § 4641-C. The recording fee for the deed of conveyance and any expenses relating to Buyer's financing or closing shall be paid for by Buyer.
6. **DEFAULT AND REMEDIES.** In the event that Buyer defaults hereunder for a reason other than the default of the City, City shall retain the deposit, but the City's acceptance of the Deposit shall not constitute a waiver of any other legal or equitable remedy available to City. In the event City defaults under this Agreement, and if Buyer is not then in default hereunder, Buyer shall have the right to pursue specific performance, but at all times may elect in substitution therefor, as its sole remedy, the right to a return of its deposit.
7. **ENVIRONMENTAL INDEMNIFICATION.** Buyer covenants and agrees to indemnify, defend, and hold the City harmless from and against any and all claims, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, costs, or expenses of any kind, including, without limitation, reasonable attorneys', consultants', and experts' fees incurred in investigating, defending, settling, or prosecuting any claim, litigation or proceeding, that may at any time be imposed upon, incurred by or asserted or awarded against Buyer or the City and relating directly or indirectly to the violation of or compliance with any federal, state, or local environmental laws, rules, or regulations governing the release, handling or storage of hazardous wastes or hazardous materials and affecting all or any portion of the Premises. This duty to indemnify, defend, and hold harmless shall be included in a covenant in the deed and shall run with the land conveyed and be binding upon Buyer's successors, assigns, and transferees.
8. **CLOSING.** Time is of the essence in the performance of this agreement. The closing shall be held at the offices of Buyer's counsel at a time agreeable to the parties on or before the day that is one month after the end of the Due Diligence Period at a time agreeable to the Parties (the "Closing Date"). At the Closing:
 - a. City shall execute, acknowledge and deliver to Buyer a municipal quitclaim deed without covenant.
 - b. Buyer shall deliver the balance of the Purchase Price to the City by wire transfer; and

- c. Buyer shall deliver evidence, reasonably satisfactory to City's Corporation Counsel, that the entity receiving title to the Premises is in good standing under Maine law, and that the individuals acting to Closing and executing documents on behalf of Buyer are authorized to do so.

9. **ENTIRE AGREEMENT.** This Agreement represents the entire and complete Agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the acquisition or exchange of the Property hereunder. This Agreement cannot be amended except by written instrument executed by City and Buyer.

10. **NON-WAIVER.** No waiver of any breach of any one or more of the conditions of this Agreement by either party shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.

11. **HEADINGS AND CAPTIONS.** The headings and captions appearing herein are for the convenience of reference only and shall not in any way affect the substantive provisions hereof.

12. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.

13. **TIME.** The City and Buyer each confirm and agree that each of the time periods set forth herein are essential provisions of the terms of this Agreement.

14. **GOVERNING LAW.** This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.

15. **NOTICE.** All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the recipient at the addresses set forth below. Either party may change addresses for purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

FOR THE CITY:

City of Portland
ATTN: City MANAGER
389 Congress Street
Portland, ME 04101

With a copy to: The Office of the Corporation Counsel at the same address.

FOR Buyer: Jonathan Miller
Hemlock House Development LLC
272 Sweetser Road
North Yarmouth, ME 04097
Jon@hemlockhousedev.com

With a copy to: Suzanne Breselor Lowell, Esq.
Bernstein, Shur, Sawyer & Nelson
100 Middle Street
Portland, ME 04101
Slowell@bernsteinshur.com

- 16. SIGNATURES; MULTIPLE COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. A signature in a faxed, pdf, or other reproduced or electronic document, including signatures made digitally through platforms such as DocuSign, shall be considered the equivalent of an original signature.
- 17. BROKERS.** The CITY and Buyer each represent and warrant that they have not dealt with a real estate broker in connection with this transaction. Buyer agrees to indemnify and hold harmless City from any claims made by any broker should Buyer's representation in this paragraph be false. Subject to the limitations of liability set forth in the Maine Tort Claims Act, City agrees to indemnify and hold harmless Buyer from any claims made by any broker should City's representation in this paragraph be false. The foregoing indemnities shall include all legal fees and costs incurred in defense against any such claim, and shall survive closing.
- 18. RECITALS INCORPORATED BY REFERENCE.** The recitals set forth above are incorporated herein by reference and made a part of this Agreement.
- 19. ASSIGNMENT.** Buyer may not assign his rights and obligations under this Agreement without the City's prior written consent, other than to an affiliated entity.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be

executed by their duly authorized officers or representatives, as of the day and year first written above.

CITY OF PORTLAND

WITNESS

Danielle P. West
Its City Manager

**HEMLOCK HOUSE
DEVELOPMENT LLC**

WITNESS

Jonathan Miller
Its:

Approved as to Form:

City Corporation Counsel's Office

Approved as to Funds:

City Finance Director

City of Portland, Maine
“Sale and Redevelopment of the Diamond Cove
Former Fort McKinley Hospital Property”
Request for Proposals #24051
ADVERTISEMENT

The City of Portland, Housing and Economic Development Department seeks proposals related to the “Sale and Redevelopment of the Diamond Cove Former Fort McKinley Hospital Property,” as specified herein. Proposals addressed to the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, shall be submitted electronically to bidssubmit@portlandmaine.gov with the name of the Proposer, Contract Name and RFP number in the subject line and must be received no later than **3:30 p.m., Thursday, March 14, 2024** at which time they will be opened and read. Proposals can also be submitted via USPS, UPS or FedEx to the address listed above. All proposals shall be held open to acceptance for ninety days from opening.

Copies of the above documents will be available by contacting the City of Portland Purchasing Office either via e-mail at purchasing@portlandmaine.gov, or phone (207) 874-8654. Each prospective bidder will be required to obtain from the City each copy of the proposal forms.

Proposals that are late, unsigned or submitted via fax shall not be accepted. Proposals from individuals not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates that the recipient is registered. Should a person receive this Request for Proposals from a source other than the City, please contact 207-874-8654 to ensure that you are listed as a recipient for this Request for Proposals.

City of Portland, Maine
“Sale and Redevelopment of the Diamond Cove
Former Fort McKinley Hospital Property”
Request for Proposals #24051

NOTICE AND SPECIFICATIONS

The City of Portland, Housing and Economic Development Department seeks proposals related to the “Sale and Redevelopment of the Diamond Cove Former Fort McKinley Hospital Property,” as specified herein. Proposals addressed to the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, shall be submitted electronically to bidssubmit@portlandmaine.gov with the name of the Proposer, Contract Name and RFP number in the subject line and must be received no later than **3:30 p.m., Thursday, March 14, 2024** at which time they will be opened and read. Proposals can also be submitted via USPS, UPS or FedEx to the address listed above. All proposals shall be held open to acceptance for ninety days from opening.

Copies of the above documents will be available by contacting the City of Portland Purchasing Office either via e-mail at purchasing@portlandmaine.gov, or phone (207) 874-8654. Each prospective bidder will be required to obtain from the City each copy of the proposal forms.

Proposals that are late, unsigned or submitted via fax shall not be accepted. Proposals from individuals not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates that the recipient is registered. Should a person receive this Request from a source other than the City, please contact 207-874-8654 to ensure that you are listed as a recipient for this Request for Proposals.

All questions **must** be submitted in writing to the Purchasing Office. Questions may be mailed, hand delivered, faxed to (207) 874-8652 or e-mailed to slchapin@portlandmaine.gov and must be received no later than noon, ten (10) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City and cannot be relied upon by proposers. Proposers cannot have contact with any City staff with regard to this Request for Proposals except to obtain general public information as specified in the document.

The disposal of this real estate shall be on the basis of a negotiated agreement, with the City of Portland reserving the right to refuse any and all proposals. *All proposers are advised that the property will be sold “as-is” and “where is,” in its existing condition, with no warranties to be expressed or implied.* The City makes no representations or warranties about any of the information about the property set forth in this Request for Proposals or any of its attachments, which is provided to proposers for their convenience only. The City, and its agents, make no representations or warranties with respect to the title of the property, the accuracy of any statements as to boundaries or acreage, or as to any other matters contained in any description of the property, or as to the fitness of the property for a particular purpose, or as to development rights, merchantability, habitability, or as to any other matter, including without limitations, land use, zoning and subdivision issues or the environmental, mechanical, or

structural condition of the property. The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time. The City will not be responsible for any broker's commission. The property will be conveyed by quitclaim deed without covenant.

Any and all improvements made to said property must be done in accordance with existing City Codes and Ordinances.

CONFIDENTIALITY

The City of Portland is subject to Maine's Freedom of Access Act (FOAA). Under this law, the City is required to disclose information that we receive in the solicitation of proposals. FOAA does, however, have exceptions applicable to certain confidential information. In the event that you believe that the proposal you submit contains any confidential information, you must submit such information in a separate sealed envelope to the City along with your sealed proposal. The outside of this envelope must clearly be marked "Proprietary information/confidential." Such confidential information will only be reviewed by Portland City officials, and only on a "need to know" basis. The City will not disclose such information to a third party, unless it determines that such disclosure is required by law. Prior to disclosing such information, the City will provide you with a reasonable opportunity to seek an injunction or other court order, at your own expense, to prevent such disclosure. The City will not be liable to any proposer or any third party for any disclosure of confidential information.

RESERVATION OF RIGHTS

The City reserves the right, at its sole discretion, to reject any and all proposals for the property, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the city may extend deadlines and timeframes, as needed. The City Council may accept any proposer's proposal, and negotiate a purchase and sale agreement with that proposer even if the proposer does not receive the highest score from the Evaluation Committee.

The City reserves the right to substantiate any Proposer's qualifications, capability to perform, availability, past performance records and to verify that the proposer is current in its financial obligations to the City.

The City reserves the right to waive any informalities in proposals, to accept any proposal or portion thereof, and to reject any and all proposals, should it be in the best in the best interest of the City to do so.

February 16, 2024

Samantha L. Chapin
Purchasing & Controls Manager

PROPOSAL FORM

**“Sale and Redevelopment of the Diamond Cove
Former Fort McKinley Hospital Property”
RFP #24051**

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: _____

COMPANY NAME: _____

AUTHORIZED SIGNATURE: _____

DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

E-MAIL ADDRESS: _____

PHONE NUMBER: _____ FAX NUMBER: _____

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, LIMITED LIABILITY
COMPANY, INDIVIDUAL, OTHER: _____

STATE OF INCORPORATION OR ORGANIZATION, IF APPLICABLE:

FEDERAL TAX IDENTIFICATION NUMBER (Required): _____

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

Purchase Price: _____ (Points Award Basis)

City of Portland, Maine
“Sale and Redevelopment of the Diamond Cove
Former Fort McKinley Hospital Property”
Request for Proposals #24051

PROPERTY OVERVIEW AND CITY INVOLVEMENT

This property was foreclosed by the City for non-payment of property taxes in FY2003. In May 2007, the City entered into a Purchase and Sale Agreement, with David Bateman, including two separate properties (the former Double Barracks and the Hospital Building). The Double Barracks was redeveloped as the Inn at Diamond Cove. The Agreement to acquire the Hospital Building expired in 2019.

Former Fort McKinley Hospital Property Highlights

Size and location of property. The property associated with the Hospital Building includes .1226 acres which is the footprint of the building only. The building footprint constitutes Lot 19 of the Plan of Diamond Cove. The surrounding property is owned by the Diamond Cove Homeowners Association (DCHA). The property owned by DCHA is community property and benefits from security, landscaping and other investments that are afforded to all Phase 1 property owners. Phase 1 is the historic district and buildings. The hospital is part of that designation. Cooperation with the Diamond Cove Homeowners Association, which owns the surrounding property, will be key to redeveloping this property. It is noted that this property is located on one of the highest points of the island with water views.

Current Conditions. City Public Facilities staff has boarded up this building for security.

Zoning. The property is located in the IR-3 (Island Residential) Zone. The site is further subject to a series of conditional rezoning agreements the latest of which was adopted in February 22, 2012. Analysis will need to be undertaken by the Proposer based on specific development concepts *vis a vis* the land use regulatory structure

Historic Preservation. The building is included in the Fort McKinley National Register Historic District and is designated as a contributing structure within the City of Portland’s local historic district as well. State and federal historic tax credits should be explored for use to support the Hospital Building redevelopment.

Wastewater System. A new land-based wastewater discharge system will need to be designed and permitted.

Public Water System. Significant upgrades to the public water system were made in 2013 when the Inn at Diamond Cove was constructed. Proposer research is needed to determine available water capacity and pressure.

Environmental Conditions: The City of Portland does not have any specifics with regard to environmental conditions and makes no representations or warranties with respect to the environmental condition of the Property.

Diamond Cove Homeowners Association. Membership in the DCHA allows for property owners to enjoy voting rights, landscaping, security, access to waste disposal and to benefit from the Association's ongoing efforts to maintain streets, roadways and common properties along with insurance on common properties stipulated in the DCHA Bylaws. Additionally, use of pool, tennis courts, fitness center, basketball court, bowling alley, beaches may be considered.

Property maps, pictures and photos are attached.

Note: All respondents are responsible for understanding zoning and other requirements for proposed projects prior to submission of proposal. Information included in this RFP is for convenience only, and, to the extent that the information included herein conflicts with applicable laws, rules, ordinances, and regulations, those laws, rules, ordinances, and regulations control.

SELECTION PROCESS

Proposals will be reviewed by a City staff Evaluation Committee including representatives of the Diamond Cove Homeowners Association Board of Directors that will score the proposals based upon the best opportunity for negotiating the highest quality and most appropriate use of the property. The highest scoring respondents to the RFP may be selected for an interview at the discretion of the Evaluation Committee. These firms may be re-scored after the Evaluation Committee has completed its interview process and reviews any additional information. The staff Committee's scoring will be forwarded to the Portland City Council Housing and Economic Development Committee for its deliberation and subsequent recommendation to the City Council. Any agreement for the sale or other disposition of the Property will be subject to the approval of the Portland City Council.

Key Proposal Goals (2)

1. **Private Sector Investment.** Creative, adaptive commercial or residential uses or mixed use of the existing buildings, compatible with Diamond Cove, are welcomed to return this property to productive use.
2. **Historic Preservation.** Both the City and Diamond Cove Homeowners Association would like the existing Hospital Building preserved to the maximum extent possible. As a contributing property in a local historic district, exterior alterations to the property will be subject to review under the City's Historic Preservation Ordinance. State and federal historic tax credits should be explored for use to support the Hospital Building redevelopment.

PROPOSAL REQUIREMENTS

1. All proposers shall signify, by signing the attached proposal form, that the proposer has read and understands all conditions concerning the development of the land being offered, as outlined in this Request for Proposals, and that the proposal is made in accordance with this request.

2. Each proposal submitted must specifically outline the proposed development or re-use of the Property and indicate the intended end use(s). At a minimum, the proposal shall include:
 - **Site Concept Plan.** Concept for the proposed use of the Property including end use(s);
 - **Project Timeline.** Timetable from beginning to completion of the development of the Property;
3. Each proposer must present the City with evidence of its financial ability to undertake and complete the project as outlined in its proposal.
4. Responses should include a clear demonstration of the proposer's ability to complete all elements of the project as described in the proposal including a description of the development team and past experience with similar projects, project readiness and timeframe for completion as evidenced by lease commitments or the like, and financial feasibility analyses detailing a development budget, operating pro-formas, and any other provided information.
5. If submitting by US Mail, FedEx, or UPS; submissions must include one paper copy, and one electronic copy.
6. Additional data, exhibits, statements, drawings, renderings of buildings, etc., are invited to insure a total understanding and proper evaluation of each proposal by the City.

SELECTION CRITERIA

Public Benefit to the City and Diamond Cove The City would like to obtain the most favorable public benefit associated with the sale of this property, and will rate proposals based upon that return. This will mean that a proposal will score higher as it ascribes the greatest value to the city-owned land and offers the greatest public benefit to the City and Diamond Cove. In addition, other factors could include, but are not limited to:

- **Purchase Price.** The City expects to receive Fair Market Value ("FMV") for the property, including payment of past due property taxes and interest, approximately \$171,500 (amount to be finalized at sale closing as interest accrues daily), and maintenance costs of approximately \$30,000.
- **Net new property tax revenue.** Estimates for the value of new private construction should be provided with each proposal. The City will review this information to determine an estimated total municipal assessed value for the proposed project and associated property taxes.
- **Historic Preservation and Adaptive Reuse of Existing Buildings.** Both the City and Diamond Cove Homeowners Association would like the existing Hospital Building preserved to the maximum extent possible. As a contributing property in a local historic district, exterior alterations to the property will be subject to review under the City's Historic Preservation Ordinance. State and federal historic tax credits should be explored for use to support the Hospital Building redevelopment.

- **Use Compatibility.** All proposals should indicate redevelopment plan compliance with existing zoning, including conditional rezonings, or propose zoning amendments in their submission. The selected proposal must be supported by the Diamond Cove Homeowners Association and the city.

Proposers Proven Capacity and Relevant Experience

Responses should clearly demonstrate the proposer's ability to complete all elements of the project as described in the proposal including a description of the development team and past experience with similar projects, project readiness and timeframe for completion as evidenced by lease commitments or the like and financial feasibility analyses detailing a development budget, operating pro-forma, and any other provided information. The City will consider its experiences with any proposer's performance on prior projects in its evaluation of the proposals.

SCORING MATRIX

Subject to the Reservation of Rights as described herein above, the City Council Housing and Economic Development Committee will recommend to the City Council the proposal which in its judgment offers the best opportunity for negotiating the highest quality and most appropriate use of the property, even though such proposal may not contain the highest purchase price offered.

The criteria used for the rating of the Proposals by the Evaluation Committee will include:

1. **Public Benefit to the City and Diamond Cove (70 Points)**
 - Purchase Price (20 Points)
 - Net new property tax revenue (20 Points)
 - Historic Preservation and Adaptive Reuse of existing buildings (20 Points)
 - Use Compatibility (10 Points)
2. **Proposers Proven Capacity and Relevant Experience (30 Points)**

RFP Evaluation and Timeframe

The following process will be used:

1. Upon closing of the Request for Proposal application period, all proposals will be reviewed for completeness.
2. All complete proposals will be reviewed under the scoring factors and preference guidelines as described herein. The proposal Evaluation Committee may confer with the applicants and/or third parties to clarify or verify information and request additional information for the purpose of allowing the evaluation committee to ask questions of the finalists and to further clarify any Proposer's written responses.
3. All complete proposals and scoring information will be forwarded to the City Council's Housing and Economic Development Committee for review and negotiation of a purchase and sale

agreement assuming developer selection. The Committee may hold interviews with any, all or none of the proposers. Upon successful negotiation of a purchase and sale agreement, the final recommendation will be forwarded to the full City Council for its review and approval.

Proposers will be notified of the scoring results and all pertinent meeting review dates.

LEGAL REQUIREMENTS

The Purchase and Sale Agreement for the sale of the Property will be executed only after satisfactory review and final approval by the City Council. At closing, the City shall convey the property by municipal release deed. There may also be covenants, conditions, and restrictions in the deed that govern the payment of taxes on the property and the use, development, and transfer of the property. The City may also reserve the right to repurchase the property in the case of non-performance by the proposer.

Appendices. NOTE: All documents in the RFP Appendix are provided for the Proposers' convenience only, and the City expects proposers to do their own research regarding any legal issues governing the use of the property.

Plan of Diamond Cove

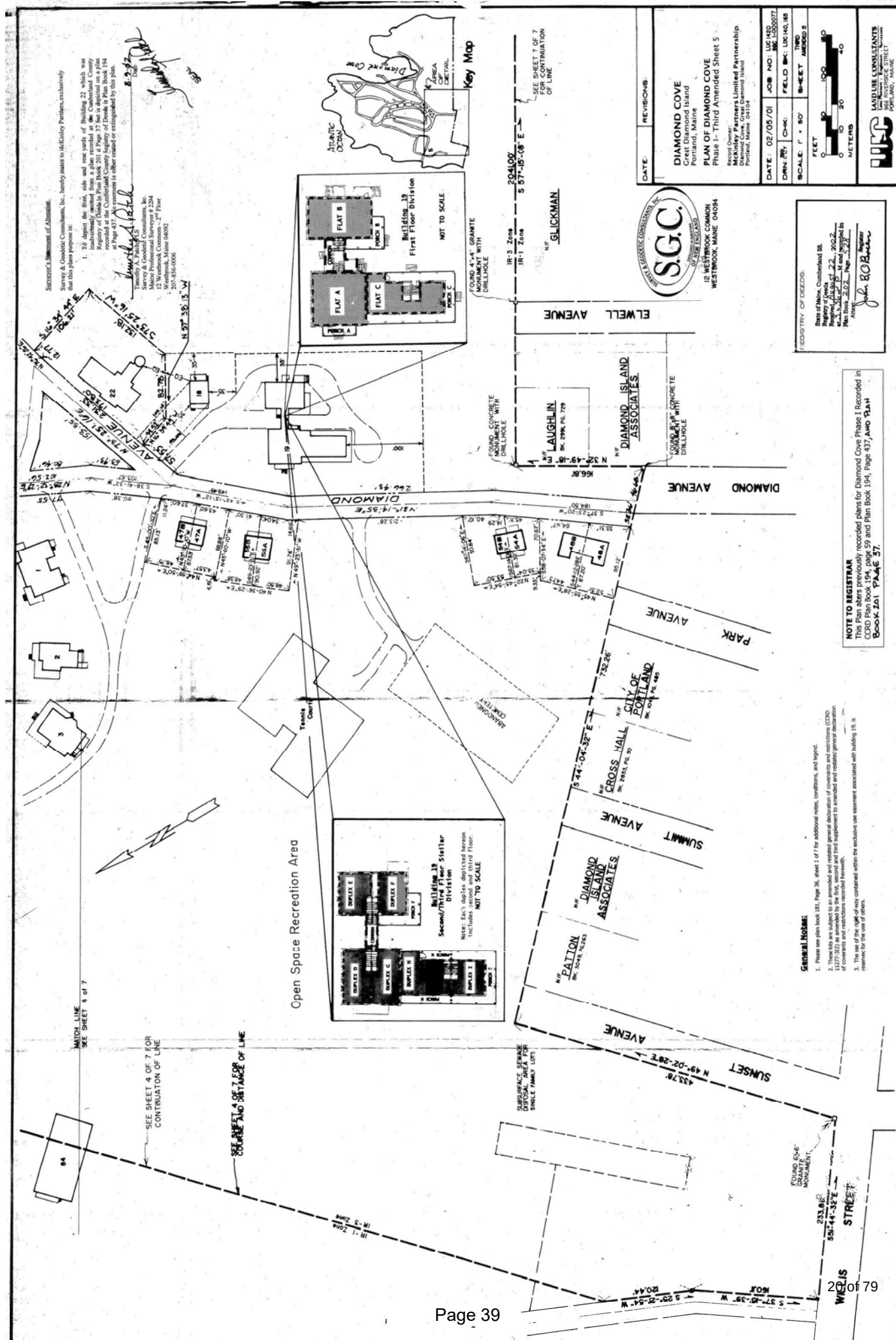
Portland GIS Maps of Property

Old Photos of Property

Conditional Rezoning Approved by City Council on 2/22/2012

Conditional Rezoning Approved by City Council on 10/21/2013

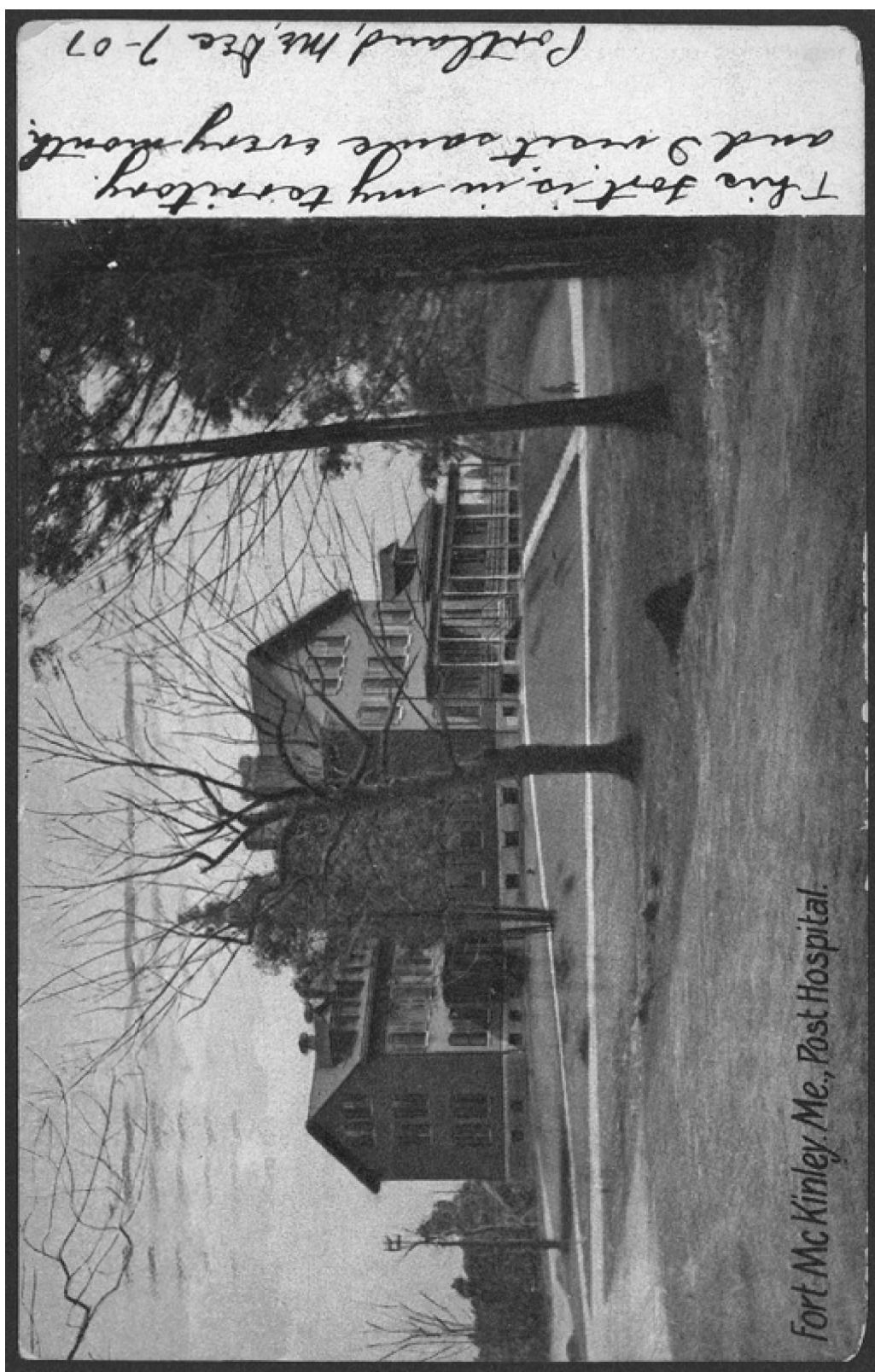
DCHA Condominium Association Bylaws













Order 114-11/12
Given first reading 2/6/12
Passage: 8-0 (Marshall Out) 2-22-12

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

**ORDER AUTHORIZING AMENDMENT TO
CONDITIONAL ZONE FOR PROPERTY
IN THE VICINITY OF
DIAMOND COVE, GREAT DIAMOND ISLAND
PORTLAND, MAINE**

ORDERED, that the Conditional Zone by and between the City of Portland and The Inn at Diamond Cove LLC and the Diamond Cove Homeowners Association, adopted on _____ and incorporated by reference into the Zoning Ordinance by Sec. 14-49 of the Portland City Code, is hereby amended to read as follows:

**SUPPLEMENTAL CONDITIONS AND RESTRICTIONS
BUILDINGS 46 (“DOUBLE BARRACKS”) AND 19 (“HOSPITAL”)
FT. MCKINLEY, PORTLAND, MAINE
FEBRUARY 22, 2012**

The following supplemental conditions and restrictions are imposed by the City of Portland (the “City”) on that portion of the Ft. McKinley project (“Project”) commonly known as Buildings 46 and 19, together with the ancillary service area, all as depicted on the map attached hereto as Attachment 1 (“Premises”), as conditions of the rezoning of the Premises at the request of The Inn At Diamond Cove, LLC (“IDC”) ¹, and consented to by the Diamond Cove Homeowners Association (“DCHA”):

1. Existing Conditions. The Premises are a portion of the development commonly known as Ft. McKinley, Great Diamond Island, Portland, Maine which is subject, *inter alia*, to those Conditions and Restrictions recorded in the Cumberland County Registry of Deeds in Book 8928, Page 263, as amended by Order of the Portland City Council on August 16, 2004 relating to ground transportation in and around the Project (collectively, the “Existing Conditions and Restrictions”).

¹ For purposes of this Supplemental Conditions and Restrictions document, “Owner/Manager” referred to herein shall mean, individuals and collectively, the following: IDC, its successors in interest or assigns; individual unit owners, their heirs, successors in interest and assigns; any and all management company retained by or working on behalf of IDC, its successors or assigns and/or individual units owners and their heirs, successors in interest or assigns.

2. Supplemental Conditions and Restrictions. Notwithstanding the terms of the IR-3 zoning text otherwise applicable to the Premises, and the Existing Conditions and Restrictions, those buildings designated as Building 19 ("Hospital") and Building 46 ("Double Barracks"), the immediate grounds attendant thereto and a portion of the Open Space, all depicted on the site plans dated June 24, 2008 [consisting of four (4) sheets and attached hereto as Attachment 2], all may be redeveloped into individually owned and fully equipped condominium units, sometimes known as "hotelminiums" and a supporting pool/services area on the Open Space. "Hotelminium" is defined as privately owned residential condominium units (with kitchens) located within a structure that offers reasonable and customary on-site hotel services² which are limited to the unit owners, their guests, tenants in residence and members of the DCHA. The Hotelminium units may be rented (in whole or in part by virtue of attached bedrooms capable of being independently rented through a "lock out" system from the remainder of the unit) for varying durations to the general public through a centralized hospitality vendor. The Double Barracks may include up to a maximum of twenty-two (22) hotelminium units [with the maximum number of lock out units, included as part of the twenty-two hotelminiums and not separate units, not to exceed twenty-twosixteen (22+6)] and the Hospital may include up to a maximum of twelve (12) hotelminium units [with the maximum number of lock out units, included as part of the twelve hotelminiums and not separate units, not to exceed twelve (12)]. The units contained within the Double Barracks and the Hospital buildings shall become members of a separate condominium association established for these two rehabilitated buildings, and each unit will also be considered a "lot" within DCHA, subject to all of the applicable restrictions, covenants, conditions, assessments and the like of both DCHA and the newly-established condominium association.

The Double Barracks and the Hospital, both of which may be renovated, are depicted on Attachment 2. The allowable rehabilitation of these buildings may include construction of a new swimming pool and related guest services building on that portion of the Open Space depicted on the site plans, a copy of the relevant portion of which appears as Attachment 2 hereto. The recording of the this Amendment shall be deemed to supplement the Conditions and Restrictions recorded in Book 8928, Page 263 and the "Dedicated Open Space Plan" attached thereto as an Exhibit.

3. Disposal of Solid Waste. All solid waste generated on the Premises shall be collected and disposed of privately, on the mainland, with temporary storage of such waste being handled within the building and disposed of in accordance with all applicable regulations, codes and laws; or if, in the City's opinion, it would not create an unreasonable burden thereon, at a municipally-operated island solid waste disposal facility. All solid waste shall be stored, collected and disposed of in accordance with the Maine Department of Environmental Protection's September 2009 Site Location of Development Act Minor Order (the "DEP Order") for the Inn at Diamond Cove, or

² For purposes of this Supplemental Conditions and Restrictions document, "reasonable and customary on-site hotel services" shall include but not be limited to laundry service, linen service, room service, health and fitness facilities, food and beverage service, concierge, etc.

successive DEP Order as may be amended. To the extent that there is a conflict between City regulations and the DEP Order, the stricter provision shall apply.

4. Fire Protection. The Double Barracks and Hospital buildings shall be fully sprinkled and have installed, and at all times functional, a central fire alarm system operative prior to the issuance of any certificate of occupancy for the respective building.

5. Transportation Services. The Owner/Manager of the Premises shall use its best efforts to secure from the Casco Bay Island Transit District year-round common carrier water transportation service to, from and between the Portland waterfront and the Diamond Cove Pier (or barge landing where appropriate for passengers and/or cargo) on a schedule to be established by the carrier based upon passenger demand; provided, however, that in the event that such service becomes unavailable, the Owner/Manager shall provide an equivalent alternative to such service, subject only to the approval thereof by the Public Utilities Commission, or such other regulatory authority having jurisdiction thereof. The Owner/Manager shall also provide suitable ground transportation from points of disembarkment within the Project to the hotelminiums. The Owner/Manager shall not provide motorized ground transportation off the Ft. McKinley Project site and the Owner/Manager, its guests, tenants, invitees and employees shall not operate motorized ground transportation of any kind to travel off the Ft. McKinley project site to the pier at the south end of the island except in the event of an emergency. All such transportation shall strictly conform to all existing ordinances, rules and regulations concerning travel outside of the project site to the public pier at the southerly end of Great Diamond Island. All owners, guests and employees will be directed to utilize Casco Bay Lines or private water shuttles arriving at the Diamond Cove Pier ~~landing point~~ or the barge landing point (at the north end of Great Diamond Island) and will be specifically advised not to utilize any off-site facilities, including the pier at the south end of the island. The Owner/ Manager shall conspicuously post, and keep posted in each hotelminium units at the Premises, a written notice of the applicable ordinances, rules and regulations. Moreover, the City shall have no obligation to provide mainland parking for any owner, occupant, guest or invitee of any hotelminium unit or any manager or on-site staff thereof.

6. Disposal of Sanitary Waste. The IDC is obligated hereunder to involve the City in all aspects of its sanitation waste licensing, and any modifications thereto, with any local, state or federal agency. This includes providing the City with copies of all information submitted to said agencies and involving the City in all meetings and discussions concerning sanitary waste disposal. No site plan or subdivision application shall be approved by the City unless and until documentation of Maine DEP approval of the sanitary waste system serving the Premises is provided.

7. Interpretation; Conflicts. The within conditions and restrictions are intended to supplement the existing Conditions and Restrictions and amendments thereto, all of which shall remain in full force and effect except as modified herein or as may be modified by further amendment or ordinance duly enacted by the City of Portland. In the event of any conflict between these Supplemental Conditions and Restrictions and the

pre-existing Conditions and Restrictions, as amended, these Supplemental Conditions and Restrictions shall control.

8. Site Plan Review. Nothing herein is intended to relieve the applicant/owner from complying with applicable standards under Site Plan Review.

Order 52-13/14
Given first reading on 9/16/13
Postponed to 10/21/13 Council Meeting
Passage: 9-0 10/21/13

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

**AMENDMENT TO CITY CODE
SEC. 14-49 (ZONING MAP AMENDMENT)
RE: CONDITIONAL REZONING FOR DINOSAUR ENTERPRISES LTD**

ORDERED, that the Zoning Map of the City of Portland, dated December 2000 as amended and on file in the Department of Planning & Development, and incorporated by reference into the Zoning Ordinance by Sec. 14-49 of the Portland City Code, is hereby amended to reflect a conditional rezoning as detailed below:

**CONDITIONAL ZONE AGREEMENT
RE:
DINOSAUR ENTERPRISES LTD**

AGREEMENT made this ____ day of _____, 2013, by DINOSAUR ENTERPRISES LTD, a Maine corporation with a place of business in Portland, Maine ("Applicant"), and its successors and assigns and Elizabeth A. Weber ("Owner"), the owner of the property where the Applicant operates its fuel business.

W I T N E S S E T H

WHEREAS, the Applicant operates its business on land owned by ("Owner") containing approximately 21,643 square feet and shown on the Portland Tax Map as 83A, Block K, Lots 5 and 10, and more particularly described in that warranty deed recorded in Book 10389, Page 179 (the "Property"); and

WHEREAS, the Applicant and its president, Ted Weber, have been continuously delivering and dispensing fuel products from the Property since 1988; and

WHEREAS, there are no structures on the Property dedicated to the fuel delivery business, and the only equipment relating thereto are two fuel delivery trucks and a DOT-approved mobile gasoline tank and pump mounted on Applicant's truck, which move on and off the Property; and

WHEREAS, the current zoning of the Dinosaur site is IR-2; and

WHEREAS, the current zoning does not textually permit the parking of two fuel delivery trucks or the sale or dispensing of fuel products from the Property; and

WHEREAS, Dinosaur provides an essential utility service and serves a verifiable need for the neighbors, City, residents and guests on Great Diamond Island; and

WHEREAS, Dinosaur has operated from the Property since 1988; and

WHEREAS, Dinosaur's business is fully insured;

WHEREAS, the Applicant has requested a rezoning of the Property in order to permit the long-standing and limited business use of the Property; and

WHEREAS, the Portland Planning Board has determined this rezoning meets an essential need for the Great Diamond Island and the customers of the Applicant, and is consistent with the Comprehensive Plan; and

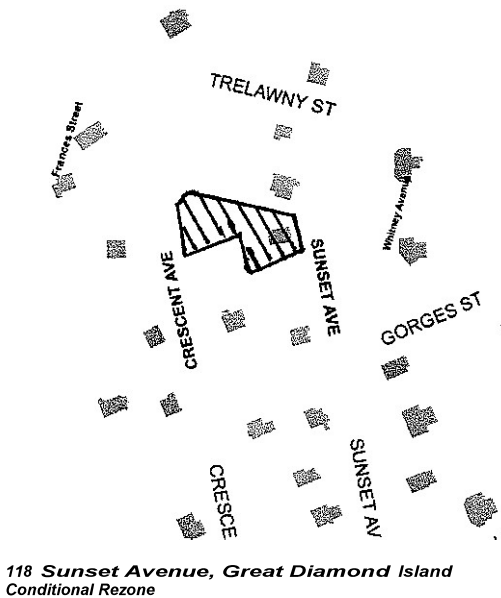
WHEREAS, the Planning Board, after notice and hearing and due deliberation thereon, recommended the rezoning of the Property as aforesaid, subject, however to certain conditions contained in this Agreement; and

WHEREAS, the Portland City Council, pursuant to 30-A M.R.S.A. § 4352(8) and Portland City Land Use Code (the "Code") §§ 14-60 to 14-62, after notice, hearing and due deliberation thereon, has determined that because of the existing and unique location of the proposal, its consistency with the Comprehensive Plan and its minimal impact on and compatibility with the surrounding community, it is necessary and appropriate to recommend the rezoning of the Property as aforesaid, with the following conditions and restrictions set forth in this Agreement; and

WHEREAS, the Portland City Council has on _____, 2013 approved this Agreement in its entirety, by City Council Order No.____, a true copy of which is attached hereto as Attachment 1 (the "Order");

NOW, THEREFORE, in consideration of the rezoning, the Applicant and Owner covenant and agree as follows:

1. Pursuant to the Order, the City shall amend the Zoning Map of the City of Portland, dated September, 2000 (as amended from time to time and on file in the Department of Planning and Urban Development, and incorporated by reference into the Zoning Ordinance by § 14-49 of the Code) by adopting the map change amendment shown below to zone the Property conditional I-R2, subject to the conditions contained below.



If this Agreement is not recorded within sixty (60) days after the effective date of the City Council's approval of the Order, then the conditional rezoning shall become null and void and the zoning of the Property shall revert to the pre-existing IR-1 and IR-2 zones.

2. Permitted uses:

- a. All of the permitted uses allowed in the IR-2 zone; and
- b. Parking on the Property of two (2) fuel trucks and one (1) truck fitted with a DOT-approved mobile gasoline tank and pump or such fixed tank as may be permitted by the State Fire Marshal in the Applicant's fuel business; and
- c. Dispensing and sale of fuel from the Property.

3. The conditions of this Rezoning shall be:

- a. This rezoning shall terminate if the Applicant or its successor discontinue the fuel business operation for at least twelve (12) consecutive months.
- b. The rezoning shall terminate at any time the Applicant's business is permanently moved off the Property.
- c. The business of the Applicant on the Property shall be limited to the current use of the Property (i.e. the parking of two (2) fuel trucks and a truck fitted with a DOT-approved mobile gasoline tank and pump or such fixed tank as may be permitted by the State Fire Marshal for the Applicant's fuel business), both in type and scope, such that impacts upon surrounding properties, if any, shall not be expanded.

4. All equipment including, but not limited to the two (2) fuel trucks and a vehicle equipped with approved mobile gasoline tank and pump shall be located/stored on the Property not within the abutting street or other property. In addition, all dispensing of fuel shall be performed on the Property except for fuel truck deliveries to customer properties.

5. The Applicant shall obtain and submit documentation to the City of all necessary City (including, if necessary, site plan approval), State (including, but not limited to, State Fire Marshal's approval) and Federal approvals, licenses and/or permits necessary to address the operation of its fuel business on the Property including, but not limited to, fuel storage and dispensing operations on the Property. Such documentation shall also include all submitted applications to these agencies. In addition, an Oil Spill Prevention, Control and Countermeasure (SPCC) Plan, including all revisions and/or amendments, shall be submitted to the City for review and approval by the Planning Authority. A copy of all SPCC Plan inspection and testing records shall also be made available to the Planning Authority upon request.

6. In the event of a breach by the Applicant, Owner or their successors or assigns of the zoning provisions contained herein (whether the Zoning Administrator, the Zoning Board of Appeals or a court determines such breach), the Planning Board, after notice and hearing, may recommend to the City Council that the conditional zone and this Agreement be amended, or be rescinded, such rescission to result in the termination of this Agreement and a reversion of the Property to the IR-2 zone requirements in place before the execution of this Agreement.

7. The above stated restrictions, provisions, and conditions are an essential part of the rezoning, shall run with the Property, shall bind and benefit the Applicant and Owner, any entity affiliated with the Applicant and Owner, and any party in possession or occupancy of said Property or any part thereof, and shall inure to the benefit of and be enforceable by the City of Portland, by and through its duly authorized representatives. The Applicant or Owner shall record a counterpart original of this Agreement in the Cumberland County Registry of Deeds.

8. This Conditional Rezoning Agreement may be enforced by the City pursuant to the land use enforcement provisions of state law including, but not limited to, 30-A M.R.S.A. §4452 and the Portland City Code.

9. If any of the restrictions, provisions, conditions, or portions thereof set forth herein is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed as a separate, distinct, and independent provision and such determination shall not affect the validity of the remaining portions hereof.

10. Except as expressly modified herein, the development shall be governed by and comply with the provisions of the Portland City Code and any applicable amendments thereto or replacement thereof.

WITNESS:

DINOSAUR ENTERPRISES, LTD.

By:

William E. Weber, President

WITNESS:

By:

Elizabeth A. Weber, Owner

STATE OF MAINE
CUMBERLAND, ss.

_____, 2013

Personally appeared before me the above-named William E. Weber, in his capacity as President of DINOSAUR ENTERPRISES LTD, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said corporation.

Before me,

Notary Public/Attorney-at-Law

STATE OF MAINE
CUMBERLAND, ss.

_____, 2013

Personally appeared before me the above-named Elizabeth A. Weber, in her capacity as Owner of the Property, and acknowledged the foregoing instrument to be her free act and deed in her said capacity.

Before me,

Notary Public/Attorney-at-Law

AMENDED AND RESTATED

BYLAWS OF DIAMOND COVE HOMEOWNERS ASSOCIATION

ARTICLE I. OFFICE

Section 1. Principal office. The principal office of The Diamond Cove Homeowners Association (hereinafter referred to as “the Association”) shall be maintained at Diamond Cove, Great Diamond Island, Portland, Maine.

Section 2. Place of meetings. All meetings of the Association shall be held at its principal office unless some other place is stated in the call.

ARTICLE II. ASSOCIATION OF OWNERS

Section 1. Membership. The members shall consist of all lot owners of Diamond Cove, a property governed by a General Declaration of Covenants and Restrictions dated September 27, 1989 and recorded in the Cumberland County Registry of Deeds in Book 8930, Page 243 (the “Declaration”) and located in the City of Portland, Cumberland County, Maine. Membership shall be in accordance with the Declaration or these Bylaws. The membership of each owner terminates upon a sale, transfer or other disposition of his ownership interest in the lot as provided in the Declaration, whereupon the membership and any interest in the funds of the Association shall automatically transfer to and be vested in the successor in ownership. A conveyance in mortgage of the lot, however, shall not operate to transfer membership until the mortgage is foreclosed or the property sold in lieu of foreclosure. The Association may, but is not required to, issue certificates of membership.

Section 2. First Meeting; Annual Meeting. The first meeting of the members shall be held, at the call of the Declarant, within 30 days after the closing of sales of 75% of the residential lots by the Declarant or within five years after the recording of the Declaration, whichever occurs later. Thereafter, the annual meeting of the Association shall be held each year on the last Sunday of July or, in the event that day is a legal holiday, then on the first day thereafter which is not a holiday. (*Amended 2001*)

Section 3. Special meetings. Special meetings of the members may be held at any time upon the call of the President or upon the call of any six owners. Upon receipt of the call, the Secretary shall send out notices of the meeting to all members of the Association.

Section 4. Notice of meetings. A written or printed notice of every meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call, the place, day, and hour of the meeting, and the purpose therefor shall be given by the Secretary or the person or persons calling the meeting at least ten (10) days before the date set for the meeting. Such notice shall be given to each member as indicated in the records of the Association by mailing it, postage prepaid, addressed to the member at his address as it appears on the records of the Association. If notice is given pursuant to provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Upon written request for notices mailed by registered mail addressed to the Secretary of the Association at the address of the Association, the holder of any

duly recorded first mortgage against any lot may promptly obtain a copy of any and all notices permitted or required to be given to the members from and after receipt of the request until the request is withdrawn or the mortgage is discharged of record.

Section 5. Waiver of notice. The presence of all the members in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of the meeting, object to the holding of the same for noncompliance with the provisions of Section 4 of this Article II. Any meeting so held without objection shall, notwithstanding, the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and any general business may be transacted and any action may be taken.

Section 6. Quorum. The presence at any meeting of the Association in person or by proxy of owners whose aggregate voting rights constitute more than 50% of the total voting rights shall constitute a quorum. At any meeting at which a quorum is present, the affirmative vote of a majority of those present shall decide any question except the election of Directors presented to the meeting, unless a greater percentage vote is required by law, by the Declaration or by these Bylaws. In the election of Directors, those receiving the greatest number of votes, though less than a majority, shall be elected.

Section 7. Voting. Any person, firm, corporation, trust, or other legal entity or a combination thereof, owning any lot other than as a mortgagee duly recorded in his or its name, the ownership whereof shall be determined by the records of the Cumberland County Registry of Deeds, shall be a member of the Association, and either in person or by proxy entitled to vote at all meetings of the Association. All members shall be entitled to one (1) vote for each residential lot and for each 2,000 square feet of commercial lot area so owned. Any provisions to the contrary notwithstanding, co-owners or joint owners shall be deemed one owner. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or if a lot is jointly owned then by all joint owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary, and unless otherwise stated therein, such authority shall be valid until revoked in writing. An executor, administrator, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any lot owned or held by him in such a capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. In case such lot shall not have so been transferred to his name, he shall satisfy the Secretary that he is the executor, administrator, guardian, or trustee holding such lot in such capacity. Whenever any lot is owned by two or more jointly according to the records of said Registry, the owners thereof may designate in writing one or more of the owners to cast the vote for all such owners, and such designation, unless otherwise limited by its terms, shall be valid once filed with the Secretary until revoked by any such owner by notice in writing filed with the Secretary. The Declarant may exercise the voting rights pertaining to any lot title to which is in the Declarant. No vote pertaining to a lot owned by the Association may be cast.

Any specified percentage of owners refers to the aggregate voting rights and not to the number of owners.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present,

whether a quorum be present or not. If the adjournment is for less than thirty (30) days and the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, no further notice need be given. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and qualification. Until the first meeting, the affairs of the Association shall be governed by a Board of Directors composed of three persons appointed by the Declarant, who need not be lot owners. Thereafter, the affairs of the Association shall be governed by a Board of Directors elected by the members, composed of seven persons, and as increased or decreased at any annual meeting by a majority vote, within the limits stated in the Articles of Incorporation. Each such director shall be the owner or the spouse of an owner of a lot; or if an owner shall be a corporation, partnership, trust or estate, then an officer, partner, trustee or beneficiary thereof. *(Amended 2001)*

Section 2. Powers and duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section 3. Section 3. Other duties. In addition to other duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the project and the common areas and facilities.
- (b) Determination and collection of the monthly assessments from the owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project and the common areas and facilities.
- (d) Enforcement of the Declaration.

Section 4. Manager or management agent, employees, generally. The Board of Directors may employ for the Association a management agent or manager, at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. The Board of Directors may employ any other employees or agents to perform such duties and at such salaries as the Board of Directors may establish. Any first mortgagee of a lot may file a written request with the Board of Directors that it be notified of a change of management agent or manager and the Board of Directors shall, upon making such change, give such notification as requested. Until the first meeting of members, the Board may employ or use the services of the Declarant or the Declarant's employees, and all costs and expenses related to those services shall be charged to common expenses. Neither the Board nor the Declarant shall be charged with self-dealing or breach of fiduciary duty by reason of such employment.

Section 5. Election and term of office. From and after the first meeting, the directors shall be elected by the owners. At the first annual meeting of the Association, the term of office of one director shall be fixed for three years, the term of office of one director shall be fixed at two years, and the term of office of one director shall be fixed at one year. At the expiration of the initial term of office for each director, his successor shall be elected to serve a term of three years. The directors shall hold office until their successors have been elected and hold their first meeting, the intent and purpose being that the term of office of one-third of the directors, or as close to one-third as is reasonably practical, shall expire annually.

Section 6. Vacancies. Until the first meeting of members, vacancies in the Board of Directors shall be filled by appointment by the Declarant. Thereafter, vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before or after the services are undertaken. A director may not be an employee of -the Association.

Section 9. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association and at the same place, and no notice shall be necessary in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 10. Regular meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, addressed to his residence, or by telephone, at least three days prior to the day named for such meeting.

Section 11. Special meetings. Special meetings of the Board of Directors may be called by the president on three days' notice to each director, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors. Upon the request of any director made within 30 days after a meeting, the person giving notice of the meeting shall execute a sworn affidavit setting forth the specific manner in which notice of the meeting was given to and received by each director.

Section 12. Waiver of notice. Before or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Unanimous action. Unless otherwise provided by law, the Declaration, or these Bylaws, any action which may be taken at a meeting of the directors may be taken without a meeting if all of the directors sign written consents, setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of directors meetings and shall have the same effect as a unanimous vote.

Section 15. Bonds of officers and employees. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Directors may establish such standing or other committees, with such powers and duties, as it deems advisable.

ARTICLE IV. OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Treasurer, and a Secretary all of whom shall be elected by the Board of Directors. The directors may in their discretion appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers, as in their judgment may be necessary.

Section 2. Election of officers. The principal officers of the Association shall be elected annually by the Board of Directors at the annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal of officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. In his absence, a chairman pro tempore may be chosen by the members or directors, as the case may be, to preside at a meeting. He shall have all of the general powers and duties which are

usually vested in the office of president of an association, including but not limited to the power to appoint ad hoc committees from among the owners or their spouses from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. Such books shall be available for examination by owners during reasonable weekday hours. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. the Treasurer shall be responsible, subject to the direction of the Board of Directors, for the preparation and dissemination to the members of all financial reports, budgets and notices required, and for the preparation and signing, if necessary, of all financial reports or tax returns required to be filed by the Association. The Treasurer shall have such other powers and duties as may be incidental to the office of Treasurer, given by these Bylaws or assigned from time to time by the Board of Directors.

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors or of the Association, shall give all notices as provided by these Bylaws, and shall have other powers and duties, as may be incidental to the office of Secretary, given by these Bylaws or assigned from time to time by the directors. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall be responsible for the filing of all reports and documents required to be filed by the Association with any governmental agency and shall keep a record of the names and addresses of all lot owners.

Section 7. Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Board of Directors.

Section 8. Auditor. The members shall at each annual meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to audit the financial statements of the Association.

ARTICLE V. FISCAL MANAGEMENT

Section 1. Accounting. Books and accounts of the Association shall be kept under the direction of the Secretary/Treasurer and in accordance with customary accounting principles and practices. Within 90 days after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements for such prior fiscal year and a balance sheet as of the close of that year

Section 2. Assessments. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

- (a) Management and administration expenses;

(b) The estimated cost of repairs, maintenance and replacement of common areas and facilities;

(c) The cost of such insurance and utilities as may be furnished by the Association;

(d) The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies; and reserves for maintenance and replacements; and

(e) Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

Electricity, telephone, water, sewerage and television cable shall be assessed and billed to each lot separate from the common assessments.

Not less than 30 days before the Annual Meeting of Members, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expenses, and copies of such budget shall be furnished to each member. Unless at that meeting 60% or more of the owners vote to reject the budget, the budget shall be deemed ratified, whether or not a quorum is present at the meeting. In the event the budget is rejected, the budget last ratified by the members shall be continued until such time as the owners ratify a subsequent budget proposed by the Board.

On or before the first day of each month of the fiscal year covered by such estimated annual budget, each member shall pay as his respective monthly assessment one-twelfth (1/12) of his proportionate share of the amount designated in the estimated annual budget as membership assessments. The total membership assessment shall be divided equally among all lots provided, however, that with respect to certain common elements, the operation, maintenance and replacement costs and reserves may be allocated among the members according to the respective use and benefit of the particular facility to each lot rather than according to the percentage interest of each lot.

Until the annual budget for a fiscal year is ratified by the members, each member shall continue to pay that amount which had been established on the basis of the previous annual budget.

If any member shall fail or refuse to make payment of his proportionate share of the common expenses or any other amount payable to the Association when due, the amount thereof shall bear interest at a rate per annum, not exceeding 18%, established from time to time by the Board of Directors and, together with such interest, shall constitute a lien on the lot of such member. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Declaration or these Bylaws, or otherwise available at law or in equity for the collection of all unpaid amounts including the rights to accelerate payment on the full assessment for the year and, if available, all possessory remedies under the Forcible Entry and Detainer laws of Maine.

Section 3. Revised and emergency assessments. If at any time prior to or during the course of any fiscal year the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members revised estimated annual budget for the balance of such fiscal year and shall call a meeting of the members to ratify such budget in the same manner as for an annual budget. After ratification, monthly assessments shall be determined and paid on the basis of such revision.

The Board may, upon finding that an emergency exists which requires immediate assessment of the members, make an emergency assessment not to exceed an amount equal to the then current monthly assessment for each lot, which shall be due and payable when communicated to the members.

Section 4. Declarant. With respect to any lots owned by the Declarant, the Declarant shall not pay a monthly assessment determined in the same manner, as the monthly assessment is determined for all other owners but shall be liable for any amounts by which assessments from other owners do not cover Association expenditures.

Section 5. Maintenance and repair.

(a) Every owner must perform promptly all maintenance and repair work within his own lot, which if omitted would affect the project in its entirety or in a part belonging to other owners, and shall be expressly responsible for any damages or liabilities resulting from his failure to do so. If any owner fails to perform such maintenance or repair after reasonable notice from the Association, the Association, through its officers or manager, shall have the right and duty to enter the lot and perform such maintenance or repair in the name of the owner and shall be entitled to reimbursement from the owner for any expenditures incurred.

(b) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his negligence, misuse or neglect.

(c) All other maintenance and repair of the common areas and facilities shall be performed at the direction of the manager or the Board of Directors, and shall be a common expense. Vouchers for the payment of maintenance and repair costs shall be approved by the manager or Board of Directors before payment.

Section 6. Improvements. The Board of Directors may make improvements to the common areas and facilities and assess the cost thereof to all Owners as a common expense. In addition, if an improvement is requested by one or more owners and is in the opinion of the Board, exclusively or substantially exclusively for the benefit of those who requested it, the cost shall be assessed against such owner or owners in such proportion as the Board shall determine as fair and equitable. Nothing contained herein shall prevent the owners affected by such improvement from agreeing, in writing, either before or after the assessment is made, to be assessed in different proportions.

The Declarant may, at its expense, make such improvements to the common areas and facilities as it deems advisable as long as it is an owner, directly or indirectly, of at least one lot.

Section 7. Use of lots. All lots shall be utilized in accordance with the provisions of the Bylaws, Declaration and Rules and Regulations.

Every owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments or fees against such lot, foreclosing its lien therefor, collecting any penalties imposed hereunder, or enforcing any provisions of the Declaration or these Bylaws against such owner or any occupant of such lot.

Upon any violation of the Declaration, Bylaws, or Rules and Regulations, the offending party and the owner (including any owner, tenant, lessee, licensee, guest or invitee and the owner of any lot in which the violation is occurring or has occurred) shall be given ten (10) days written notice by the Board by delivery in hand or by mail of the violation committed and the necessary corrective action that is required, and, if such violation continues beyond the ten (10) day period, the offending party and the owner shall each pay a penalty in the amount of 10% of the then monthly assessment of the lot per day to the Association until the violation is corrected. The delivery in hand or mailing of the notice shall constitute the commencement of the ten (10) day period.

Any person against whom a penalty is asserted under the preceding paragraph of this section shall be entitled to a hearing before the Board of Directors upon such reasonable notice and in accordance with such reasonable procedures as the Board of Directors may determine, but a request for such a hearing shall not interrupt or stay the time for correcting the violation or the continued penalty assessment.

Section 8. Rules and regulations. In order to assure the peaceful and orderly use and enjoyment of the lots and common areas and facilities, the Board of Directors may from time to time adopt, modify, and revoke in whole or in part, such reasonable rules, and regulations, to be called Rules and Regulations, governing the conduct of persons on said project as it may deem necessary, including, but not limited to, methods and procedures for enforcing compliance with the Declaration and Bylaws. Such Rules and Regulations adoption, and every amendment, modification, and revocation thereof, shall, upon adoption be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of the property.

Section 9. Foreclosure of lien. In any action to foreclose the lien against any owner of a lot, the Association may represent itself through its manager or Board of Directors in like manner as any mortgagee of real property. The manager or Board of Directors acting on behalf of the lot owners shall have the power to bid and acquire such lot at a 'foreclosure sale. The delinquent owner shall be required to pay to the Association a reasonable rent for such lot until the sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

Section 10. Title. Every lot owner shall promptly cause to be duly recorded in the Cumberland County Registry of Deeds the deed, lease, assignment, or other conveyance to him of his lot or other evidence of his title thereto and file such evidence of his title with the Board of

Directors through the manager, and the Secretary/Treasurer shall maintain such information in the record of ownership of the Association.

Section 11. Mortgages. Any mortgagee of a lot may file a copy of its mortgage with the Board of Directors through the manager, and the Secretary/Treasurer shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, and upon the request of the mortgagee, the Board of Directors, through its manager, shall notify the mortgagee of any material amendment to the Declaration, the sale or encumbrance of any common area, the use of insurance proceeds for purposes other than repair or restoration of damaged property, the adoption of any budget, or any default by its mortgagor.

Section 12. Insurance.

(1) The Board of Directors shall obtain and maintain, to the extent available in accordance with general business practices, insurance on the insurable improvements upon the common area land, together with the service machinery and equipment and all other personal property as may be held and administered by the Board of Directors for the benefit of the lot owners covering the interest of the Association, the Board of Directors and all lot owners and their mortgagees as their interest may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Maine.

(2) The Board of Directors shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Board of Directors as insurance trustees. Under the said master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering common elements. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Board of Directors, its agent and employees, owners, their respective employees, agents and guests, and of any defense based on the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual owners. The original master policy of insurance shall be deposited with the Board of Directors as insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require the same. The Board of Directors must acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof.

(3) The common areas shall be covered by:

(a) Casualty or physical damage insurance in an amount equal to not less than 100% of the full replacement value of the improvements as determined annually by the Board of Directors with the assistance of the insurance company affording such covering, containing provisions designed to protect against inflationary increases in value. Such coverage shall afford protection against the following:

(i) Loss or damage by fire, lightning, sprinkler leakage, vandalism and malicious mischief, boiler coverages and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of common expenses with respect to damaged property during the period of reconstruction.

(ii) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the improvements, including but not limited to, vandalism, malicious mischief, windstorm and water damage, collapsed boiler and machinery explosion or damage, and such other insurance as the Board of Directors may determine.

The policies providing such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the approval of the Board of Directors or where in conflict with the terms of this Declaration, and shall further provide that the coverage thereof shall not be terminated or substantially changed by the insurer without twenty (20) days' notice to the insured.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least (20) days' prior written notice to the insured.

(b) Public liability insurance in such amounts, but not less than \$1,000,000 Bodily Injury and Property Damage, and in such forms as shall be required by the Board of Directors, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage. The policy shall provide that the insurer may not cancel or substantially modify it without twenty (20) days' notice to the insured.

(c) Workmen's Compensation insurance to meet the requirements of law.

(d) Fidelity insurance covering those employees of the Board of Directors and those agents and employees hired by the Board of Directors who handle Association funds, in amounts as determined by the Board of Directors but not less than the sum of three months' assessments on all lots plus the Association's reserve funds. The bond shall provide that the insurer may not cancel or substantially modify it without twenty (20) days' notice to the insured,

(e) Flood insurance in the amount of the lesser of (i) 100% of the current replacement cost of all buildings and the insurable property located in a flood hazard area or (ii) the maximum available coverage for the property under the National Flood Insurance Program.

(4) Each owner may obtain additional insurance at his own expense affording coverage upon his lot and personal property and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in the preceding paragraph (2) hereof. Each owner may obtain casualty insurance at his own expense upon his lot but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Board of Directors or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board of Directors pursuant to the preceding section due to proration of insurance purchased by the owner under this section, the owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Board of Directors to be distributed as herein provided.

(5) Premiums upon insurance policies purchased by the Board of Directors shall be paid by it and charged as common expenses.

(6) All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Board of Directors hereinabove set forth shall be paid to it. The Board of Directors shall act as the insurance trustees. In the event that the Board of Directors have not posted surety bonds for the faithful performance of their duties as such managers or if such bonds do not exceed the funds which will come into its hands, and there is a damage to part or all of the property resulting in a loss, the Board of Directors shall obtain and post a bond for the faithful performance of its duties as insurance trustee in an amount equal to 100% of the insurance proceeds payable before it shall be entitled to receive the proceeds of the insurance payable as a result of such loss. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association.

Section 13. Reconstruction or repair of casualty damage. Except as hereinafter provided, damage to or destruction of the common areas shall be promptly repaired and reconstructed by the Board of Directors, using the proceeds of insurance, if any, on the common areas for that purpose, and any deficiency shall constitute common expenses; provided, however, that if at least 80% of the owners vote not to proceed with repair or restoration, then and in that event (1) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the property; and (2) the insurance proceeds attributable to common elements which are not rebuilt shall be distributed to all the owners or lien holders as their interests may appear in proportion to the common element interests of all the owners.

(a) Immediately after a casualty causing damage to property for which the Board of Directors has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

(b) The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors from collections of assessments against owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair.

(c) In the event that there is any surplus of monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Board of Directors as a reserve or may be used in the maintenance and operation of the property, or, in the discretion of the Board of Directors, it may be distributed to the owners and their mortgagees who are the beneficial owners of the fund. The action of the Board of Directors in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against a member for committing willful or malicious damage.

ARTICLE VI. EXECUTION OF INSTRUMENTS

Section 1. Instruments generally. All checks, drafts, notes, bonds, acceptances, contracts, deeds, and all other instruments shall be signed by the President or the Secretary/Treasurer or Clerk, or by such other officer or employee as the Board of Directors may designate.

ARTICLE VII. LIABILITY OF OFFICERS

Section 1. Exculpation. No director or officer of the Association shall be liable for acts or defaults of any other officer or members or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 2. Indemnification. Every director, officer, and member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been an officer or member of the Association whether or not he continues to be such director, officer or member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of the legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE VIII. FISCAL YEAR

Section 1. Fiscal year. The fiscal year of the Association shall be the calendar year or such other fiscal year as may from time to time be established by the Board of Directors.

ARTICLE IX. BYLAWS

Section 1. Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by vote of the members of the Association whose aggregate vote constitutes 75 percent of all votes, at a meeting duly called for the purpose.

Section 2. Conflict. In the event of any conflict between these Bylaws and the provisions of the Declaration the latter shall govern and apply.



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Current Date: February 22, 2024

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

**ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY
ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF
THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.**

**SAMANTHA CHAPIN
PURCHASING & CONTROLS MANAGER**

Site Visit Option; see following page for details

**Receipt of Addendum No. 1 to the City of Portland's RFP# 24051 SALE AND
REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT MCKINLEY
HOSPITAL PROPERTY is hereby acknowledged.**

COMPANY NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Optional Site Visit.

There will be an optional site visit opportunity on Thursday, February 29, 2024 at 11:00 a.m. This will be the only time available for public viewing. The conditions of the structure will not allow for interior access. Each individual interested in touring the exterior site must sign the attached waiver prior to being granted access.

The Casco Bay Lines schedule to Diamond Cove is clipped below for convenience: City staff will be on the 10:00AM to Diamond Cove; and returning on the 1:40PM Ferry. Food will not be provided or available; please plan accordingly.

October 10, 2023 - April 12, 2024 Passenger Service			
Long Island		Diamond Cove	
Daily		Daily	
Depart Portland		Depart Portland	
AM	5:00 7:45 8:00 10:00	AM	7:45 8:00 10:00
PM	12:00 1:00 3:00 4:15 5:45 8:30 XF 9:15 FO	PM	12:00 1:00 4:15
Depart Long Island		Depart Diamond Cove	
AM	6:40 8:40 10:05	AM	8:25
PM	12:00 1:55 2:20 4:40 7:20 9:55 XF 10:40 FO	PM	1:40 5:05

RELEASE, ASSUMPTION OF RISK
AND INDEMNITY AGREEMENT
CITY OF PORTLAND, MAINE

City of
portland



Participant Printed Name: _____

Date of Birth: _____ (Must be at least 18 yo) Phone Number: _____

Mailing Address: _____

I hereby request that I be permitted to participate in the viewing of and inspection of property located at Former Fort McKinley Hospital Building; Lot 19 of the Plan of Diamond Cove; Great Diamond Island (hereinafter the "area"), owned by the City of Portland (hereinafter the "Activity"). Access shall be coordinated through the City's Housing and Economic Development Department Director or their designee. I am participating solely at my request and hereby agree that I will not disturb the area.

I understand that there are numerous risks including, but in no way limited to, uneven terrain, fall hazards, environmental conditions, the configuration of the facilities, slipping and falling, and other risks associated with this Activity, which independently or in connection with my actions or the actions of others, may cause severe or even fatal injuries to me or others. I agree that I alone am responsible for my safety while participating in this Activity.

I further agree that my participation in the Activity will be in conformance with all pertinent local, state and federal laws and/or regulations and any violations and/or fines arising out of or in connection with the Activity will be my responsibility, including but not limited to whether against myself or the City.

I am aware that the Activity may subject me and/or my property to risk of injury. I fully understand and agree that the City of Portland, its agents, officers, and employees (collectively, the "City"), accept no responsibility and will not be liable for any injury, harm, or damage to my person or property occurring during, or arising out of, or in connection with, the Activity.

To the fullest extent permitted by law, I do hereby agree to assume all risk of injury, harm, or damage to me and/or my property, and/or to the property of others in my possession (including but not limited to all risks of injury, harm or damage caused by the negligence of the City of Portland, its agents, officers or employees) arising during or in connection with the Activity. I do hereby release and agree to defend, indemnify and hold the City harmless from any and all liability, actions, damages, and claims of any kind and nature whatsoever, (including but not limited to liability, actions, damages, and claims caused by or arising from the negligence of the City) for injury, harm or damage to me and/or my property, and/or to the property of others in my possession, and/or to other persons or property in any way caused by my actions or inactions, (including but not limited to disability or death) that may arise out of, or occur during or in connection with said Activity. I promise not to sue the City of Portland, its agents, officers and employees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows.

Your signature below acknowledges that you have READ, SIGNED AND AGREED to the terms of this Agreement. I understand my entrance to the area is solely at MY OWN RISK.

Participant Signature: _____ Date: _____

Witness Signature: _____ Date: _____

Witness Printed Name: _____

REV 20240222



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Current Date: March 8, 2024

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

**ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY
ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF
THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.**

**SAMANTHA CHAPIN
PURCHASING & CONTROLS MANAGER**

Attached are responses to questions received.

Site Visit Option-Additional; see following pages for details

New Proposal Deadline: **Thursday, March 28, 2024 at 3:30 PM**

Receipt of **Addendum No. 2** to the City of Portland's **RFP# 24051 SALE AND
REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT MCKINLEY
HOSPITAL PROPERTY** is hereby acknowledged.

COMPANY NAME: _____

SIGNED BY: _____ DATE: _____

PRINT NAME & TITLE: _____

ADDRESS: _____

ZIP CODE



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

1. Considering that the proposed work at 148 Coveside Drive in Diamond Cove (PL-002682-2023) will meet or exceed the allowed number of septic installations in the Cove, is gaining approval for a septic system supporting the hospital property the responsibility of bidders or the city?

This is the bidder's responsibility. There is no available sewer or septic capacity available to the property.

2. What is the Tax Parcel ID?

Parcel ID #083B-M-190-001

3. How will people be able to learn about structural elements inside if we can't go inside?

The City will try and get some photos to share. To the best of our knowledge; the floors are gone. The City will also hold an additional site visit where prospective bidders will have the opportunity to review the building interior from window openings temporarily made visible by property management consultant. See below for Site Visit details. The Proposal deadline has been extended to allow for this visit; see Page 1 for the new deadline.

4. How do you get material/equipment to the site?

There is a barge that departs East End Beach; and there is can be exceptions made regarding vehicles for construction vehicles.

5. Are there tin ceilings?

Yes, showed examples in one of the refinished officer quarters buildings; unsure which style(s) are in the hospital; or what condition.

6. When was the structure built?

1903 (according to the Fort McKinley Museum records)

7. Are there any old interior photos?

Staff was not able to find any; hopefully the 2nd site visit could improve understanding of interior space.

8. Are there TIF's for restoration projects like this?



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Not unless Affordable Housing was to be included in the renovated project. There may be opportunities for efficient heating systems through Efficiency Maine, which would defray construction and operating expenses.

Optional Site Visit #2

There will be a additional optional site visit opportunity on Thursday, March 14, 2024 at 10:45 a.m. The conditions of the structure will not allow for interior access; however there will be a property management company on site to remove some of the boards from the ground level windows to allow for better viewing of the interior.

Each individual interested in touring the site must sign the attached waiver prior to being granted access. This includes individuals that had attended and signed waivers on the visit from February.

The Casco Bay Lines schedule to Diamond Cove and Great Diamond is clipped below for convenience. City staff will be on the 10:00 AM Ferry to Diamond Cove; and returning on the 12:15 p.m. Ferry from Great Diamond.

**October 10, 2023 - April 12, 2024
Passenger Service**

Long Island	Diamond Cove
Daily	Daily
Depart Portland	Depart Portland
5:00	AM 7:45
7:45	8:00
8:00	10:00
10:00	
12:00	PM 12:00
1:00	1:00
3:00	4:15
4:15	
5:45	
8:30 XF	
9:15 FO	
Depart Long Island	Depart Diamond Cove
6:40	AM 8:25
8:40	
10:05	
12:00	PM 1:40
1:55	5:05
2:20	
4:40	
7:20	
8:55 XF	

**October 10, 2023 - April 12, 2024
Passenger Service**

Great Diamond	Little Diamond
Daily	Daily
Depart Portland	Depart Portland
AM 5:00	AM 5:00
7:45	7:45
8:00	8:00
10:00	10:00
PM 12:00	PM 12:00
1:00	1:00
3:00	3:00
4:15	4:15
5:45	5:45
8:30 XF	8:30 XF
9:15 FO	9:15 FO
Depart Great Diamond	Depart Little Diamond
AM 6:55	AM 7:00
8:55	9:00
10:20	10:25
PM 12:15	PM 12:20
2:10	2:15
5:15	5:20
7:35	7:40
10:05 XF	10:10 XF
10:50 FO	10:55 FO

RELEASE, ASSUMPTION OF RISK
AND INDEMNITY AGREEMENT
CITY OF PORTLAND, MAINE

City of
portland



Participant Printed Name: _____

Date of Birth: _____ (Must be at least 18 yo) Phone Number: _____

Mailing Address: _____

I hereby request that I be permitted to participate in the viewing of and inspection of property located at Former Fort McKinley Hospital Building; Lot 19 of the Plan of Diamond Cove; Great Diamond Island (hereinafter the "area"), owned by the City of Portland (hereinafter the "Activity"). Access shall be coordinated through the City's Housing and Economic Development Department Director or their designee. I am participating solely at my request and hereby agree that I will not disturb the area.

I understand that there are numerous risks including, but in no way limited to, uneven terrain, fall hazards, environmental conditions, the configuration of the facilities, slipping and falling, and other risks associated with this Activity, which independently or in connection with my actions or the actions of others, may cause severe or even fatal injuries to me or others. I agree that I alone am responsible for my safety while participating in this Activity.

I further agree that my participation in the Activity will be in conformance with all pertinent local, state and federal laws and/or regulations and any violations and/or fines arising out of or in connection with the Activity will be my responsibility, including but not limited to whether against myself or the City.

I am aware that the Activity may subject me and/or my property to risk of injury. I fully understand and agree that the City of Portland, its agents, officers, and employees (collectively, the "City"), accept no responsibility and will not be liable for any injury, harm, or damage to my person or property occurring during, or arising out of, or in connection with, the Activity.

To the fullest extent permitted by law, I do hereby agree to assume all risk of injury, harm, or damage to me and/or my property, and/or to the property of others in my possession (including but not limited to all risks of injury, harm or damage caused by the negligence of the City of Portland, its agents, officers or employees) arising during or in connection with the Activity. I do hereby release and agree to defend, indemnify and hold the City harmless from any and all liability, actions, damages, and claims of any kind and nature whatsoever, (including but not limited to liability, actions, damages, and claims caused by or arising from the negligence of the City) for injury, harm or damage to me and/or my property, and/or to the property of others in my possession, and/or to other persons or property in any way caused by my actions or inactions, (including but not limited to disability or death) that may arise out of, or occur during or in connection with said Activity. I promise not to sue the City of Portland, its agents, officers and employees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows.

Your signature below acknowledges that you have READ, SIGNED AND AGREED to the terms of this Agreement. I understand my entrance to the area is solely at MY OWN RISK.

Participant Signature: _____ Date: _____

Witness Signature: _____ Date: _____

Witness Printed Name: _____

REV 20240222

City of Portland

*Sale and Redevelopment of the
Diamond Cove Former Fort McKinley
Hospital Property*

Request for Proposals #24051

March 28, 2024

March 28, 2024

City of Portland Purchasing Office
City Hall
Room 103
389 Congress Street
Portland, ME 04101

Re: Request for Proposals #24051

Good afternoon:

I am pleased to provide you with the attached response to the City of Portland's (the City) Request for Proposals (RFP) for the Sale and Redevelopment of the Diamond Cove Former Fort McKinley Hospital Property (the property).

I am an experienced real estate developer, engineer, and lifelong Mainer who regularly purchases and develops historical properties in Maine. I would be honored to purchase the property and work closely with the Diamond Cove Homeowners Association to carefully restore it for future use. My intent is to build nine high-end condos that will become part of the Diamond Cove Homeowners Association, which is thriving and consists of 70+ members. This project will aim to rehabilitate the last building on Fort McKinley in line with existing condos in the Association to accomplish the best use of the building.

To meet the requirements of the RFP, I have included the following in my proposal:

- An overview of my development company, Hemlock House Development, LLC.

- A plan for the proposed development of the property, including a site concept plan, project timeline, and financial feasibility analysis.

- Information about the financial resources and experience my company possesses to complete this project.

- A signed Proposal Form, and formal acknowledgement of RFP Addenda #1 and #2.

This offer to purchase and develop the property will remain in effect for 90 days after this proposal is opened. If you have any questions about my proposal, please do not hesitate to reach out.

Thank you,

/s/ Jonathan Miller

Jonathan Miller
Owner
Hemlock House Development, LLC
Jon@hemlockhousedev.com
(207) 712-4068

1. Company Overview

Founded in December 2020, Hemlock House Development, LLC is a real estate development company that purchases and develops historical properties in Southern Maine. With specialized experience maintaining the integrity of historical properties, Hemlock House Development, LLC regularly uses state and federal historic tax credits to support its projects.

Since 2018 I have developed 38 units through three historic tax credit projects in Augusta, Maine. Additionally, I was a member of the development team for the Grant Building in Bath, Maine. The Grant building received an Honor Award in 2023 by Maine Preservation.

2. Proposed Development

Below, I have included information related to Hemlock House Development, LLC's plans for developing the property.

Site Concept Plan. Attached hereto as **Appendix A** is a Site Concept Plan to develop a nine-unit residential building, with units ranging from 1,500 to 2,600 square feet. This Site Concept Plan was developed after multiple visits to the property and a careful review of the RFP and its attachments. Please note that this Site Concept Plan complies with existing zoning.

Project Timeline. Attached hereto as **Appendix B** is a proposed Project Timeline, which details each phase of the development project, including phases dedicated to pre-construction, construction, and historic preservation work. Assuming my offer to purchase the property is accepted, and barring any substantial, unanticipated delays, I plan to complete this project by May 2027.

Financial Feasibility: Attached hereto as **Appendix C**¹ is a Financial Feasibility Analyses that details development costs and how the project will be financed. Hemlock House Development, LLC has been working on this Financial Feasibility Analysis since December of 2023. Referring closely to costs of recently completed historic tax credit projects, a significant increase has been included to compensate for the difficulties of working on an island.

3. Ability to Complete Project

Hemlock House Development, LLC has the financial resources and experience necessary to complete this project on time and within budget.

Financial Resources

Hemlock House Development, LLC is currently in a strong financial position to complete the project and adequately prepare for construction. The financial needs for pre-construction include extensive design consultation, maintenance, utilities, insurances, and investigative demolition work.

Hemlock House Development, LLC has discussed the project and gained interest from several lenders in Maine. These lenders would invest in the state historic tax credits, federal historic tax credits, and provide a construction loan. Please refer to **Appendix C (Confidential/Proprietary)** for financial sources and uses during construction.

¹ Please note that **Appendix C** contains confidential and proprietary information that should not be released to any member of the public following a Freedom of Access Act request. As such, I have submitted **Appendix C** as a separate attachment and marked it as "Proprietary information/confidential."

Experience

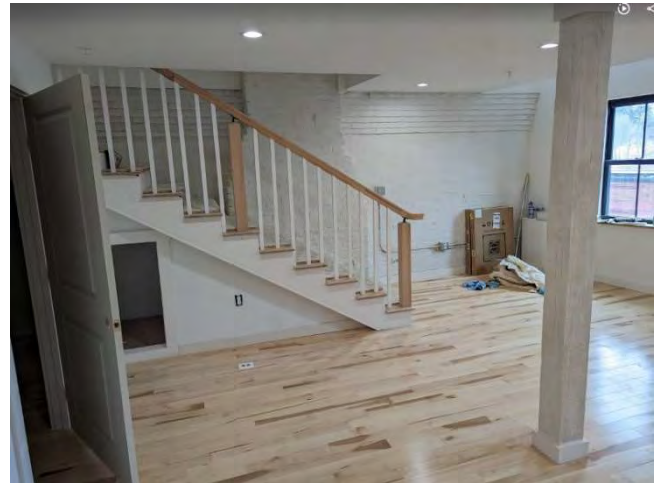
As noted in the Company Overview section above, Hemlock House Development, LLC specializes in the development of historical properties, regularly balancing the need to modernize while protecting and maintaining each property's unique historical elements. The Hemlock House Development, LLC team recently completed the following historic tax credit projects:

The Vickery – Augusta, Maine – Completed in 2020

The Williams Building – Augusta, Maine – Completed in 2022

The Grant Building – Bath, Maine – Completed in 2023

The Bridges Building – Augusta, Maine – Completed in 2023 (pictures included below)



“Bridges Building” 5th floor, Completed 2023

As the owner of Hemlock House Development, LLC, I will oversee each phase of the project and will be the City's main point of contact. The following professionals – with whom Hemlock House Development, LLC has worked in the past – will play a role in this project:

Heritage Consulting – Historic tax credit compliance. Heritage will assist in the architectural design of the project. They will also execute the required tax credit applications to the State Historic Preservation Office and the National Parks Service.

Archetype Architects – Architectural design. Archetype has vast experience designing historic tax credit projects ranging from commercial to residential. They have received many awards for these projects over the years.

Bernstein Shur – Legal team preparing the required agreements for the tax credit investors and construction funding.

J Edward Knight – Insurance broker preparing required insurances for the property, construction tax credit liabilities, and all other required coverage for the project.

Bath Electric Services – Electrician specializing in commercial buildings and historic renovations.

Hemlock House Construction, All in One Millwork – Finish carpenters for all carpentry needs on site. Experiences with many historic tax credit projects requiring the touch of historic preservation.

Granite Corp, American Home Systems – Mechanical and plumbing contractors specializing in commercial buildings.

Rolands Drywall – Drywalling company specializing in commercial buildings.

Larsen Masonry – Brick and stonework specializing in commercial buildings and historic renovations.

Appendix D includes my resume detailing my educational background and other relevant professional experience.

4. Required Forms

Attached hereto as **Appendix E** are completed forms required by the RFP, including a signed Proposal Form, signed Addenda #1, and signed Addenda #2.

5. Public Benefit to the City and Diamond Cove

I share the City's goal of ensuring that the redevelopment of the property is done carefully, to ensure that the property benefits the City and Diamond Cove residents. With this in mind, my proposed development offers:

Economic Growth: Renovating the building will contribute to the local economy by generating revenue through short-term rentals. This can stimulate spending in the area and create job opportunities during the renovation process as well as in the management of the rentals. The project will be completed using locally based contractors only.

Preservation of Heritage: Renovating an abandoned building will preserve the island's architectural heritage and prevent further decay or deterioration. The project will enhance the overall aesthetic appeal of the island, making it more attractive to visitors and residents alike.

Enhanced Access: By providing additional accommodation options, the renovation project will increase accessibility to Great Diamond Island for tourists. This allows more people to experience the island's natural beauty, historical sites, and recreational activities, thereby promoting tourism and local businesses.

Community Development: This project may also foster a sense of community among residents and tourists by revitalizing a neglected area of the island. It can encourage social interaction and cultural exchange, enriching the overall experience for visitors and residents alike.

If awarded this project, I look forward to working closely with the City and Diamond Cove residents to ensure that these benefits are fulfilled.

APPENDIX A

Site Concept Plan

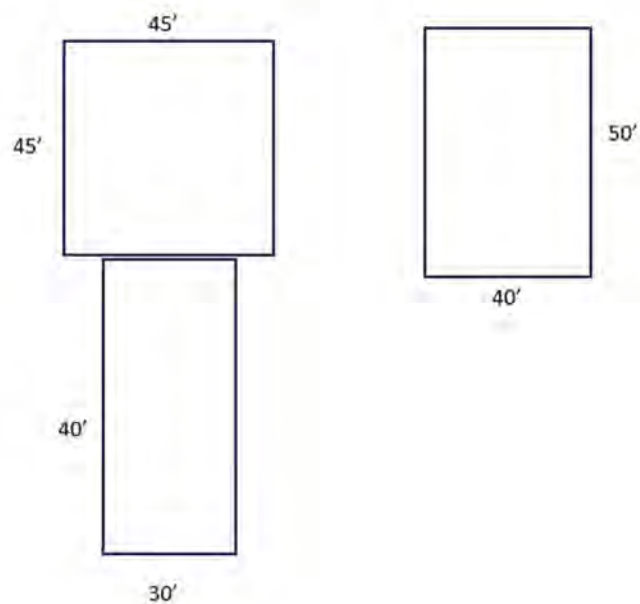
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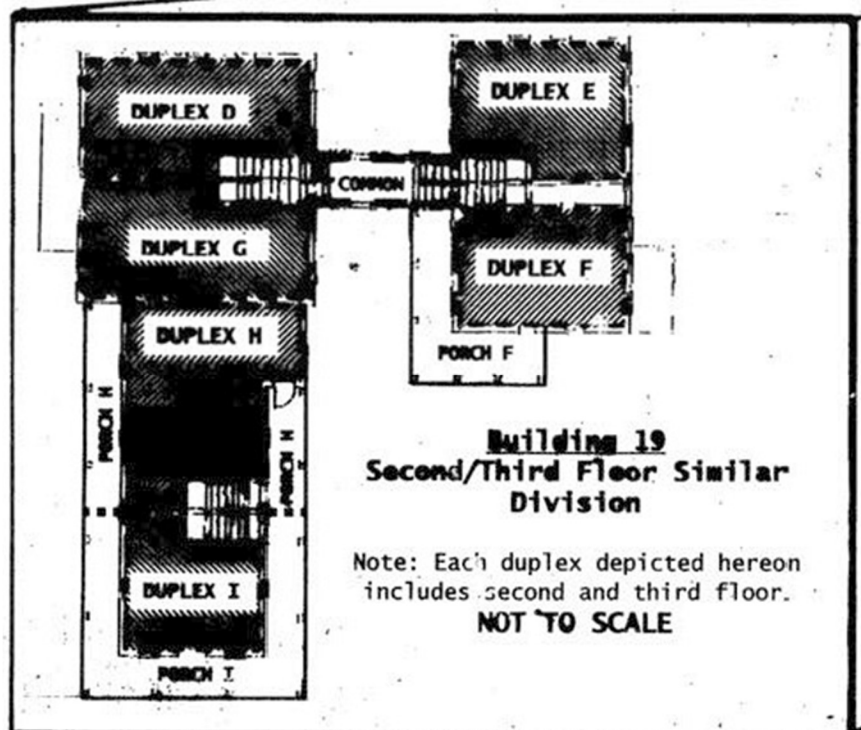
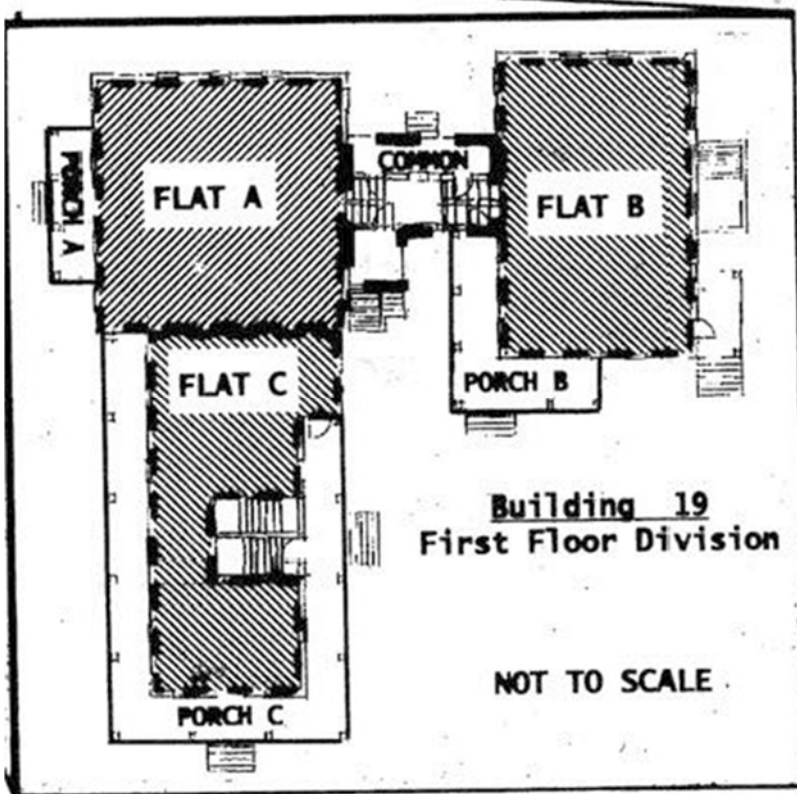
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UNIT	SF	Beds	Baths
A	2,600	4	2.5
B	2,600	4	2.5
C	2,250	4	2.5
D	1,600	3	2.5
E	1,600	3	2.5
F	1,600	3	2.5
G	1,600	3	2.5
H	1,500	3	2.5
I	1,500	3	2.5

1 1 1 1







APPENDIX B
Project Timeline

McKinley Hospital Historic Rehabilitation Project Preliminary Schedule		
Pre-Construction		
	Start	Finish
Purchase Acquisition	4/1/2024	5/1/2024
Financial Planning Tax Credit Investors Construction Loan Closing Grants and or other funding Carrying cost funding	4/1/2024	1/1/2025
Construction Planning Logistics Planning Cost Estimations, Bid package for subs Competitive selection for subs Increasing Hemlock House Construction team Scheduling of Subs Construction Loan Closing	8/1/2024	4/1/2025
Design Work Architectural plans Engineering plans Association coordination City coordination	4/1/2024	12/1/2024
Historic Approval Coordinate with historic consultant Coordinate with SHPO Part 1 HTC approval Part 2 HTC approval	4/1/2024	4/1/2025

Construction		
	Start	Finish
Demo Remove all materials back to studs	4/1/2025	7/1/2025
Structural Improvements Interior improvements, masonry	5/1/2025	8/1/2025
Civil Water and sewer work	4/1/2025	7/1/2025
Roof Roof Repairs	4/1/2025	7/1/2025
Exterior Work Porch Build Trim work Painting Landscaping	6/1/2025	4/1/2027
Mechanical Line sets Condensing units Exhaust systems	9/1/2025	1/1/2027
Plumbing Water heating system Domestic Water Sewer, Venting Roof Leaders Appliances	8/1/2025	2/1/2027
Electrical Service Rough ins Finishes	8/1/2025	2/1/2027
Sprinkler Design Work Install	4/1/2025	12/1/2026
Fire Alarm install, Start Up	8/1/2025	2/1/2027

Framing interior Framing	8/1/2025	4/1/2026
Drywall Retail to 5th	2/1/2026	8/1/2026
Finish Carpentry and Millwork 1st to 5th	8/1/2026	3/1/2027
Windows Replace all windows with historic approved	6/1/2025	11/1/2025
Paint All interior	7/1/2026	2/1/2027
Flooring All new wood flooring	8/1/2026	3/1/2027
Touch up, close out General finishing, appliances, furniture	3/1/2027	5/1/2027
Historic, General Close Out		
	Start	Finish
Part 3 application Submit application, review period	4/1/2027	7/1/2027
Cost Certification Accountants certification	5/1/2027	6/1/2027
Rental management in place Rental and maintenance team coordination	1/1/2027	5/1/2027

APPENDIX C

Financial Feasibility Analyses

Submitted separately, as it contains proprietary and confidential information.

APPENDIX D

Recent Projects, Jonathan Miller Resume

PROJECTS, EXPERIENCE

Fort Mckinley Hospital

Jon Miller has been the developer, owner, consultant, and/or general contractor on various historic projects starting in 2017.

Multiple LLCs were operated:

- Tunk Ventures, LLC
- Hemlock House Development, LLC
- Hemlock House Construction, LLC
- Mastview Development, LLC

COMPLETED HISTORIC TAX CREDIT PROJECTS:

“Bridges Building” Multi-family (1834)

Augusta, ME

Owner, Developer, Construction Management, Maintenance Manager

Oct 2022 – Dec 2023

The Bridges Building is a 7-unit luxury multifamily project located in Augusta, ME. Utilizing State and Federal historic tax credits the project faced a building on the verge of demolition. Tunk Ventures was the 3rd developer to own the building between 2018 and 2022 due to concerns of its deteriorating structure. Despite the significant structural needs, the Hemlock House Construction team completed the project on budget in December of 2023.

“Grant Building” Multi-purpose (1925)

Bath, ME

Owners Rep, Development Consulting, Construction Management

March 2021 – June 2023

The Grant Building **won the Maine preservation award** for 2023. It is a 20,000 SF multi-use building in Bath, ME. Utilizing State and Federal historic tax credits. Jon provided project consultation for all development, design, and construction efforts. Construction was completed in June 2023.

“William Block” Multi-family (1863)

Augusta, ME

Owner, Developer, Construction Management, Maintenance Manager

February 2021 – July 2022

The Williams block is a 5-unit luxury multifamily project located in Augusta, ME. Utilizing State and Federal historic tax credits the project was completed in a growing market. Construction was completed on budget in July 2022.

“The Vickery” Multi-family (1860’s)

Augusta, ME

Owner, Developer, Construction Management, Maintenance Manager

Dec 2017 – August 2020

The Vickery is a 26-unit luxury multifamily project located in Augusta, ME. Utilizing State and Federal historic tax credits the project was completed in a growing market. Construction was completed on budget despite the challenges of integrating four 1860’s vintage buildings.

LICENSES & CERTIFICATIONS

- CxA (Certified Commissioning Agent), AABC Commissioning Group, 2015
- BECCxP, CxA+BE (Building Envelope Commissioning), University of Wisconsin, 2018
- LEED (Leadership in Energy and Environmental Design) AP, BD+C, GBCI, 2018
- Asbestos awareness Certificate, Completed December 2022
- OASHA 30 training

PREVIOUS ENGINEERING EXPERIENCE

DESIGN MANAGEMENT SERVICES

Rockaway, NJ

Building Commissioning, Energy Modeling, LEED project management

March 2017 – Present

Engineering consultation for projects attempting LEED (GBCI) certification. Specifically providing design review, energy modeling, and commissioning efforts.

PROJECT HIGHLIGHTS:

Prologis Distribution Warehouses, Various USA locations – 10M+ SF of warehouse, energy modeling and commissioning for LEED certification.

New Jersey Economic Development Authority, Taxation Building, Trenton, NJ – Fundamental and Enhanced commissioning during the design phase through construction. 200,000 SF, to be completed in 2020.

COLBY COMPANY ENGINEERING

Portland, ME

Mechanical Design Engineer

August 2014 – August 2016

Mechanical design engineer for commercial building projects. Main responsibilities include developing specifications and drawings for building construction documents. In addition, everyday tasks include site assessments, HVAC system alternative analysis, energy modeling, cost estimating, and HVAC and plumbing equipment selection and sizing.

PROJECT HIGHLIGHTS:

Army National Guard, Augusta Armory, Augusta ME – Project manager for building HVAC renovations. Developed specifications and drawings for construction. 50,000 SF, \$2m construction budget.

Army National Guard, Bangor AFRC, Bangor ME – Project manager for building HVAC renovations. Developed specifications and drawings for construction. 75,000 SF, \$2m construction budget.

Army Core of Engineers, Ft. Devens, Devens, MA – Mechanical design lead for complete building renovation for two dormitories. 45,000 SF, \$5m construction budget for each building.

AHA CONSULTING ENGINEERS

Boston, MA

Construction and Commissioning Project Manager

July 2012 – August 2014

Construction Administration – Project management during the construction phase of projects. Various responsibilities include submittal and RFI reviews, on-site inspections, construction progress reports, and punch-list development.

Commissioning – Commissioning project management along with proposal development and client relations. Responsibilities include mechanical, electrical, and plumbing system verification for new construction buildings. Scope of services generally

defined by LEED fundamental and enhanced commissioning.

PROJECT HIGHLIGHTS:

400 Tech Square, Cambridge, MA -Construction Administration for laboratory space fit outs including clients such as Epizyme, Warp Dr, Saudi Aramco, Mispro, and spec labs.

2 Cambridge Place, Cambridge, MA -Construction Administration for various lab and office fit outs including clients such as Canon, Adharmonics, Canback Dangle, and Gin Hubs.

Sanofi Pharmaceuticals, Cambridge, MA – Construction administration for a lab space fit out.

Market St, Lynnfield, MA - Construction Administration for a 12 building, 400,000 SF, retail complex.

3, 4, 5 Cambridge Center, Cambridge, MA -Construction Administration for retail and office space capital improvements along with new construction of retail and office spaces.

The Kensington, Boston, MA -Commissioning project manager for a 27-story apartment building. Scope of work defined by LEED fundamental and enhanced commissioning.

Boston Warf Tower, Boston, MA -Commissioning project manager for a 22-story apartment building. Scope of work defined by LEED fundamental and enhanced commissioning.

University of Pennsylvania, Philadelphia, PA - Commissioning project manager for the Hutchinson gymnasium renovation and the Silverman hall controls upgrade project.

JACOBS**Boston, MA****Commissioning Specialist****August 2009 –July 2012**

Primary responsibilities include mechanical, electrical, and plumbing system verification for new construction buildings, site investigation for existing buildings, energy analysis, and energy retrofit designs for hospitals, courthouses, air force bases, and large office spaces.

PROJECT HIGHLIGHTS:

World Trade Center Transportation Hub, New York City, NY -Lead Commissioning Agent for mechanical systems.

Eielson Air Force Base, Eielson, AK & Joint Base Elmendorf Richardson, Anchorage, AK -Performed site investigation and energy analysis retro-commissioning for 47 buildings across both Air Force Bases.

Barnstable Municipal Airport, Barnstable, MA -Managed commissioning effort for new construction air terminal.

NAVFAC Portsmouth Naval Shipyard Emergency Control Center, Kittery, ME -Performed commissioning on all electronic systems for new construction emergency command center.

Ft. Pierce Federal Courthouse, Ft. Pierce, FL -Performed commissioning for LEED certified federal courthouse.

Southcoast Hospital Group, Fairhaven, MA -Performed commissioning for new construction medical facility.

GSA Federal Buildings, New York City, NY -Performed site investigation and energy analysis retro commissioning.

Children's Hospital Boston, Boston, MA and Waltham, MA -Conducted energy study, energy retrofit design, and retro-commissioning for existing 800,000SF research facility.

EDUCATION**UNION COLLEGE****Schenectady, NY**

Bachelor of Science, Mechanical Engineering

2008

(207) 712-4068 – jon@hemlockhousedev.com

APPENDIX E
Signed RFP Forms

PROPOSAL FORM

**"Sale and Redevelopment of the Diamond Cove
Former Fort McKinley Hospital Property"
RFP #24051**

**** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL ****

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: #1, #2

COMPANY NAME: HEMLOCK HOUSE DEVELOPMENT

AUTHORIZED SIGNATURE: [Signature]

DATE: 3/27/24

PRINT NAME & TITLE: JONATHAN MILLER, OWNER

ADDRESS: 272 SWEETSER RD. NORTH YARMOUTH, ME 04097

E-MAIL ADDRESS: JOH@HEMLOCKHOUSEDEV.COM

PHONE NUMBER: 207-712-4068 FAX NUMBER: —

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY, INDIVIDUAL, OTHER: LLC

STATE OF INCORPORATION OR ORGANIZATION, IF APPLICABLE:

MAINE

FEDERAL TAX IDENTIFICATION NUMBER (Required): EIN: 86-1647573

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

Purchase Price: \$201,500.00 (Points Award Basis)



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Current Date: February 22, 2024

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.

**SAMANTHA CHAPIN
PURCHASING & CONTROLS MANAGER**

Site Visit Option; see following page for details

Receipt of **Addendum No. 1** to the City of Portland's **RFP# 24051 SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT MCKINLEY HOSPITAL PROPERTY** is hereby acknowledged.

COMPANY NAME: HEMLOCK HOUSE DEVELOPMENT LLC

SIGNED BY: [Signature] DATE: 3/27/24

PRINT NAME & TITLE: JONATHAN MILLER, OWNER

ADDRESS: 272 SWEETSEN RD.

NORTH YARMOUTH, ME 04097
ZIP CODE



**SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT
MCKINLEY HOSPITAL PROPERTY
RFP #24051**

Current Date: March 8, 2024

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.

**SAMANTHA CHAPIN
PURCHASING & CONTROLS MANAGER**

Attached are responses to questions received.

Site Visit Option-Additional; see following pages for details

New Proposal Deadline: **Thursday, March 28, 2024 at 3:30 PM**

Receipt of **Addendum No. 2** to the City of Portland's **RFP# 24051 SALE AND REDEVELOPMENT OF THE DIAMOND DOVE FORMER FORT MCKINLEY HOSPITAL PROPERTY** is hereby acknowledged.

COMPANY NAME: HEMLOCK HOUSE DEVELOPMENT LLC
 SIGNED BY: [Signature] DATE: 3/27/24
 PRINT NAME & TITLE: JONATHAN MILLER, OWNER
 ADDRESS: 272 SWEETSER RD.
NORTH YARMOUTH, ME 04097
 ZIP CODE

**RELEASE, ASSUMPTION OF RISK
AND INDEMNITY AGREEMENT
CITY OF PORTLAND, MAINE**

City of
portland



Participant Printed Name: _____

Date of Birth: _____ (Must be at least 18 years old) Phone Number: _____

Mailing Address: _____

I hereby request that I be permitted to participate in the viewing of and inspection of (hereinafter the “Activity”) property known as the Fort McKinley Hospital located at or about 159 Diamond Avenue, Portland, Maine (hereinafter the “area”), owned by the City of Portland. Access shall be coordinated through the City’s Housing and Economic Development Department Director or their designee. I am participating solely at my request and hereby agree that I will not disturb the area.

I understand that there are numerous risks including, but in no way limited to, uneven terrain, fall hazards, environmental conditions, the configuration and damaged condition of the facilities, slipping and falling, and other risks associated with this Activity, which independently or in connection with my actions or the actions of others, may cause severe or even fatal injuries to me or others. I agree that I alone am responsible for my safety while participating in this Activity.

I further agree that my participation in the Activity will be in conformance with all pertinent local, state and federal laws and/or regulations and any violations and/or fines arising out of or in connection with the Activity will be my responsibility, including but not limited to whether against myself or the City.

I am aware that the Activity may subject me and/or my property to risk of injury. I fully understand and agree that the City of Portland, its agents, officers, and employees (collectively, the “City”), accept no responsibility and will not be liable for any injury, harm, or damage to my person or property occurring during, or arising out of, or in connection with, the Activity.

To the fullest extent permitted by law, I do hereby agree to assume all risk of injury, harm, or damage to me and/or my property, and/or to the property of others in my possession (including but not limited to all risks of injury, harm or damage caused by the negligence of the City of Portland, its agents, officers or employees) arising during or in connection with the Activity. I do hereby release and agree to defend, indemnify and hold the City harmless from any and all liability, actions, damages, and claims of any kind and nature whatsoever, (including but not limited to liability, actions, damages, and claims caused by or arising from the negligence of the City) for injury, harm or damage to me and/or my property, and/or to the property of others in my possession, and/or to other persons or property in any way caused by my actions or inactions, (including but not limited to disability or death) that may arise out of, or occur during or in connection with said Activity. I promise not to sue the City of Portland, its agents, officers and employees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows.

Your signature below acknowledges that you have READ, SIGNED AND AGREED to the terms of this Agreement. I understand my entrance to the area is solely at MY OWN RISK.

Participant Signature: _____ Date: _____

Witness Signature: _____ Date: _____

Witness Printed Name: _____

**City of Portland | Housing and Community Development
Division**

Mary P. Davis, *Director*



To: Housing and Economic Development Committee
Pious Ali, Chair

MEETING DATE

9/03/2024

AGENDA ITEM

Communication Item: Consolidated Annual Performance and Evaluation Report (CAPER) for HUD-funded Programs

PURPOSE

The Consolidated Annual Performance and Evaluation Report (CAPER) is a required annual report to HUD which outlines accomplishments and expenditures within a given program year for HUD-funded programs including CDBG, ESG, and HOME.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

The CAPER is a required report to continue receiving HUD funds which support and address community needs, infrastructure improvements, and affordable housing.

BACKGROUND/ANALYSIS

The Consolidated Annual Performance and Evaluation Report (CAPER) outlines accomplishments and expenditures within a given program year for HUD-funded programs including CDBG, ESG, and HOME. This required report is presented to Housing and Urban Development (HUD) no later than 90 days after the program year ends on June 30. Although there is a 15-day public comment period for this report, no council action is required.

The CAPER is a companion to the Annual Action Plan, which is presented for Council action annually in April or May. The Annual Action Plan lists the activities and actions the City plans to take throughout a program year, while the CAPER reports on those actions. Although the CAPER technically represents only a specific program year, the expenditures listed may represent several program years, as some activities (such as construction or development) may not be completed within the program year in which it was awarded.

FISCAL IMPACT

The CAPER is a required report to continue receiving HUD funds which support and address community needs, infrastructure improvements, and affordable housing.

CONCLUSION(S)

The CAPER will be presented to the Council as a Communication. As a communication, this item requires no public comment or formal Council action.

PRIOR COMMITTEE REVIEW

None

PREPARED BY

Mary P Davis
Director
Housing and Community Development

Heidi McCarthy
Compliance Officer
Housing and Community Development

ATTACHMENTS

Attachment A: DRAFT 2023-2024 Consolidated Annual Performance and Evaluation Report (CAPER)



PORTLAND MAINE CUMBERLAND COUNTY HOME CONSORTIUM

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT 2023-2024

City of Portland, Maine
Housing and Economic Development Department
Housing and Community Development Division
389 Congress Street, Room 312 and 313
Portland, ME 04101
www.portlandmaine.gov

CR-05 - Goals and Outcomes

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

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

Housing Availability; Economic Opportunity; and Neighborhood Investment and Infrastructure. These four categories guide the projects in the Consolidated Plan and Annual Action Plans and are based on HUD-provided data, independent research, community outreach, consultation with agencies and service providers, and established goals and priorities of the City of Portland and the Cumberland County HOME Consortium. In 2023-2024, the City saw significant momentum on several construction projects including affordable housing and infrastructure improvements. The City also served its most vulnerable populations by supporting CDBG subrecipients who provided basic needs such as shelter, food, peer support, and other necessary services. CDBG-CV funds were administered during PY2023 to projects and activities used to prepare, prevent, or respond to the COVID-19 pandemic. The activity funded through the CV funding exceeded program goals, reaching an extraordinary amount of people and providing critical services to those in need. Most activities were successful in meeting their goals, with some exceeding their goals. Activities addressing the needs of the unhoused and refugee populations, such as Hope Acts, substantially exceeded their goals, along with Catholic Charities and Preble Street Emergency Food Program. Those providing services in congregate settings often meet their goals despite balancing staffing challenges and various state and local mandates. For many activities, even if the unit of service goal was not met, the number of new clients drastically exceeded their goals. Another challenge cited by public service providers has been the housing crisis, which made it difficult to continue to house individuals in shelters. The City's housing production goal for 2023 was 256 housing units. The actual number of units approved by the Planning Board during 2023 totaled 1,281 units within 14 new multi-family housing development projects. Of the total approved units for 2023, the majority (845) are anticipated as rental units, with the remaining units (436) anticipated as owner-occupied. A significant number of rental units were approved at 89 Elm Street in Bayside, as well as in three separate office to residential conversion projects at 465 Congress Street, 477 Congress Street, and 511 Congress Street in downtown Portland. The largest share of anticipated ownership units was approved as part of the redevelopment of the Portland Company site at 58 Fore Street in the Eastern Waterfront as well as at the Lambert Woods development in the North Deering neighborhood (622 Auburn Street & 165 Lambert). This project is located on former City-owned property, transferred as part of a city disposition process that began in 2020. Although the table below lists only the accomplishments directly related to the 2023-2024 program year, there were several notable accomplishments from previously awarded activities. The HOME program subsidized the rehabilitation and construction of 182 affordable rental units in Portland (13 HOME units) and helped 68 families with rental assistance. CDBG-CV funding supported 366 individuals through Milestone's HOME Team. The CDBG program also had a number of accomplishments. Individuals city-wide benefited from a reconstructed basketball court and sidewalk improvements, and one

nonprofit completed a rehabilitation project to provide safer services to 3,798 children and families. Due to the Cares Act suspension of the public services cap on CDBG funds for 2019 and 2020, funds from a canceled activity were used to provide emergency shelter to teens and adults, furniture and items to formerly homeless individuals or their new homes, and mobile services to homeless individuals.

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

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

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Addressing Needs of Growing Homeless Population	Homeless	CDBG: \$ / ESG: \$ / Cotton St: \$20000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	39125	23961	61.24%	11268	15389	136.57%
Addressing Needs of Growing Homeless Population	Homeless	CDBG: \$ / ESG: \$ / Cotton St: \$20000	Homeless Person Overnight Shelter	Persons Assisted	1750	552	31.54%	325	7	2.15%
Addressing Needs of Growing Homeless Population	Homeless	CDBG: \$ / ESG: \$ / Cotton St: \$20000	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	15	7	46.67%	0	7	

Addressing Needs of Growing Homeless Population	Homeless	CDBG: \$ / ESG: \$ / Cotton St: \$20000	Homelessness Prevention	Persons Assisted	500	0	0.00%	100	0	0.00%
Addressing Needs of Growing Homeless Population	Homeless	CDBG: \$ / ESG: \$ / Cotton St: \$20000	Housing for Homeless added	Household Housing Unit	5	0	0.00%			
Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				
Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1186	811	68.38%	640	811	126.72%
Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	
Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Homelessness Prevention	Persons Assisted	0	713		0	713	

CAPER

3

Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Jobs created/retained	Jobs	50	0	0.00%			
Economic Opportunity	Non-Housing Community Development Economic Development	CDBG: \$ / Section 108: \$ / Cotton St: \$	Businesses assisted	Businesses Assisted	35	6	17.14%			
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	60	0	0.00%			
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%			

Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Brownfield acres remediated	Acre	1	0	0.00%			
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Rental units constructed	Household Housing Unit	75	0	0.00%	26	0	0.00%
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Rental units rehabilitated	Household Housing Unit	25	0	0.00%			

Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Homeowner Housing Added	Household Housing Unit	2	0	0.00%			
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Homeowner Housing Rehabilitated	Household Housing Unit	2	2	100.00%	6	2	33.33%
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Direct Financial Assistance to Homebuyers	Households Assisted	1	0	0.00%			

Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	480	0	0.00%	96	0	0.00%
Housing Availability	Affordable Housing Public Housing	CDBG: \$ / HOME: \$ / Housing Trust Fund: \$ / HOME-ARP: \$ / Lead-Safe PI: \$	Buildings Demolished	Buildings	1	0	0.00%			
Neighborhood Investment and Infrastructure	Non-Housing Community Development	CDBG: \$ / TIF: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	8000	0	0.00%	19665	0	0.00%
Neighborhood Investment and Infrastructure	Non-Housing Community Development	CDBG: \$ / TIF: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	20000	64710	323.55%			

Neighborhood Investment and Infrastructure	Non-Housing Community Development	CDBG: \$ / TIF: \$	Facade treatment/business building rehabilitation	Business	5	0	0.00%			
Neighborhood Investment and Infrastructure	Non-Housing Community Development	CDBG: \$ / TIF: \$	Buildings Demolished	Buildings	1	0	0.00%			

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

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

CDBG funds were directly used to address the priority and specific objectives identified in the 5 year consolidated plan and Year 2 Annual Action Plan. As mentioned above, all of the CDBG activities funded in program year 2023 addressed at least one need, goal, and priority in our community. All the planning/administration and public service projects were completed within the program year. These included Catherine Morrill Day Nursery Child Care Voucher Program; Quality Housing Coalition; Through These Doors; Hope Acts; Milestone Recovery HOME Team; Preble Street’s Florence House Women’s Shelter, Food Programs, and Teen Shelter; Furniture Friends Basic Needs Expansion; Greater Portland Family Promise; Commonsplace Mobile Day Space and Brackett St Program; and Wayside Food Programs.

CDBG funds are administered through a competitive application process; with limited funding, several programs are often unable to be funded. Remaining CDBG-CV funds were able to partially fund Milestone Recovery HOME Team. While this activity was directly related to responding to the COVID-19 pandemic in the homeless population, it also met the City’s identified goals and objectives in the consolidated plan.

One of the largest priority activities identified by the City has been addressing the needs of the growing homeless population. Both PY2023 and CDBG-CV funds were programmed to address this need, providing a critical financial lifeline to the organizations, service providers working to end homelessness during a global pandemic. Activities such as the Commonsplace Day Space and Hope Acts exceeded both their unit and client

goal.

Additionally, four multi-family housing projects received their certificate of occupancy during 2023 for a total of 182 units of which 170 are affordable for households earning at or below 60% AMI.

CR-10 - Racial and Ethnic composition of families assisted

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

91.520(a)

	CDBG	HOME
White	17,988	34
Black or African American	17,207	24
Asian	489	2
American Indian or American Native	222	2
Native Hawaiian or Other Pacific Islander	47	1
Total	35,953	63
Hispanic	2,147	3
Not Hispanic	34,964	60

Describe the clients assisted (including the racial and/or ethnicity of clients assisted with ESG)

	HESG
American Indian, Alaska Native, or Indigenous	0
Asian or Asian American	0
Black, African American, or African	0
Hispanic/Latina/e/o	0
Middle Eastern or North African	0
Native Hawaiian or Pacific Islander	0
White	0
Multiracial	0
Client doesn't know	0
Client prefers not to answer	0
Data not collected	0
Total	0

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

Narrative

According to the 2022 ACS 5-Year Estimate (B02001), the City of Portland is 83% white, 9% Black/African-American, 3% Asian, and 5% all other races/multiracial. The CDBG program served individuals and families identifying as 48% white, 46% African American, 1% Asian, and 1% American Indian or American Native. The table does not capture over 3% of the population served (1,158 additional

individuals) who identify as more than one race or other multiracial. The higher percentage of Black and African-American individuals served by the CDBG program, compared to the City makeup, is due to several CDBG programs that target Portland's immigrant and refugee populations, most of whom are coming from central and northern African nations. The HOME program serves all of Cumberland County. According to the 2022 ACS 5-Year Estimates, 89% of Cumberland County residents are white, 3% are black/African American, 2% are Asian, and 6% are other races/multiracial. Similar to the CDBG program, the HOME program serves a larger percentage of Black/African-American individuals than the general makeup for Cumberland County, with 52% white, 36% Black/African-American, and 3% each of Asian, American Indian or American Native, or Native Hawaiian or other Pacific Islander individuals assisted. The HOME program also assisted three individuals who identify as other multi-racial. For ESG, this information is included in the SAGE CAPER. Similar to CDBG, the higher percentage of Black and African-American individuals served by the ESG program, compared to the City makeup, consists of Portland's immigrant and refugee new arrivals, most of whom are coming from central and northern African nations.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,911,530	1,957,470
HOME	public - federal	1,350,735	2,152,881
ESG	public - federal	162,241	189,284
Housing Trust Fund	public - local	3,704,156	1,789,388
Section 108	public - federal	0	0
Other	public - federal	243,534	170,708
Other	public - local	243,534	170,708

Table 3 - Resources Made Available

Narrative

No changes were made to default values on this table. Expended amounts include projects that were awarded funds in a different program year, but expended those funds during the 2023 program year. In addition to the table above, amounts were expended in CDBG-CV (\$354,517.91) and ESG-CV (\$213,519.27) funding for activities supporting individuals experiencing homelessness

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG Target Neighborhoods	0	0	Districts 1, 2 and portions of district 3 on the Portland Peninsula.
Cumberland County	15	0	All of Cumberland County
Eligible Census Tracts	21	4	Any census tract where more than 51% of the residents are below 80% of the AMI.
PORTLAND, MAINE	65	96	The boundaries of the City of Portland

Table 4 – Identify the geographic distribution and location of investments

Narrative

The percentages in the “actual percentage of allocation” column reflect the amount dispersed during the program year rather than the amount awarded. The discrepancies between planned and actual percentages are not due to changing priorities or activities but on the period of performance for activities. Many of the CDBG public services provided services to the City’s growing homeless population; therefore, these activities are categorized as serving Portland rather than a specific area. These activities must be completed within the program year, resulting in higher percentages for

Portland and lower for target neighborhoods and eligible census tracts. Additionally, infrastructure and construction activities have two years to complete their projects, which may be extended. These projects fall within a target neighborhood or eligible census tract and will be reported on future CAPERs. Cumberland County projects will be funded with HOME. These projects have a two to four year period of performance; accomplishments are recorded when the projects are complete. As infrastructure and HOME projects are completed, it is expected that the numbers will match closely within program years.

Leveraging

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

The City's Housing Investment Policy requires an annual review of program priorities that includes the type and location of housing, and an analysis of tax acquired or City-owned property that may be a development resource. The City continues to review and evaluate land suitable for residential housing.

CDBG is highly leveraged; year 2 of the Consolidated Plan leveraged over \$12,000,000 in private, state, and local funds. Emergency Solution Grant funding is equally matched dollar for dollar. For every dollar expended from federal resources an equal match was spent from City funds through housing assistance provided through the General Assistance. HOME match is generated by housing assistance provided by the City through General Assistance (less amount used as match for ESG). Locally, the City of Portland leverages local Jill C. Duson Housing Trust Fund dollars in the Affordable Housing Development Program. Additionally, the affordable housing development projects may use affordable housing tax-increment financing, low-income housing tax credits, Maine State Housing Authority funding, and private development fund resources.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	49,631,889
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	49,631,889
4. Match liability for current Federal fiscal year	323,649
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	49,308,240

Table 5 – Fiscal Year Summary - HOME Match Report

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

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
321,312	255,169	382,589	148,505	193,892

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	1,666,839	0	0	0	0	1,666,839
Number	5	0	0	0	0	5
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	1,666,839	427,520	1,239,319			
Number	5	1	4			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

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

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

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

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	325	49
Number of Non-Homeless households to be provided affordable housing units	100	13
Number of Special-Needs households to be provided affordable housing units	0	0
Total	425	62

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	96	49
Number of households supported through The Production of New Units	10	9
Number of households supported through Rehab of Existing Units	0	4
Number of households supported through Acquisition of Existing Units	0	0
Total	106	62

Table 12 – Number of Households Supported

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

Several approved projects and projects currently under construction have experienced delays in completion due to rising construction costs, staffing challenges, and supply chain issues. Rental assistance numbers are lower than expected due to difficulty in finding units and timing of when the TBRA activity was completed in IDIS. The actual numbers above include only those units directly assisted with federal funds and are not a reflection of the total number of units created or households supported.

Discuss how these outcomes will impact future annual action plans.

We have created and are fine-tuning procedures to regularly check in with projects about construction completion dates. This includes a shared project document and bi-weekly meetings with key staff involved in affordable housing production. Despite the complicated construction market, we are seeing increased interest in and requests for funding for new affordable housing projects. Because the need in our community is greater than the funding available, we will need to carefully assess our priorities and goals in future annual action plans to ensure we are meeting the most pressing needs.

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

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	14,931	57
Low-income	6,832	5
Moderate-income	299	0
Total	22,062	62

Table 13 – Number of Households Served

Narrative Information

CDBG Actual encompasses both CDBG and CDBG-CV activities including child care, homeless services, and rehabilitation. These numbers reflect only those activities where income data was collected and does not include any area benefit activities. HOME activities include 49 individuals assisted with Tenant Based Rental Assistance and thirteen HOME units created for families with extremely low and low-incomes.

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

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

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

The City of Portland continues to be a leader in responding to the needs of people experiencing homelessness. The City's Health & Human Services Dept. operates the Homeless Services Center (HSC), the Family Shelter and supports various Community Overflow spaces. The HSC is a 53,000 Sq. ft facility that offered accommodations to 208 individuals per night with wrap around services. In November of 2023, the HSC capacity was increased to 258 individuals. The HSC serves meals onsite, guest laundry is available, each guest has 24/7 access to a storage locker. The dorms include 4 ft half wall quads to promote social distancing and most beds have an outlet with a charging station. Embedded into the HSC is a fully functional Federal Qualified Health Clinic operated by GPH that also includes dental services. Our shelter programs provide a safe haven on a temporary basis for Portland's homeless population and promote rapid re-stabilization and the achievement of permanent housing. The City meets the HUD recommendation for a centralized or coordinated homeless assessment and intake process that includes a comprehensive and standardized assessment process with a client centered plan focused on locating and retaining housing. This work begins with our Prevention and Diversion team located on peninsula at the Social Services Hub at 39 Forest Avenue. This approach continues to reflect our belief that early intervention and immediate connection to housing and casework services can make a difference in reducing the number and length of homeless occurrences. Our model's more focused effort and increased resources to assist those in the shelter with the longest lengths of stay leads to permanent housing and ultimately to self-sufficiency which results in an overall reduction in the need for emergency shelter. The Prevention and Diversion team assists each new client through the Intake Process; a new client is any person who has never been to the shelter or who has been away for more than 90 consecutive days. During intake, staff conduct several tasks, including assessing the client for vulnerability using the Maine Navigator Services Eligibility Assessment Decision Assistance Tool (NavSEA). The Intake Worker or Housing Counselor will then make a referral to community mental health services for diagnostic assessment, as needed, in order to help the person gain housing and access to community resources such as housing subsidies and mental health or recover treatment and/or counseling. The Family Shelter serves as a default Welcome House for New Mainers. New Mainers often arrive in Maine without resources or housing, speaking limited to no English. New Mainers initially present themselves to the Family Shelter as homeless. In PY23, 100% of individuals served by the Family Shelter were migrants or asylum seekers. Asylum seekers present from a variety of nations, but the majority of New Mainers we see are from Angola, the Democratic Republic of Congo, Republic of Congo, and Haiti. The City experienced an uptick in the number of families arriving from the Southern Border and in April 2023 opened the EXPO building to accommodate the high number of arrivals. The EXPO Closed on August 16, 2023 at which time clients were moved into the Ramada Inn; 22 Families, 67 individuals; Casco Bay Inn: 37 families, 126 individuals; and Motel 6: 195 families, 582

individuals. We continue to stress we are unable to guarantee families a shelter space as shelters are full and changes to GA law have reduced our ability to utilize hotels beyond 30 days.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Portland's Health and Human Services Department, Social Services Division operates the two largest shelters in the State of Maine, the Homeless Services Center (HSC) and Family Shelter. The HSC is the largest emergency shelter in the State of Maine and is open 24 hours, 365 days a year. This low-barrier shelter provides safe, temporary housing for homeless adults. The Shelter offers wrap-around services to help homeless individuals enhance self-esteem, secure housing, and work towards a self-sufficiency plan. The shelter has a capacity of two hundred fifty-eight (258) beds. During the pandemic, the shelter had worked to strictly follow CDC guidelines and recommendations to socially distance our clients, moving to head-to-toe sleeping and assigning every other bed. The HSC allows us to be at full capacity while offering social distancing with beds set up in quads with a 4 ft tall head wall between groupings of 4 beds. This year the shelter housing staff have worked hard to house many vulnerable, medically compromised clients. Staff have also worked hard to retain the housing of those at risk of homelessness. The Homeless Services Center served 899 men and 387 women totaling 1286 individuals (unduplicated numbers) in PY2023. The shelter provided 80,900 bed nights.

The Family Shelter is the largest shelter for families in the State of Maine. The Family Shelter provides temporary housing to families with children under the age of 18. It offers both preventative services for families at risk of experiencing homelessness and support services to assist families in locating housing and achieve stability. Combined, there is a total capacity of 146 beds in an apartment style living environment. The Family Shelter provided shelter for 68 families consisting of 250 individuals for a total of 36,669 bed nights.

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

Foster Care: Maine DHHS oversees foster care and contracts with The Opportunity Alliance (TOA) to help youth & families develop healthy transition plans to help youth aging out obtain TH, PH, PSH, or remain in care until they finish their education. TOA & the Teen Shelter work to prevent & actively monitor whether teens are discharged from foster care to the streets or shelters & advocate with Maine DHHS for improved policies and resources. Youth can remain with their foster parents past age 21 to complete their education.

Health Care: Preble Street, through a collaboration with Maine Medical, has opened a triage medical clinic whose goal is to bring unserved homeless and low-income individuals into low barrier medical care

(wound management, basic screenings, etc.) and connect them with primary care. Portland's FQHC, Greater Portland Health, operates a 3,000 Sq. Ft. clinic embedded in the HSC that serves both shelter guests and the general public that offers primary and mental health care for unserved, homeless populations, the clinic has hours Monday-Friday. Additionally, the Homeless Services Center has collaborated with the Portland Fire Department to create a Paramedicine program to assist guests with medical needs within the shelter and the neighborhood. The paramedic on duty also helps triage medical emergencies and assists with administering Narcan and addressing overdoses.

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

Corrections: Maine Department of Corrections (DOC) goal is to not release to shelters but no written policy exists yet.

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

Homeless prevention: The Homeless Services Center through the Emergency Shelter Grant prevented 3 individuals from becoming homeless. While the eviction moratorium was in place, the Homeless Services Center staff still worked with individuals and landlords to mitigate homelessness or returns to homelessness. While the eviction moratorium has expired, the Homeless Services Center and the Family Shelter saw a drastic reduction in evictions due to the backlog in court cases. We have also seen fewer housing placements as the market has tightened up in Southern Maine.

Essential Services: The Family Shelter's essential services allow staff to work with families residing at the shelter on life skills training. Families are educated on areas such as house cleaning, proper food storage, how to prevent pests in your home, how to report maintenance issues, how to manage cooking so as not to cause a fire alarm to be set off, as well as education on proper trash removal and recycling practices. These areas of focus are the most common areas of concern reported by landlords working with families. These skills afford families a strong understanding of life skills and greater opportunity for long term housing retention.

Permanent Housing: The Family shelter placed 68 families into permanent housing totaling 250 individuals. Unlike past years, almost all housing placements are utilizing General Assistance as asylum

seeking families qualify for almost no other benefits. The Homeless Services Center staff located permanent housing for 113 homeless individuals, 86 men and 27 women, including 5 Veterans and 28 chronically homeless individuals. Our housing retention program follows those who have been long term homeless after they are housed to ensure increased housing stability.

Initiatives: The Long Term Stayer Initiative is a State-wide effort to end homelessness for those individuals who have been homeless 180 days or more during the year. The Long Term Stayer Initiative is based on the theory that if the program is successful in securing housing for individuals who are chronically homeless, it will create capacity in the shelters and free up resources that can be made available for others. At the Homeless Services Center, a significant portion of housing resources are prioritized for those who have been in the shelter the longest and those that are assessed to be more vulnerable. The goal of the ESG program is to help people who become homeless by quickly moving them into permanent housing and to also prevent individuals and families living in the City of Portland from becoming homeless in the first place. By using ESG in the shelters and in the community, it helps ensure individuals and families do not become Long Term Stayers. When a family or individual is enrolled in ESG, we work quickly to identify and address any barriers to self-sufficiency.

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

Actions taken to address the needs of public housing

Academic Support: PHA continued to provide in-person academic support, service learning, leadership, job skills, and enrichment activities with remote availability for students of all ages in family public housing communities. Education provided remote English classes for speakers of other languages with onsite support from PHA Education Specialists. PHA also works with community partners including Boys and Girls Club and Greater Portland Community Health to provide services to our residents.

New Construction, Rehabs and Wi-Fi: In 2023, PHA completed the following rehabs and new construction:

Our Front Street East (55-units) family housing and Front Street West (45-units) replaced 50-units of substandard housing and are housing over 100 area families, with FS-West completed in July 2024. We also completed a substantial rehab of our scattered site project, comprised of 7-units in the west end and 4-units in East Bayside.

Major Rehabs: PHA's Harbor Terrace is 40% complete with a \$30 million rehab. Riverton Park and Franklin Towers have both received SAC approval from HUD and should begin renovation projects in April and November 2025, respectively. Sagamore Village, a 200-unit project comprised primarily of two story duplexes has submitted the SAC application and should commence construction in late 2025 or early 2026.

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

Management: PHA continues to encourage residents to be involved in resident groups and have input directly with Management. Our resident services department has re-established the Resident Advisory Boards (RAB) following the pandemic.

Homeownership: PHA revised its HCV Preferences which previously provided a preference for households paying more than 50% of their income for rent. One obstacle to creating additional homeownership opportunities for our participants is the rising cost of single family or qualified condominium costs in the greater Portland Metro area.

There are two income restricted homeownership opportunities that are in pre-development in Portland: an 8-unit homeownership project developed by PHA's development arm (a third phase to our Front Street Apartments) and a second property in the Libby Town neighborhood in Portland. We hope our HCV vouchers can access these homeownership opportunities.

Actions taken to provide assistance to troubled PHAs

Not applicable

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

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

In keeping with Portland's Plan, Portland's existing land use code includes a number of provisions designed to support the production of housing of a wide range of types and sizes, as well as the creation of legally-binding affordable and workforce housing targeted specifically for residents of low or moderate incomes. These provisions include:

Housing replacement ordinance. Any development proposals that remove existing housing must replace those units, either within the same geographic area or by contributing to the City's Housing Trust Fund.

Base zoning to encourage housing creation. The City has adjusted base zoning in several districts to support greater housing creation, targeted towards higher density residential zones and mixed-use zones well-served by transit. The City's mixed-use zones and higher density residential zones regularly outpace other zoning districts in terms of housing creation.

Accessory Dwelling Units (ADUs). Under ReCode Phase I, the City revised Accessory Dwelling Unit (ADU) standards in the interest of eliminating barriers to ADU creation.

Parking exemptions. As of December 2020, the City's land use code includes lower residential parking requirements city-wide and offers an off-street parking exemption to any use within a ¼ mile of a transit route, essentially freeing much of the city from parking requirements altogether.

Affordable housing bonuses. These bonuses allow increased height, increased density, and reduced setbacks for affordable housing projects.

Expedited permitting for affordable housing. In addition, affordable housing applications have been eligible for a reduction in fees and priority review since the mid-2000s. With the passage of the impact fee ordinance, the affordable housing fee reductions were extended to include these fees.

Inclusionary zoning. As noted above, in 2015 the City adopted inclusionary zoning, which requires that projects of 10 or more dwelling units provide a share of workforce housing or make a contribution to the City's Housing Trust Fund. A second inclusionary zoning policy was adopted in 2019 for hotels. These policies are intended to ensure that affordable housing is constructed in tandem with market rate housing and hotel development, and to support the creation of this housing in a mixed-income setting. The inclusionary zoning policy was modified by referendum in 2020 to increase the affordable housing share and to target lower median incomes.

In April 2023, Governor Mills signed into law L.D. 2003, which requires communities across the state to

adopt particular standards around affordable housing, permitted residential uses, and accessory dwelling units. In December of 2023, the City Council adopted amendments to the land use code in response to LD 2003 that exceeded the requirements of the state law. Up to four units are now allowed on all mainland lots in residential zones, and up to three units are permitted on all lots in residential zones on the islands. The amendments created a maximum lot coverage of 60% for residential lots city-wide, including on islands, unless exceeded elsewhere in the zoning ordinance. Through the amendments, affordable housing density bonuses were extended and off-street parking requirements were eliminated for the first four units in any residential use. This policy change could have significant implications, particularly in off-peninsula neighborhoods and island areas where, prior to LD 2003, use and dimensional requirements generally limited housing production.

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

Emergency Shelter-23,265 bed nights to 282 women and 5,574 bed nights to 88 homeless teens.

Child care- 38 low to moderate-income families were provided 303.7 weeks of subsidized childcare.

Homeless Services - 854 homeless persons received support, transportation, and resources from an outreach team 20,106 times. 12,597 individuals received 1,021,110 free meals. 2,199 individuals received 6,241 hours of housing case management. 713 refugees received 2,649 hours of legal assistance. 1,677 people, representing 729 households, received furniture and household assistance upon obtaining permanent housing. 7 chronically homeless individuals chose placement in supportive, long term housing in a residential community.

Domestic Violence – 636 individuals received 1,507 hours of support and assistance.

Economic Assistance: 60 single mothers e received 1,735 hours of staff and peer support to help access resources, education, healthcare, and community.

The City of Portland / Cumberland County HOME Consortium (CCHC) received a total allocation of \$3,594,143 in HOME-American Rescue Plan (HOME-ARP) funds. CCHC is targeting these HOME-ARP resources primarily for the development of affordable rental housing and for the provision of eligible supportive services for Qualifying Populations living in deeply subsidized housing developments. HUD is currently in the process of reviewing the Allocation Plan's Substantial Amendment.

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

The City of Portland has been committed to eliminating lead poisoning in children since 1995 when it received its first HUD Lead Hazard Control Grant. The control & elimination of lead-based paint remains a critical focus of the City of Portland & over the years, hundreds of families have benefited from lead-safe housing in our most vulnerable communities. Within the Lead Hazard Reduction grant program, Portland has effectively & successfully addressed lead hazards that are prevalent in the City's older

housing stock. This program is geared to benefit low & moderate-income families & households. A grant applicant who is in an owner-occupied building in the City of Portland must prove that their income is less than 80% of the median area income with a child under six years of age residing in the unit. In multi-unit, non-owner-occupied buildings, 50% of the units must qualify at 50% of the area median income. Priority is given to rental units where there is an active abatement order or where young children reside. Projects within the Portland metropolitan region but outside the City of Portland need to meet HUD income eligibility limits established for Cumberland County. Our 2019-2023 Lead Hazard Control Grant has been bolstered by a 1 year extension from HUD. This extension has allowed us to build up the program again after several months of dormancy. This Grant's goal to complete lead hazard control work in 100 units is gaining traction with 84 families benefiting from Lead Safe Housing within our community to date. In partnership with the City's Permitting & Inspections Department, a Healthy Homes assessment is also performed on all qualifying units. With additional funding from the grant, code violations & other health & safety issues (aside from lead) are addressed.

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

HOME funding was made available for tenant based rental assistance targeted at individuals or families residing in homeless shelters earning less than 30% of the area median income and is designed to prevent homelessness or rehouse those in need. This funding is used on short term tenant based rental assistance (rent, security deposits, utility deposits) for households who were either homeless or in danger of becoming homeless and served 49 households.

HOME funds were used to build new and rehab existing units to create affordable rental housing for low-income households. During 2023, 170 affordable housing units were leased up to assist 33 households earning at or below 60% AMI and 137 households earning at or below 50% AMI.

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

A mandatory applicant meeting was held in October prior to the release of the CDBG application. This meeting provided an opportunity for the community to understand the program goals and objectives of CDBG. This meeting also awards City staff the opportunity to hear from constituents about the ongoing needs of both the community, and agencies serving the community.

Annual district meetings were held remotely in the fall as an opportunity to meet with the citizens of each district, hear resident needs and feedback, and explain and discuss local programs such as CDBG and HOME. Staff worked with local interpreters to provide live interpretation services for each meeting, representing the five most commonly spoken languages in the City of Portland. Applications, flyers, and program announcements were translated into the five most commonly spoken languages, ensuring that a wide and diverse group of residents had access to information about services available.

When the City was awarded CDBG-CV funds, City staff worked quickly and diligently to connect with area social service providers, other City staff and departments, and the public to understand the current needs and gaps in services within our community, as it related to the covid-19 pandemic. Through many conversations, community meetings, and conference calls, CDBG-CV funds were programmed based on the greatest needs identified through our outreach efforts. The City continued to use remaining CDBG-CV funds to prepare, prevent, and respond to the pandemic through 2023; all of the CDBG-CV funds have now been expended.

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

Portland Housing Authority (PHA) owns and manages numerous public housing developments with over 1,100 dwelling units and administers over 2,032 HUD Housing Choice Vouchers and Project Based Vouchers. PHA is a partner in the Family Investment Center and funds other resident initiatives to improve residents' skills and education. PHA also oversees modernization of its developments to improve their livability.

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

The City is committed to minimizing the impediments to fair housing choices & will continue to work with housing developers & housing providers to address any found impediments. The City of Portland and Cumberland County have worked with a consultant to develop a new Analysis of Impediments (AI) to Fair Housing which was approved by the City Council in June 2023.

CR-40 - Monitoring 91.220 and 91.230

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

For CDBG social service programs, our staff ensures compliance on a quarterly basis through Performance Reporting and Fund Requisitions from each Agency. Staff tracks the units of service, number of clients served, and income level and demographic information of the clients served. Staff also tracks the disbursements and revenues of each agency, ensuring that each agency is using the grant award for the proposed use in the signed contract. In addition, staff conducts on-site monitoring roughly half way through the program year to monitor financial, employee, and reporting policies and procedures. On-site monitoring allows staff and sub recipients the opportunity to address any performance measure issues, and create a remediation plan if necessary. On site monitoring is conducted for new grantees annually and returning grantees bi-annually. Following the pandemic, on-site monitoring was reintroduced for the 2023-2024 program year.

For CDBG development activity projects, federal requirements are included in all contracts. Staff conducts environmental reviews for all projects and where applicable receives the appropriate approval from the State Historic Preservation Office. Staff encourages subrecipients to recruit minority-owned and women-owned business enterprises for contracts. Davis Bacon requirements, and Section 3 when applicable, are explained to each subrecipient and staff presents the information and reporting requirements to contractors and sub-contractors. Before payment is released, each project must submit a request for payment, supporting invoices from subcontractors, and Certified Payroll forms with verified Davis Bacon wage rates.

CDBG & HOME housing projects are monitored regularly to ensure that rent levels, income guidelines, and occupancy requirements are being met. On-going monitoring of large multi-family rental projects is critical to the long-term success of the program and ensures that projects serve the intended population.

Monitoring allows the City to identify any financial challenges to project success while there is time for constructive intervention. Typically, HOME monitoring of tenant income, utility allowances, and gross rent limits are completed in the spring. The City has a standing Memorandum of Agreement with Maine Housing, who completes on-site inspections (including inspection of all HOME assisted units as well as common areas & exterior of each property) on behalf of the City of Portland & the Cumberland County Home Consortium. In addition, the City has a Monitoring policy, which includes conducting a yearly desk-monitoring package for all HOME development projects. The program will allow HCD staff to evaluate risk more effectively & schedule onsite visits as needed.

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

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

The City continues to use the traditional method of providing reasonable notice & opportunity to comment on performance reports or participate in public meetings through advertisements in the newspaper and notices on the City's website and social media platforms. Staff also work with the City's Communication Director to put out press releases throughout the process and to ensure that applicable notices and information are included on the City's social media.

The City strongly encourages citizen participation in the CDBG, HOME, & ESG allocation process. The public is given an opportunity to learn about the programs & budgets as well as speak at the following meetings: District meetings in the fall, CDBG Allocation Committee meetings, ESG meetings at the Maine Continuum of Care & Emergency Shelter Assessment Committees, the City Council's Housing and Economic Committee meetings, & two public hearings in March & April with the full City Council. This year, three fall District meetings were held virtually using Zoom and two were held in person. Live translation was available upon request.

Prior to submission of the Consolidated Annual Performance Evaluation Reports (CAPER), the City makes the draft report available on the City website so citizens and public agencies, as well as other interested parties, can view the document. A notice of availability of the report and 15-day comment period is published in the local daily newspaper and on the City's social media. The CAPER is also presented to the City Council as a communication item.

CR-45 - CDBG 91.520(c)

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

NA

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

Yes

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

There are no accomplishments or outcomes for the last program year.

CR-50 - HOME 24 CFR 91.520(d)

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

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The City of Portland has an MOU with Maine Housing to provide unit inspections. Due to staff turnover at Maine Housing, there has been a delay in getting the inspections results for this program year. We expect to have them before the final submission of the CAPER to HUD.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

The City of Portland/Cumberland County HOME Consortium requires developers receiving HOME funds for new construction to provide a copy of their Affirmative Marketing Policy. Additionally, the consortium updated its analysis of impediments to fair housing in Spring 2023.

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

After completing analysis of HOME Program Income, the beginning balance was adjusted to 321,312 due to cancellation of PY2023 and prior year cancellation of receipts.

During PY 2023, \$255,169.00 in HOME program income was received in IDIS. These funds are tracked through the City's accounting system. Program income is budgeted yearly as part of the annual budget process and allocations are reported in the Annual Action Plan. \$382,589.00 of program income was expended through the program year. These expenditures are reflected through the tenant based rental assistance program (\$148,505.00) and two affordable rental housing activities.

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

The City administers affordable housing development programs for the Cumberland County HOME Consortium, which is a partnership between the City of Portland and Cumberland County. This partnership enables valuable housing resources to be available on a county-wide basis and encourages a regional approach to creating affordable housing. These funds are made available annually through a

competitive application process, with both the City and County independently deciding which projects to fund within each jurisdiction.

In addition to HOME funding, the City has a local Housing Trust Fund (HTF) which provides gap financing for many affordable housing projects. The benefit of the local HTF, is that it can fill gaps in projects that may not be eligible under HOME program regulations. Additionally, the City utilizes the State of Maine's Affordable Housing Tax Increment Financing program as another tool to support and leverage affordable housing units.

Several other local regulatory actions taken to encourage affordable housing are noted in Section CR-35.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	1	0	0	0
Total Labor Hours		53,458			
Total Section 3 Worker Hours		23,285			
Total Targeted Section 3 Worker Hours		8,283			

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					

Other.					
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Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

The City of Portland continues to streamline Section 3 procedures to ensure compliance with 24 CFR Part 75.