



HOUSING COMMITTEE

DATE: Wednesday, November 13, 2019

TIME: 5:30 PM

LOCATION: City Hall, Room 209

AGENDA

1. Review and accept Minutes of previous meeting held on October 9, 2019
 - a. Minutes of October 9, 2019

Action Item: Review and Recommendation to the City Council on Disposition of Tax Acquired and City-Owned Property. The Committee may go into Executive Session to discuss the City's legal rights pursuant to 1 M.R.S.A. Section 405 (6) (C) and (E)
2. Tax Acquired and City-Owned Property

Action Item: Review and Recommendation to the City Council -
3. Affordable Housing Development Loan Program Modification and Refinance Request for Avesta's Unity at Bayside development
 - a. Unity at Bayside
4. Review of DRAFT 2019 Biennial Housing Report
 - a. DRAFT 2019 Biennial Housing Report
5. Review of 2019 Annual Housing Committee Report
 - a. 2019 Annual Housing Committee Report
6. 2019 and 2020 Work Plan Discussion (new and/or updated recommendations to forward to the 2020 Housing Committee)
 - a. 2019 and 2020 Work Plan Discussion

Next Meeting Date: December 11, 2019 City Hall, Room 209

City of Portland Commissions are not required to take public comment under FOAA and our Ordinance is silent regarding the duties of the Commission. The Commission has the discretion to not allow or allow public comment during its meetings, including the authority to limit the duration of comments. Since the Commission makes recommendations to the City Council, public comment is available at that level.

Housing Committee

Minutes of October 9, 2019 Meeting

NOTE: The Housing Committee meetings are now live-streamed, which can be viewed at this link: http://townhallstreams.com/stream.php?location_id=42&id=16398 These minutes provide a record of those in attendance, general discussions taking place, and motions made.

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, October 9, 2019 at 5:30 P.M. in room 209 of Portland's City Hall. Councilors present at the meeting included Committee members Councilor Kim Cook, Councilor Spencer Thibodeau, and Councilor Jill Duson, Chair of the Committee. City staff present included Christine Grimando acting Planning and Urban Development Director, Mary Davis, Division Director Housing and Community Development and, Victoria Volent, Housing Program Manager.

Item 1: Review and accept Minutes of previous meetings held on October 9, 2019

Motion by Councilor Cook to move for adoption of the minutes from October 9, 2019. Motion was seconded by Councilor Duson and minutes were approved 2-0.

Item 2: Communication Item: Update on 93 Douglass Street (site of former West School)

Councilor Duson noted the communication updated was to be provided by City Manager Jon Jennings; however, the City Manager was out of town on business this evening. Councilor Duson requested this item be rescheduled for the November 13 meeting of the Housing Committee. In the interim, Mary Davis provided a brief update to the Committee.

The Phase I Environmental Site Assessment (ESA) was completed, reviewed and approved by the DEP and EPA. During the assessment, materials were discovered that indicate a Phase II ESA should be conduct. The City Manager confirmed moving forward with a Phase II ESA.

Councilor Duson and Councilor Cook expressed disappointment that the update was not more substantial.

Councilor Duson opened this item to Public Comment

Ed Suslovic - The Libbytown neighborhood association supports a project on this site; supports possible rezoning to open potential use; and supports increased density. The Association would like to work with the City during the planning and development stages. The City should conduct long term planning in the neighborhood (a Phase II) in anticipation of the possibility of the off-ramps located near the parcel are ever removed.

Tyler Plante - (PHA) Asked the Committee if they have any big picture goal or vision on what the council would like to see on this parcel.

George Rheault - Supports a more ambitious proposal for this parcel than was perhaps originally suggested. This area presents a golden opportunity for housing. Suggests talking with Portland Water District. The site should be used to its maximum potential (e.g. 10 to 12 story buildings). The parcel should be treated as peninsula housing. The City should reach out to national developers with a compelling RFP and political muscle behind a serious and thoughtful rezoning. The result may attract other developers who may be able to provide a quicker and possibly cheaper project. This would be a good down-cycle project.

Councilor Duson- Noted the point of the process is to develop the lot for housing. The steps along the way will include connecting with the neighborhood. Committee members have expressed a desire to include workforce housing in a mixed income project.

Councilor Cook- Indicated an openness to possibilities allowed under the Ordinance once the parcel size is confirmed. Very open to pending the outcome of land surveys. Also noted a preference for mixed income housing.

Seeing no one else, Council Duson closed the Public Comment Period.

The consensus of the Committee is to look at all options pending the final reports and determination of the parcel size.

Councilor Thibodeau joined the meeting at 6:00

Item 3: Communication Item: Update on Disposition of Tax Acquired and City-Owned Property

Victoria Volent introduced this item, which is an update to the May 16, 2019 memo to the Housing Committee regarding the disposition of tax acquired and city-owned property.

In regards to 99 Capisic Street, the City received 7 bids on its offer for sale of 99 Capisic Street. After reviewing the bids, the City Owned and Tax-Acquired Property Committee (COTAPC) unanimously recommended to the City Manager the highest bid of \$200,000, which offeror also wrote a letter that they would renovate the property. As noted in the May 16 memo the City Manager, upon review by the Finance Director, is authorized to sell tax-acquired properties if the assessed value is under \$400,000. The property is under a Purchase and Sale Agreement with a deadline to close of October 8. Net proceeds from the sale would be deposited in the Housing Trust Fund (after payment of any taxes or fees owed).

622 Auburn and 165 Lambert Streets are divided by Washington Avenue Extension at Auburn Street. 622 Auburn Street abuts the Falmouth property line and contains 4.85 acres of land. There appears to be development opportunity for housing in the upland area closer to Auburn Street. If it were rezoned from R-2 to R-3, it could open up the option of a Planned Residential Unit Development for approximately

10+/- units. 165 Lambert Street across the street contains 13.38 acres; the topography is very challenging and does provide for some wetland mitigation.

Both properties were purchased, together with 13 acres in Falmouth abutting the 622 Auburn Street property, (which the City still owns in) order to create the Auburn Street Connector with Washington Avenue. This is leftover land from that purchase and construction.

A Department Survey was conducted for 622 Auburn/165 Lambert Streets. Results of the survey show the Parking and School Departments do not have an interest in the parcels. Public Works would rather not sell either lot, particularly 165 Lambert Street, due to steep topography, much of it is wetlands, and a large portion of the 622 Auburn Street storm drain discharges into 165 Lambert Street, which flows into the Presumpscot River. The cost of wetland mitigation, storm water management, and fill would be astronomical and the damage to water quality in the river significant. However, there might be some developable land in the northwest corner of the parcel(s). If the parcels are sold, a conservation easement should be placed on the non-developable portions. Parks and Recreation would like to retain the parcels for a future athletic complex and open space.

Both parcels are under environmental review by a consultant. A report is expected in October.

An environmental review is being conducted for 200 Lambert Street together with 622 Auburn and 165 Lambert Streets. The report is expected by October.

A Department Survey was conducted for 21 Randall Street, with no stated interest by the City in retaining the property and support by the Planning Department in selling the parcel for housing. The Department of Public Works noted there is a major sewer easement through one of the lots, which would probably preclude development on that side of the property. The easement contains both a Portland Water District sewer line (from 1976) and a presumed abandoned sewer line. If the presumed abandoned sewer is not abandoned, then DPW recommends retaining the property containing the sewer line. The City is working with the Department of Public Works on the status of the underground utilities.

Community Housing of Maine (CHOM) requested a 99-year lease of city-owned property at 83 Middle Street to develop approximately 49 units of affordable rental housing for seniors aged 55 and older, which will also include a preference for 11 units for long-term shelter stayers, parking and ground level commercial space. The City Council met on September 4, 2019 and voted 9 – 0 for passage of the Order approving the Option to Lease and 99 –Year Lease Agreement with Community Housing of Maine for land at 83 Middle Street. The Option to Lease may be exercised for up to one-year. CHOM has not presented preliminary plans to the Planning Department but has secured \$330,000 in Affordable Housing Development funding from the City of Portland. Securing additional financing and Planning Board approval would be the next steps for this project.

The Committee requested more information on the City-owned property in Falmouth and the potential to annex the parcel.

Item 4: Presentation of Draft 2019 Biennial Housing Report

Victoria Volent introduced this item with a broad overview of each draft report chapter. Councilor Duson noted the Housing Report should not be mistaken as a declaration of success, that we have a critical problem with housing around the whole cycle of the market. The City has implemented a variety of tools to address the problems. This report is an opportunity to look at results and assess the effectiveness of those tools. Councilor Duson requested the Committee analyze the toolbox and bring back suggested referrals for the next Housing Committee. Councilor Thibodeau is looking forward to the opportunity of taking the report and enacting three or four policy goals as suggestions to the next Committee’s work plan. Councilor Cook requesting the draft report include information on why the report was prepared and provide clarification regarding the various median income metrics. There was consensus by the Committee for clarification and consistency.

During the November 13 meeting, the Committee will provide suggested goals for the incoming members of the Housing Committee based on information gleaned from the report. Staff is also encouraged to provide suggested goals.

Item 7: 2019 Work Plan

The Committee will maintain the option of meeting on December 11.

Councilor Duson opened the meeting for comments on any non-agenda items.

Tyler Plante thanked the Housing and Community Development Department for preparing the Biennial Housing Report and noted the chart depicting the age of the housing stock pointed out how low the supply of new housing has been in the last ten years.

George Rhault thanked the Chair for opening the meeting with an opportunity for public comment. He noted USM will be hosting historian and author Richard Rothstein on December 5 to speak about his new book “The Color of Laws: A Forgotten History of How our Government Segregated America”. George also noted other communities within the country are revising their zoning to remove barriers to housing other than the traditional single family house. In California, the Governor signed into law ADU reform, and Minneapolis-St. Paul, Portland Oregon and Seattle are revising their zoning laws away from protecting single-family neighborhoods.

Seeing no additional requests for comment, the public comment period was closed.

Motion to adjourn by Councilor Thibodeau, seconded by Councilor Cook (approved 3-0) the meeting adjourned at 7:02 P.M.

Respectfully submitted,

Victoria Volent

TO: Jill Duson, Chair
Members of the Housing Committee

FROM: Jon Jennings, City Manager 

DATED: November 8, 2019

RE: City-Owned Property

Introduction:

I have been working with staff from several city departments, including Planning & Urban Development, Economic Development, Parks and Recreation, Health and Human Services, Tax Assessors, Corporation Counsel, and Public Works, to review and identify city-owned property suitable for housing development. Planning & Urban Development staff from the Housing and Community Development Division have presented to the Housing Committee six sites. These sites present challenges such as easements, wetlands, a potential vernal pool, abandoned sewer pipes and others that require environmental site assessments and Department of Environmental Protection reviews. While these complications require time and analysis before staff can make recommendations regarding the potential for housing development, I can assure you that staff have been working diligently to provide the Committee with the best information available.

Progress has been made on several parcels. For instance, Community Housing of Maine (CHOM) has presented a development proposal for the parcel at 83 Middle Street. The City Council approved an option to lease the property along with funding from the Housing Trust Fund and HOME Program. The CHOM proposal will create affordable rental housing including housing for long-term shelter stayers.

The property at 99 Capisic Street is under contract for sale at \$200,000. The purchaser has indicated an intent to renovate the property. An extension has been granted to the purchaser to allow additional time to clear up a title issue.

Since 2017, the City has sold four tax-acquired single family residences for a total of \$551,000. After taxes and costs due, \$244,569 was deposited into the Housing Trust Fund.

One of the Bayside Public Works properties was sold and is being developed by the Szanton Company into 51 units (46 affordable) of rental housing. Another Bayside Public Works property was sold and developed into 21 units of workforce housing.

Parcels Recommended for Committee Action

Working with staff, we have selected three parcels which are being presented to the Committee with a recommendation to sell the parcels for housing development. I am requesting that the Committee consider a vote to sell the following properties. In consultation with staff, a determination will be made on the appropriate process to sell the parcels.

West School Site – 91 Douglass Street

As the Committee is aware, a portion of the West School site was included in the master plan for the Dougherty Field complex. Committee is also aware that funding for the necessary site work for the

additional field is not entirely available through city resources. I requested staff from Parks and Recreation to explore the possibility of taking some portion of the site for housing while leaving enough land for additional fields. The proceeds from the sale of the portion of the site for housing will be needed to fund the cost for the portion of the site used for recreation. A detailed staff memo included in the Committee packet will outline the environmental issues and development potential for the site.

21 Randall Street

Portland Housing Authority (PHA) has indicated that the agency is interested in this parcel as it abuts other property owned by PHA. There are development challenges with the site and the PHA has not had an opportunity to complete any due diligence. The PHA has indicated a hope that the city would make the property available at no cost to facilitate the creation of affordable housing. A detailed staff memo included in the Committee packet will outline the development potential for the site.

165 Lambert Street

There are development challenges with this site including steep topography and wetlands. A city consultant completed a preliminary site assessment of the property which indicated approximately 4.53 acres with development potential. A detailed staff memo included in the Committee packet will outline the environmental issues and development potential for the site.

Though each of these three sites have some details to resolve, each is ready for sale and future development.

Parcels Requiring Additional Analysis

Staff will continue to work on gathering additional information on the following parcels, with the goal of presenting the Committee with a recommendation for action in the first quarter of 2020: 622 Auburn Street, 200 Lambert Street, and Gray Street in Falmouth.

In addition to the parcels mentioned here, I have asked staff to find alternative ways to activate available land for housing that is inaccessible due to the cost of public infrastructure. I have identified this as a critical operational initiative the City can undertake during 2020 to encourage more housing development in Portland.



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

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Victoria Volent, Housing Program Manager
Housing and Community Development

DATE: November 5, 2019

SUBJECT: Disposition of Tax Acquired and City-owned Property

Introduction

This is an update to the October 2, 2019 memo to the Housing Committee regarding the disposition of tax acquired and City-owned property.

21 Randall Street

21 Randall is a .32 acre, or 13,956 sq. ft., parcel of City-owned land in the R-5 zone that abuts the Portland Housing Authority's Front Street development project and has an assessed value of \$11,900.

A Department Survey was conducted for 21 Randall Street, with no stated interest by the City in retaining the property and support by the Planning Department in selling the parcel for housing. The Department of Public Works noted there is a major sewer easement through lot 166 B016, which would preclude development on that side of the property. The easement contains both a Portland Water District sewer line (from 1976) and an abandoned sewer line. Per Zoning & Inspections, this lot may be able to support two duplexes, but at 13,956 sq. ft., with a minimum lot size in the R-5 zone being 6,000 sq. ft., minimum lot width at 60 feet, and minimum street frontage per lot at 50 feet, development – particularly regarding the sewer easement – would need to be creative.

Portland Housing Authority has indicated the agency is interested in this parcel as it abuts other property owned by PHA. PHA has not had an opportunity to complete any due diligence. The PHA has indicated a hope the city would avail the property at no cost to facilitate the creation of

affordable housing.

The City-Owned and Tax-Acquired Property Committee (COTAPC), at its October 22, 2019, meeting, recommended to the City Manager that this property be placed out for sale. City staff is now requesting direction from the Housing Committee regarding a recommendation for sale. Recommendation for sale by the Committee would be forwarded to the City Council for approval prior to the selling process. Any purchase requests would return to the City Council for approval.

99 Capisic Street/Tax-Acquired Property

The City received seven bids on its offer for sale of 99 Capisic Street. After reviewing the bids, COTAPC unanimously recommended to the City Manager the highest bid of \$200,000, which offeror also wrote a letter that they would renovate the property. The City Manager, upon review by the Finance Director, is authorized to sell tax-acquired properties if the assessed value is under \$400,000. Since the last Committee update on October 9, the grantee of the Purchase and Sale Agreement has requested an extension of six months beyond the original October 8 deadline. The title is not clear and may require court action before the grantee is able to obtain the Title Insurance Commitment.

During a discussion by COTAPC on October 22, the consensus was to move forward with the requested extension. In the meantime, the property does need to be secured from vandalism. The City will continue to monitor this property and continue measures to board windows and doors from entry. Proceeds from the sale would be deposited in the Housing Trust Fund after payment of any taxes, fees, and the costs to secure the property.

622 Auburn / 165 Lambert Streets

These lots are divided by Washington Avenue Extension at Auburn Street.

Both properties were purchased, together with 13 acres in Falmouth abutting the 622 Auburn Street property, which the City still owns, in order to create the Auburn Street Connector with Washington Avenue. This is leftover land from that purchase and construction.

622 Auburn Street

622 Auburn Street abuts the Falmouth property line and contains 4.85 acres of land. Pursuant to a recent preliminary site assessment report from Jones Associates, Inc. (copy attached for both 622 Auburn Street and 165 Lambert Street as one report), Jones noted that a vernal pool is mapped on this property but not inspected. To determine if this is a significant vernal pool, this would need a more indepth assessment, and the optimal timing for an assessment would be needed during the breeding season to conduct egg mass surveys which would be between April and May. If significant, MDEP may influence the extent of potential development on the property.

Jones also noted that there appears to be development opportunity for one or two homes on the northerly 4.17 acres of upland with potential access from Auburn Street through the right of way if the vernal pool is not significant. (See Jones map attached.)

If it were rezoned from R-2 to R-3, it could also open up the option of a Planned Residential Unit Development for approximately 10+/- units.

165 Lambert Street

165 Lambert Street across the street contains 13.38 acres; the topography is very challenging and does provide for some wetland mitigation.

The Jones Associates report noted the potential for development of one or two homes on the northerly 4.53 acres of upland area with potential access only from Lambert Street (based on his understanding that Washington Avenue has restricted access).

Both Properties

The Jones Associates report noted the wetland delineation conducted by Boyle Associates in July 2009, indicated there was approximately 5.43 acres of delineated wetland between the two properties (18+ acres total for both). After Jones Associates conducted a site visit, it was observed that there had been no changes to the wetlands and that the delineation by Boyle was still appropriate to use.

Jones also used the Maine Office of GIS to review available information regarding wetlands of special significance and stormwater qualifications. There were no wetlands of special significance observed. When reviewing stormwater qualifications, it was observed that although the site is not in a lake watershed, the site is downstream of a watershed most at risk from new development – Highland Lake.

Department Survey Results for Both Properties

A Department Survey was conducted for 622 Auburn/165 Lambert Streets. Results of the survey show the Parking and School Departments do not have an interest in the parcels. Public Works would rather not sell either lot, particularly 165 Lambert Street, due to steep topography, much of it is wetlands, and a large portion of the 622 Auburn Street storm drain discharges into 165 Lambert Street, which flows into the Presumpscot River. The cost of wetland mitigation, storm water management, and fill would be astronomical and the damage to water quality in the river significant. However, there might be some developable land in the northwest corner of the parcel(s). If the parcels are sold, a conservation easement should be placed on the non-developable portions. Parks and Recreation would like to retain the parcels for a future athletic complex and open space.

During the October 22 meeting of COTAPC, the consensus was to confirm the status of the vernal pool through an in-depth assessment, thereby reserving the 622 Auburn Street property

from sale until the assessment is done. Public Works Department will be contacted to provide additional research on 622 Auburn to identify potential access points for the development of a right-of-way. To maximize the residential housing potential, the Housing Committee may wish to discuss recommendations to rezone both parcels (165 Lambert Street and 622 Auburn Street) from R-2 to R-3. The R-3 zone would allow for the construction of a Planned Residential Unit Development (PRUD) with a minimum lot area of 6,500 sq ft per dwelling units compared to the R-2 which allows 1 single-family home for every 10,000 sq ft. The Committee may consider a stipulation as to whom would pay for the rezoning request (the City or the Developer).

COTAPC, regarding 165 Lambert Street, recommended to the City Manager to move forward with sale, noting the potential to reserve a conservation easement for the non-developable area. City staff is now requesting direction from the Housing Committee regarding a recommendation for sale. Recommendation for sale by the Committee would be forwarded to the City Council for approval prior to the selling process. Any purchase requests would return to the City Council for approval.

0 Gray Road, Falmouth

This property contains approximately 13 acres and is assessed by the Town of Falmouth at \$52,600. It is zoned "Mixed Use Cluster District" (MUC), which includes residential. With a minimum lot size for single-family detached and accessory dwelling units at 20,000 sq. ft., if the site was deemed 100% developable, it could yield 28 units. It is also noted that the paper streets in this area have not been vacated by the Town.

Jones Associates preliminary site assessment for this property was not available to include in this memo by the publishing deadline. The Housing Committee will receive the report as soon as it is made available.

Information regarding annexation is being prepared by Corporation Counsel and was not available to include in this memo by the publishing deadline. The Housing Committee will receive a briefing from Corporation Counsel next week.

City staff will bring this property, and the 622 Auburn Street property, back to the Housing Committee, after the vernal pool assessment has been conducted, to provide the Committee with a recommendation.

200 Lambert Street

This property is a leftover piece from when the City built the Washington Avenue extension to connect to Auburn Street. The land is in the R-2 zone, which requires 10,000 sf for a single-family dwelling. The City-owned lot is 29,275 sf, so it is buildable. There is additional City-owned land across the street from this parcel (165 Lambert and 622 Auburn Sts.) that are also in consideration for sale. When Jeff Levine introduced 200 Lambert Street to the Housing Committee during the 2-13-2019 meeting, he noted that it is unlikely that the parcel would be

part of a larger housing development, however, he would prefer to hold off on disposing of the property until such time as the Planning Department has definitively determined it would not be needed for any such housing development use.

During the May 21, 2019 meeting of the Housing Committee, the consensus of the Committee was to hire a broker to sell the property as two single-family homes with Accessory Dwelling Units. The Committee would like to wait on disposal until after Phase I of the ReCode is completed as Phase I of the ReCode will address the topic of Accessory Dwelling Units.

91 Douglass and 43 Douglass Street (West School site)

During the February 13, 2019 meeting of the Housing Committee, Jeff Levine presented for discussion three City-owned parcels as potential residential housing developments. One of lots was the site of the former West School. After the school was demolished, a portion of the school lot was included in the master plan for the Dougherty Field complex. However, funding for the necessary site work for the additional field is not entirely available through City resources. Staff explored the possibility of taking some portion of the site for housing while leaving the rest for additional fields. The housing development could pay for another field. However, the more funding the City seeks for this site, the more challenging it will be to develop affordable housing.

The site is zoned R-5 which would allow for both a field, single-family houses, and a PRUD. If the site were rezoned B-1 or B-2, such a change would allow for more development density, but would also be more complexity for the City and the developer. The minimum lot size for a PRUD is 2 acres. Parks and Recreation has identified a potential future development site that is not needed for the Dougherty Field Master Plan (known as Option B). The Option B site is 2.85 acres. The Option B site does not include the abutting City-owned lot 078 C002 (43 Douglass Street) that is .40 acres but it does include the ROW located between 91 and 43 Douglass Street. The total West School site is 3.25 acres or 141,570 sq. ft.

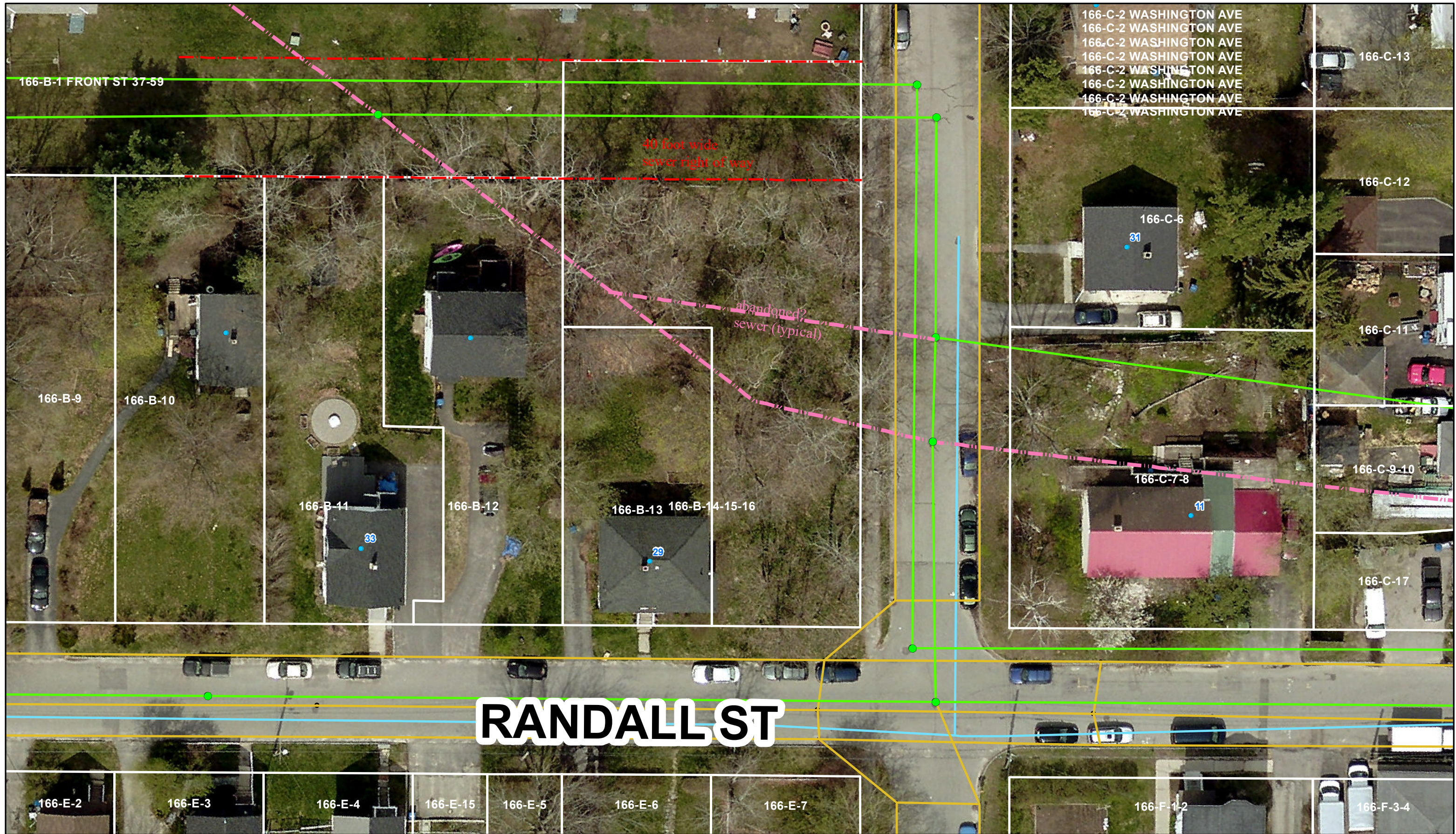
The minimum lot area per unit in a PRUD is 3,000 sq. ft.; the maximum units per building is 12 units; the maximum length of a building is 140'; and the minimum open space requirement is 300 sq. ft. per unit with a minimum of 6,000 sq. ft. At 141,570 sq. ft., the maximum number of units allowed is 47. If the City were to obtain the abutting $\pm 7,000$ sq.ft. lot of State-owned property at the corner of Douglass and Congress Sts., then the maximum number of units allowed would be 49. The large swath of land between the site (Option B) and the highway is over 90,000 sq. ft. Every 3,000 sq. ft. would represent another housing unit. However, these calculations do not reflect potential limitations presented by dimensional requirement standards that may restrict the final unit count.

Since the first presentation to the Housing Committee, various citywide departments have worked together and continue to gather information for the Housing Committee prior to a disposal recommendation. The West School site is the location of a former city-dump, which necessitates two environment reviews involving the City, the U.S. Environmental Protection Agency, and the Maine Department of Environmental Protection. Funding has been procured through GPCOG. The ROW has been identified as City-owned (as opposed to vacated). A natural gas line and gas company easement are located in the ROW and the smaller lot (078

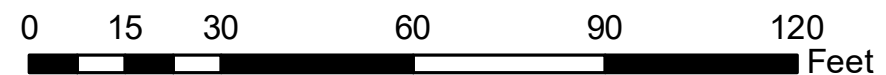
C002) thus precluding development over these sites . A 40' wide sewer easement is also identified in the unbuildable site location. The Environmental Site Assessments have proven lengthy and must allow for up to 4-6 weeks of fieldwork, drilling, sampling, testing, and analysis. Then the DEP and EPA have up to 30 days to finalize the draft report. Staff will report out again upon receipt of the finalized report.

Attachments

21 Randall Street Assessment
622 Auburn And 165 Lambert Sts Jones Report
Auburn – Washington Land
0 Gray Road, Falmouth
Falmouth, map of streets
West School site, Option B



GIS SKETCH OF 21 RANDALL ST
AUGUST 8, 2019 1"=30'



CITY OF PORTLAND, MAINE
 DEPT. OF PUBLIC WORKS
 212 Conco Rd Suite B PORTLAND, MAINE 04101
 PHONE (207) 874-8846 FAX (207) 874-8852



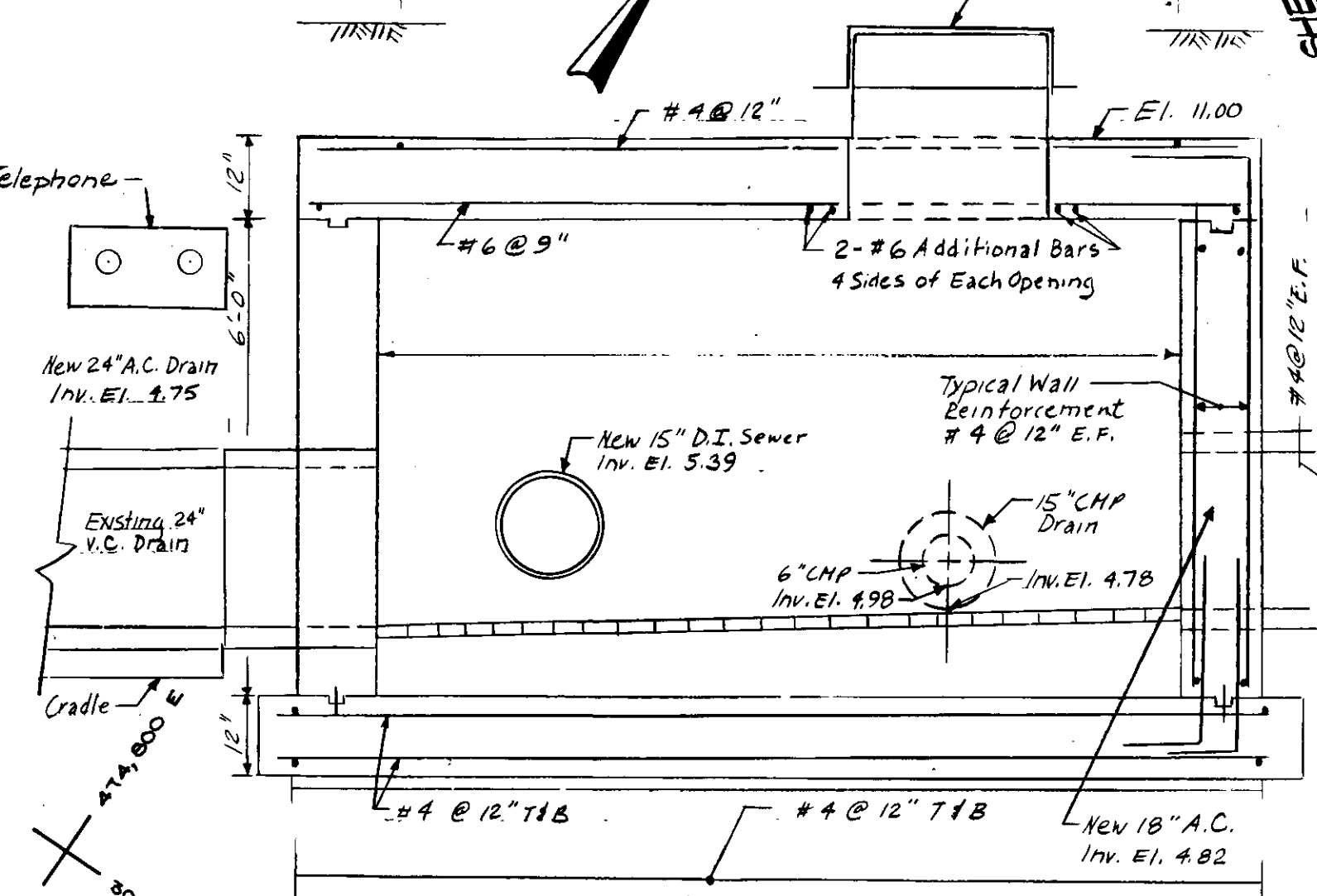
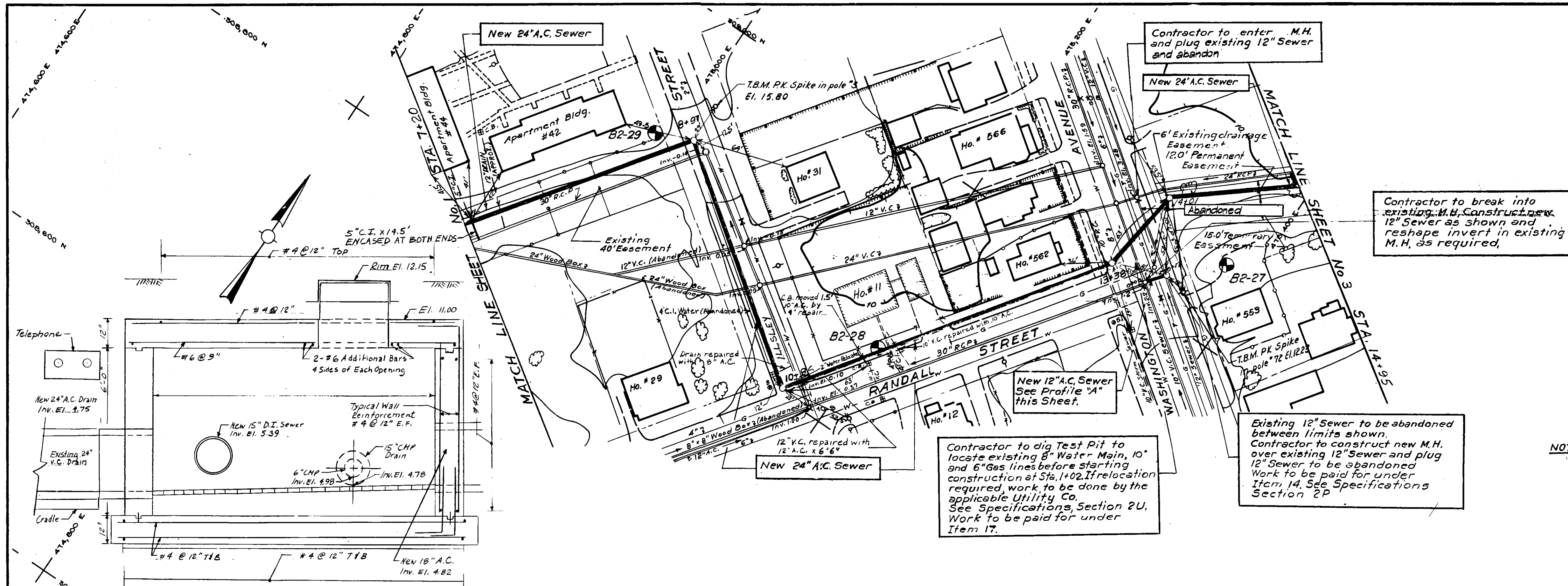


City of Portland Maine Parcel Viewer

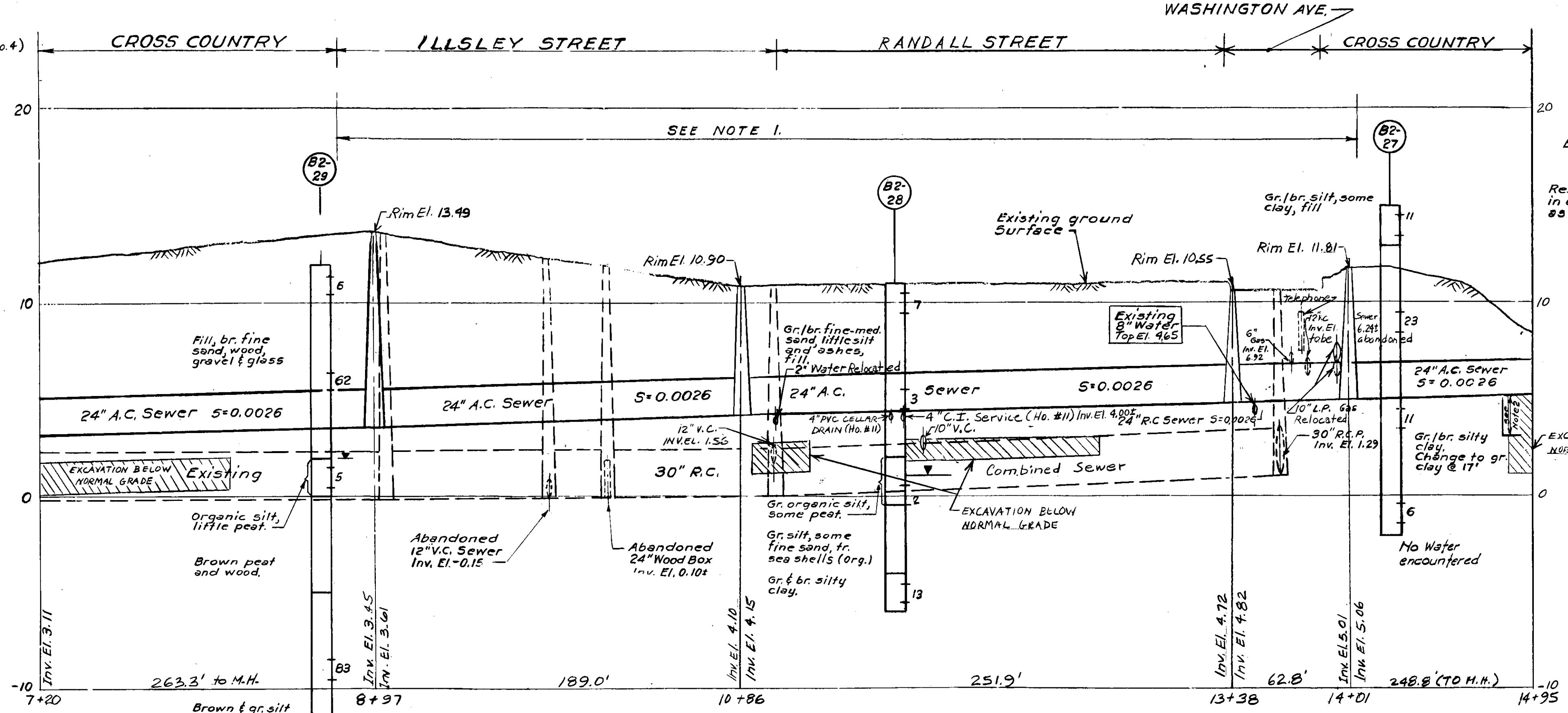
21 randall

Show search results for 21 ran...





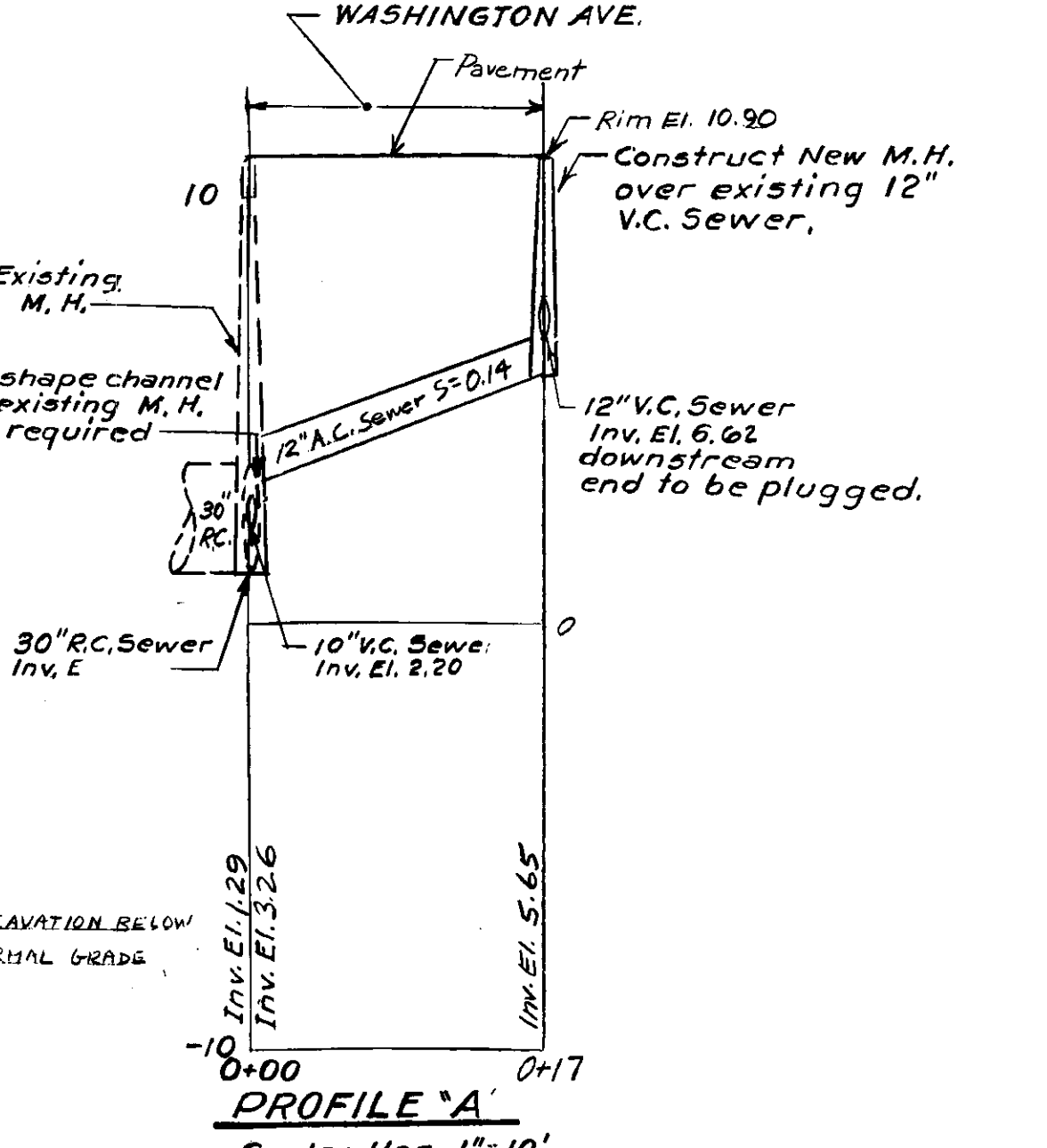
Profile "E"
Veranda St. Special Structure (See Sheet No. 14)
Station 23+30.7 (for Plan in detail See Sheet No. 4)
N.T.S.



PROFILE

NOTES:

- From Sta. 8+70 to Sta. 14+00 Contractor to backfill with lightweight granular fill. See Typical Trench Section Sheet No. 19. Work to be paid for under Item 5f.
- Excavation below normal grade and refill with concrete sand and screened gravel required within approximate limits shown. Work to be paid for under Item 1. See Specifications Section 2c.



PROFILE "A"
Scale: Hor. 1"=10'
Vert. 1"=4'

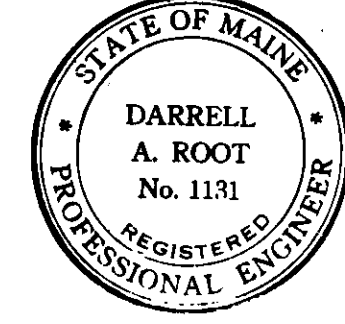
| Approved by: | Date | Name |
|------------------|---------|-------------|
| Structural | 2-23 | R. Wood |
| Electrical | | |
| HVAC | | |
| Project Engineer | 2-12-73 | R. Basso |
| Project Manager | 2-12-73 | R.H. G. Co. |

RECORD DRAWING

| Date | Ch'kd. | Revised for record drawing | Revision |
|------|--------|----------------------------|----------|
| | | | |

Designed by: R.M.C.
Drawn by: V.A.
Checked by: R.J.R.
Approved by: Dal

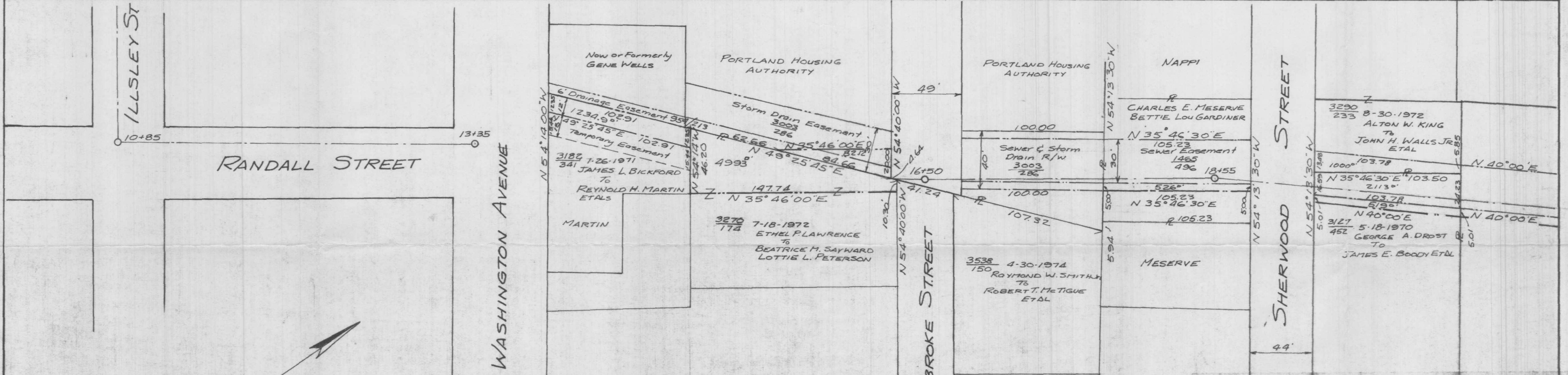
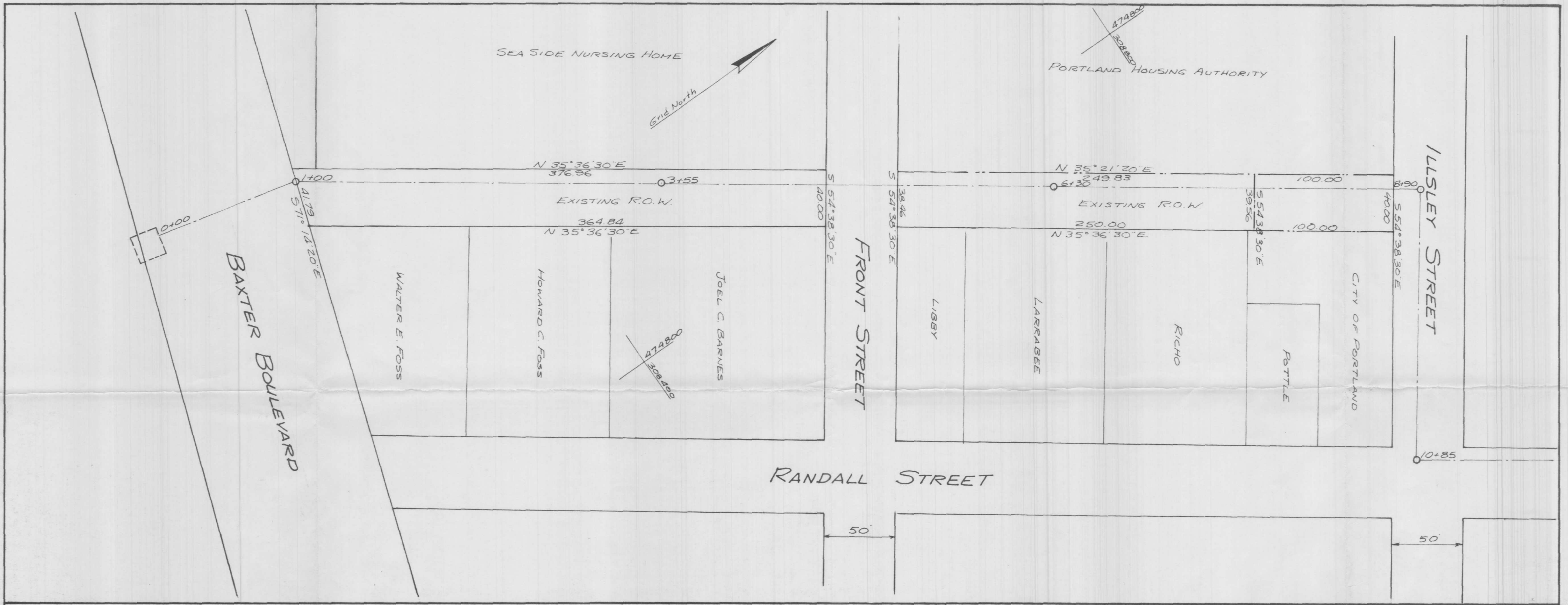
Date: Feb. 1973
Hor. 1"=40'
Ver. 1"=4'



PORTLAND WATER DISTRICT
PORTLAND, MAINE
POLLUTION ABATEMENT FACILITIES
CONTRACT NO. 2
PRESUMPSCOT ESTUARY INTERCEPTOR
**CROSS COUNTRY-ILLSLEY ST. - RANDAL ST.
STA. 7+20 TO STA. 14+95**

CAMP DRESSER & MCKEE Inc.
Consulting Engineers
Boston, Mass.

SHEET NO. 2
197-19184



Registered Land Surveyor # 772
James M. Flanagan

Grid North

476000

476200

476200

JAN 17, 1977 Martin Parcel Revised
OCT 25, 1976 Martin Parcel Revised

| DATE | REVISION |
|--------------|-----------------------|
| JAN 17, 1977 | Martin Parcel Revised |
| OCT 25, 1976 | Martin Parcel Revised |

PLAN OF PROPERTY
IN
PORTLAND, MAINE
MADE FOR
PORTLAND WATER DISTRICT
PRESUMPSCOT ESTUARY
INTERCEPTOR
H. I. & E. C. JORDAN - SURVEYORS

Division of EDWARD C. JORDAN CO., INC.
ENGINEERS & PLANNERS
PORTLAND, OREGON, PRESQUE ISLE

SCALE: 1" = 40'

DATE 9-21-1976

| SURVEY | PLOT | TRACED | FIELD BOOK | OTHER PLAN NOS. | RES. NO. | PLAN FILE NO. |
|--------|------|--------|------------|-----------------|----------|---------------|
| JMR | JMR | JMR | 69544 | | 710 | 710 |

SHEET 1 of 4

JONES ASSOCIATES

Foresters, Surveyors and
Environmental Consultants



Lori J. Paulette
Economic Development Department
City of Portland
389 Congress Street
Portland, ME 04101

Dear Lori:

Enclosed is a sketch of the wetland delineation conducted by Boyle Associates in July of 2009 for Lot 15, i.e. 165 Lambert Street and 622 Auburn Street in Portland, Maine (Tax Map 385, Lot A-1 and Tax Map 385, Lot D-8). Lot position and size were based on the town tax map information and existing monumentation on the ground.

Based upon wetland delineations done by Boyle Associates, there is approximately 236727.92 square feet (5.43 acres) of delineated wetland between the two properties. A site visit was conducted and we observed that there had been no changes to the wetlands and that the wetland delineations done by Boyle Associates were still appropriate to use. There is a vernal pool mapped on Tax Map 385, Lot D-8, though we did not inspect it. During the informational review, which is discussed in more detail below, it was not listed as a significant vernal pool.

The Maine Office of GIS was used to conduct a review of available information regarding wetlands of special significance and stormwater qualifications. There were no wetlands of special significance observed during the review. When reviewing stormwater qualifications, it was observed that although the site is not in a lake watershed, the site is downstream of a watershed most at risk from new development, Highland Lake.

More information about the type of data that was reviewed from the Maine Office of GIS can be found on the Wetland Delineation Checklist, which is attached.

For Tax Map 385, Lot A-1, there is potential for development of one or two homes on the northerly 4.53 acres of upland with potential access only from Lambert Street, as it is our

280 Poland Spring Road
Auburn, Maine 04210
(207) 241-0235
Email: rjones@jonesai.com
Website: www.jonesai.com

Page 2

understanding that Washington Avenue has restricted access. There is also the potential for abutter expansion.

For the southerly section of Tax Map 385, Lot A-1, it is likely that there is only potential for abutter expansion.

For Tax Map 385, Lot D-8, there is also potential for development of one or two homes on the northerly 4.17 acres of upland with potential access from Auburn Street through the right-of-way if the vernal pool on the property is non-significant. To determine if the vernal pool is significant, a more in-depth assessment would be needed during breeding season to conduct egg mass surveys. Optimal time for egg mass surveys would be between April and May. If the vernal pool is significant, there are standards set forth by the Maine Department of Environmental Protection that may influence the extent of potential development on the property.

Please contact Jones Associates at (207) 241-0235 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Jones".

Rick Jones

280 Poland Spring Road
Auburn, Maine 04210
(207) 241-0235
Email: rjones@jonesai.com
Website: www.jonesai.com



WETLAND DELINEATION CHECKLIST

| | | | |
|---------------|--|--|--|
| Job #: | 19-065PO | | |
| Client: | CITY OF PORTLAND | | |
| Site Address: | 622 Auburn Street and 165 Lambert Street, Portland, ME 04103 (385-D-8 and 385-A-1) | | |

| | |
|-------------------------------|------------|
| Wetland Scientist: | Rick Jones |
| Date of Office Review: | 10/2019 |
| Date(s) of Field Delineation: | 07/2009 |

Wetlands of Special Significance

| Yes | No | |
|-----|----|---|
| | X | Does the on-site or immediately adjacent wetland contain a mapped and numbered DWA? |
| | X | Does the on-site or immediately adjacent wetland contain an Inland Waterfowl Wading Bird Habitat? |
| | X | Does the on-site or immediately adjacent wetland contain a potential significant vernal pool? |
| | X | Does the recent aerial photos of the on-site or immediately adjacent wetland show? Or are there any open water or emergent wetlands with areas greater than 20,000 sq. ft.? |
| | X | Does the on-site or immediately adjacent wetland contain a 100 year flood plain? |
| | | Does the on-site or immediately adjacent wetland contain a S1 or S2 community? |
| | X | Does the on-site or immediately adjacent wetland contain a significant wildlife habitat? |
| | X | Is the on-site wetland within 250' of a coastal wetland? |
| | X | Is the on-site wetland within 250' of a great pond? |
| | X | Does the site contain peatlands? |

Stormwater Qualifications

| | | |
|--|---|--|
| | X | Is the site in the watershed of a Great Pond or Impaired stream? |
| | X | Is the site in a lake watershed? |
| | X | Is the site in a watershed most at risk? |

Additional Comments:

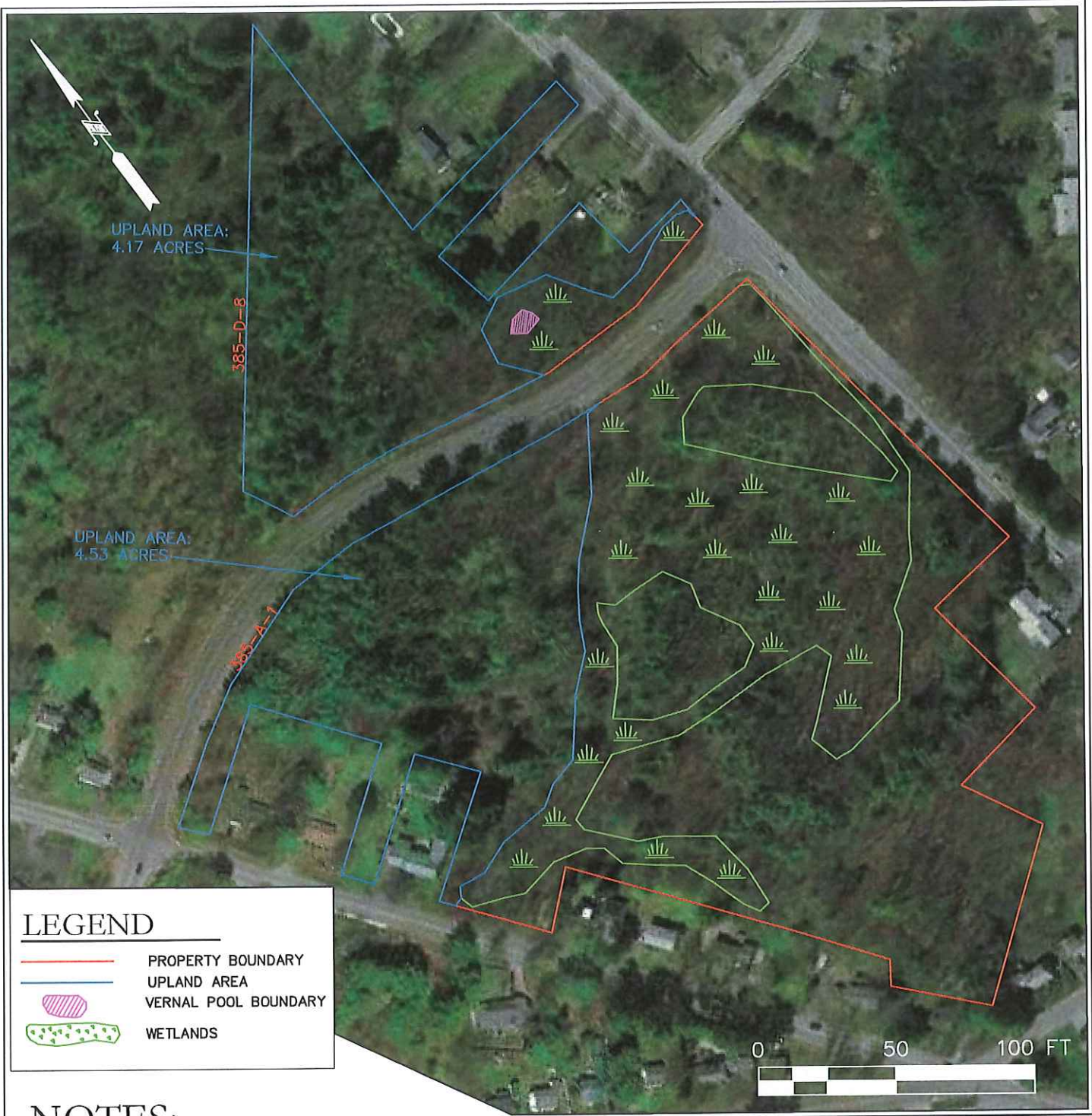
FEMA flood zone FIRM:

Portland 2300510002C, Effective December 8, 1998

Falmouth 2300450011B, Effective October 16, 1984

Watershed:

| | |
|----------------------|---|
| HUC_8: 01060001 | Presumpscot |
| HUC_10: 0106000103 | Presumpscot River |
| HUC_12: 010600010306 | Highland Lake – Lower Presumpscot River |



LEGEND

- PROPERTY BOUNDARY
- UPLAND AREA
- VERNAL POOL BOUNDARY
- WETLANDS

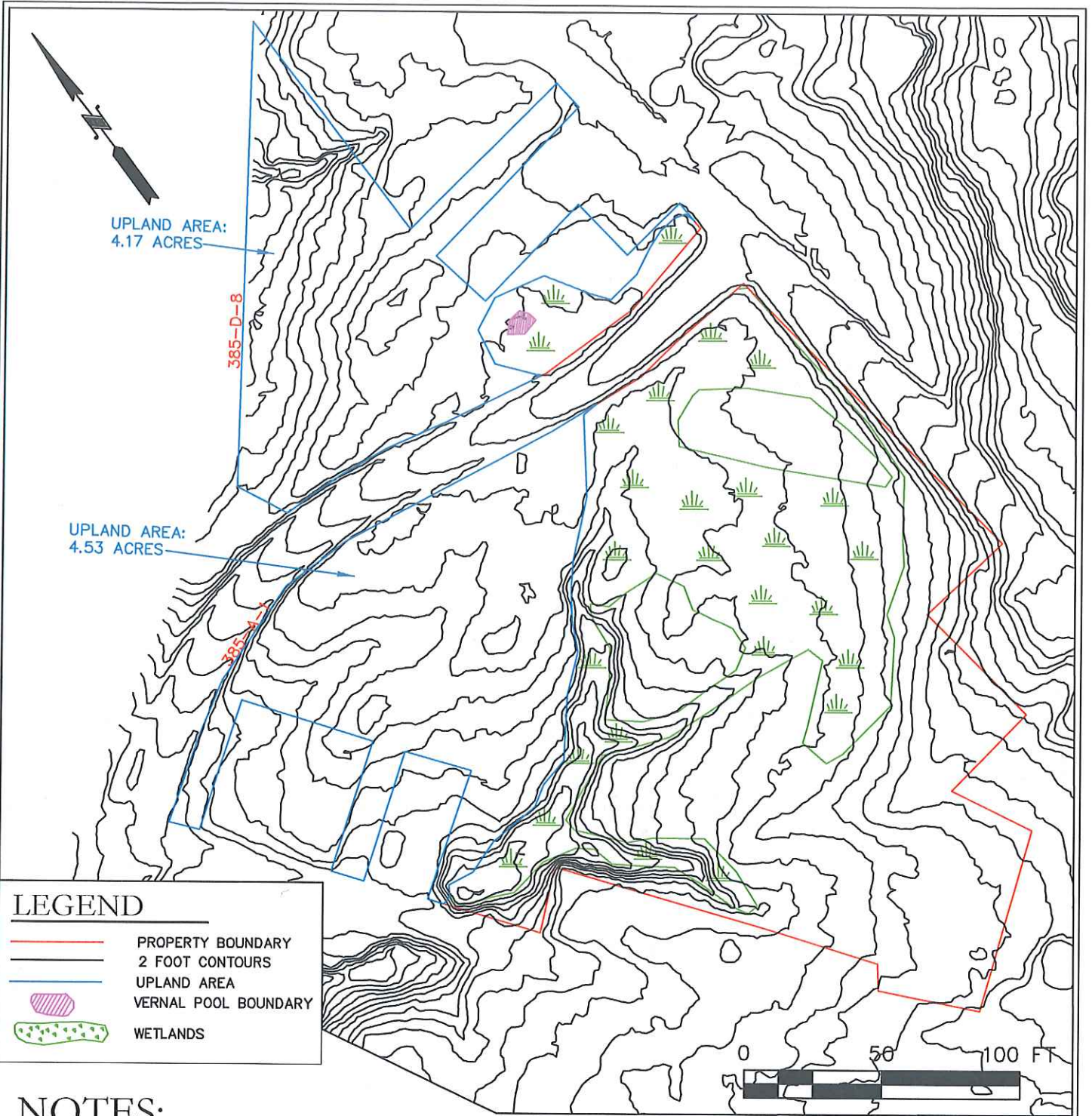
- NOTES:**
1. PROPERTY BOUNDARY OBTAINED FROM MAINE OFFICE OF GIS.
 2. WETLANDS WERE REVIEWED, IDENTIFIED, AND DELINEATED BY BOYLE ASSOCIATES IN JULY 2009 FOR THE CITY OF PORTLAND'S WETLAND COMPENSATION OPPORTUNITIES ASSESSMENT. APPROXIMATE WETLAND BOUNDARIES ARE BASED ON GPS-LEVEL FIELD INVESTIGATION.
 2. AERIAL IMAGERY OBTAINED FROM GOOGLE EARTH.

WETLAND SKETCH PLAN
 CITY OF PORTLAND
 LOT 15 - 165 LAMBERT ST AND 622 AUBURN ST
 (385-D-8 AND 385-A-1)
 PORTLAND, MAINE

PREPARED BY:
JONES ASSOCIATES INC.
 Foresters, Surveyors And
 Environmental Consultants

280 POLAND SPRING ROAD, AUBURN, MAINE 04210
 (207) 241-0235

| |
|------------------------------------|
| PLAN DATE: OCTOBER 18, 2019 |
| FIELD WORK DATE: SEPTEMBER 2019 |
| SCALE: 1"=100' |
| PROJ. #: 100005PO |



LEGEND


-  PROPERTY BOUNDARY
-  2 FOOT CONTOURS
-  UPLAND AREA
-  VERNAL POOL BOUNDARY
-  WETLANDS

NOTES:

1. PROPERTY BOUNDARY OBTAINED FROM MAINE OFFICE OF GIS.
2. WETLANDS WERE REVIEWED, IDENTIFIED, AND DELINEATED BY BOYLE ASSOCIATES IN JULY 2009 FOR THE CITY OF PORTLAND'S WETLAND COMPENSATION OPPORTUNITIES ASSESSMENT. APPROXIMATE WETLAND BOUNDARIES ARE BASED ON GPS-LEVEL FIELD INVESTIGATION.
2. 2 FOOT CONTOUR LINES OBTAINED FROM THE MAINE OFFICE OF GIS.

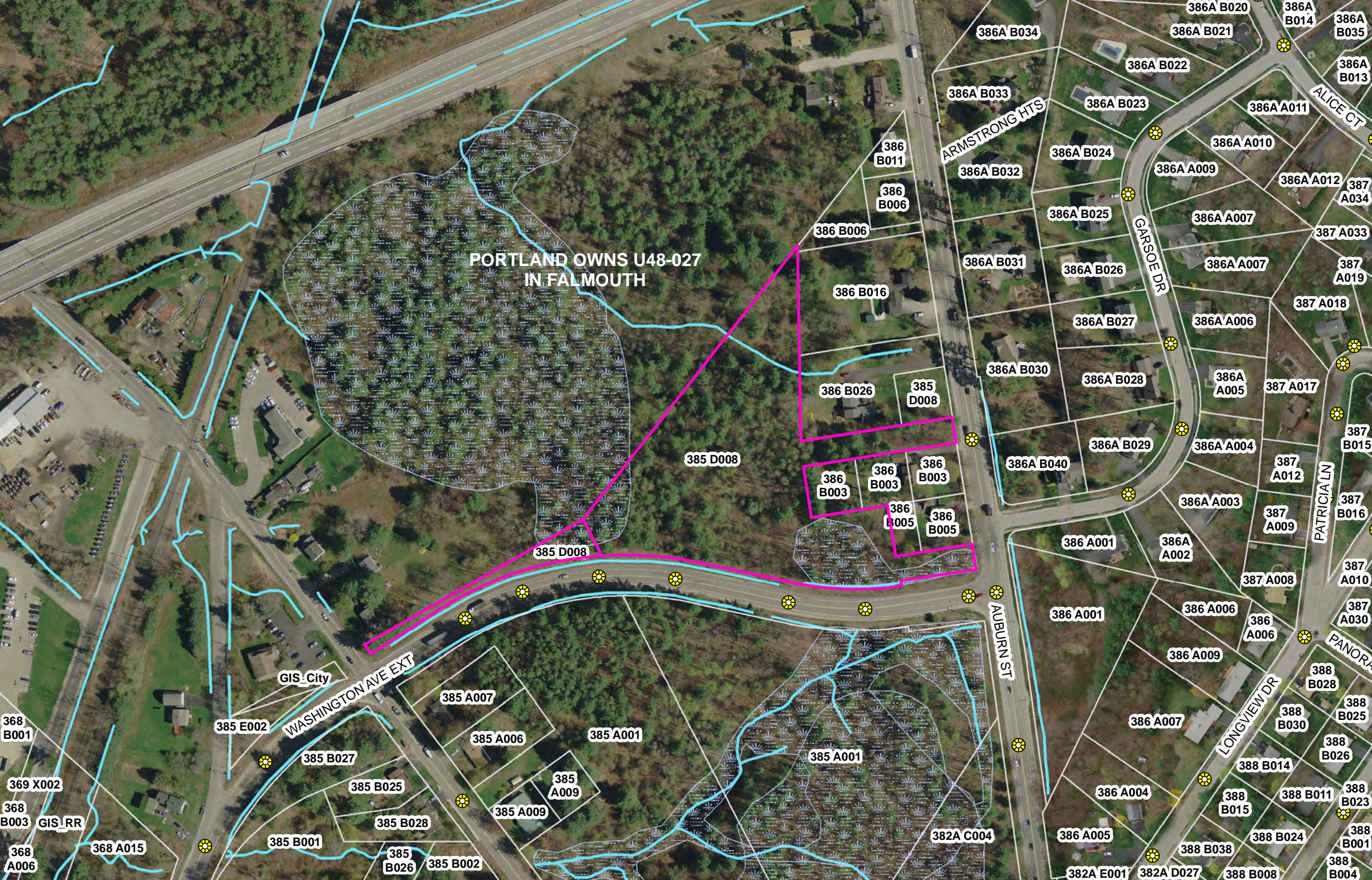
WETLAND SKETCH PLAN
 CITY OF PORTLAND
 LOT 15 - 165 LAMBERT ST AND 622 AUBURN ST
 (385-D-8 AND 385-A-1)
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PREPARED BY:
JONES ASSOCIATES INC.
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280 POLAND SPRING ROAD, AUBURN, MAINE 04210
 (207) 241-0235

| | |
|------------------|------------------|
| PLAN DATE: | OCTOBER 18, 2019 |
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| SCALE: | 1"=100' |
| PROJ. #: | 19-0065PO |



PORTLAND OWNS U48-027
IN FALMOUTH

GIS_City

WASHINGTON AVE EXT

ARMSTRONG HTS

AUBURN ST

GARSOE DR

PATRICIA LN

PANORA

385 E002

385 B027

385 B025

385 B028

385 B001

385 B026

385 B002

385 A007

385 A006

385 A001

385 A009

385 A009

385 A001

382A C004

386 A005

382A E001

382A D027

388 B008

386 A004

388 B015

388 B038

388 B024

388 B001

388 B004

386 A007

386 A009

386 A006

386 A006

388 B028

388 B025

388 B026

388 B014

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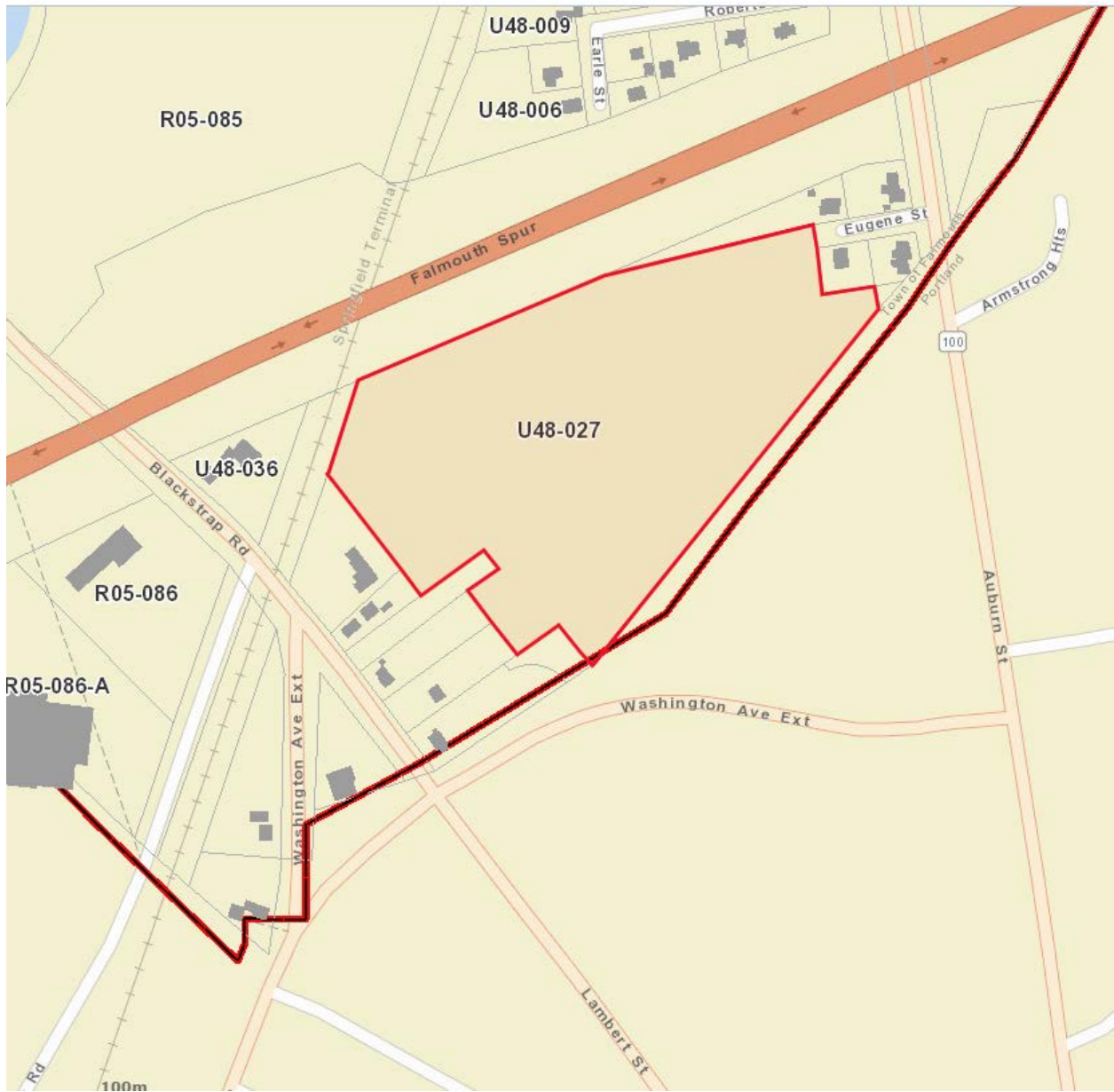
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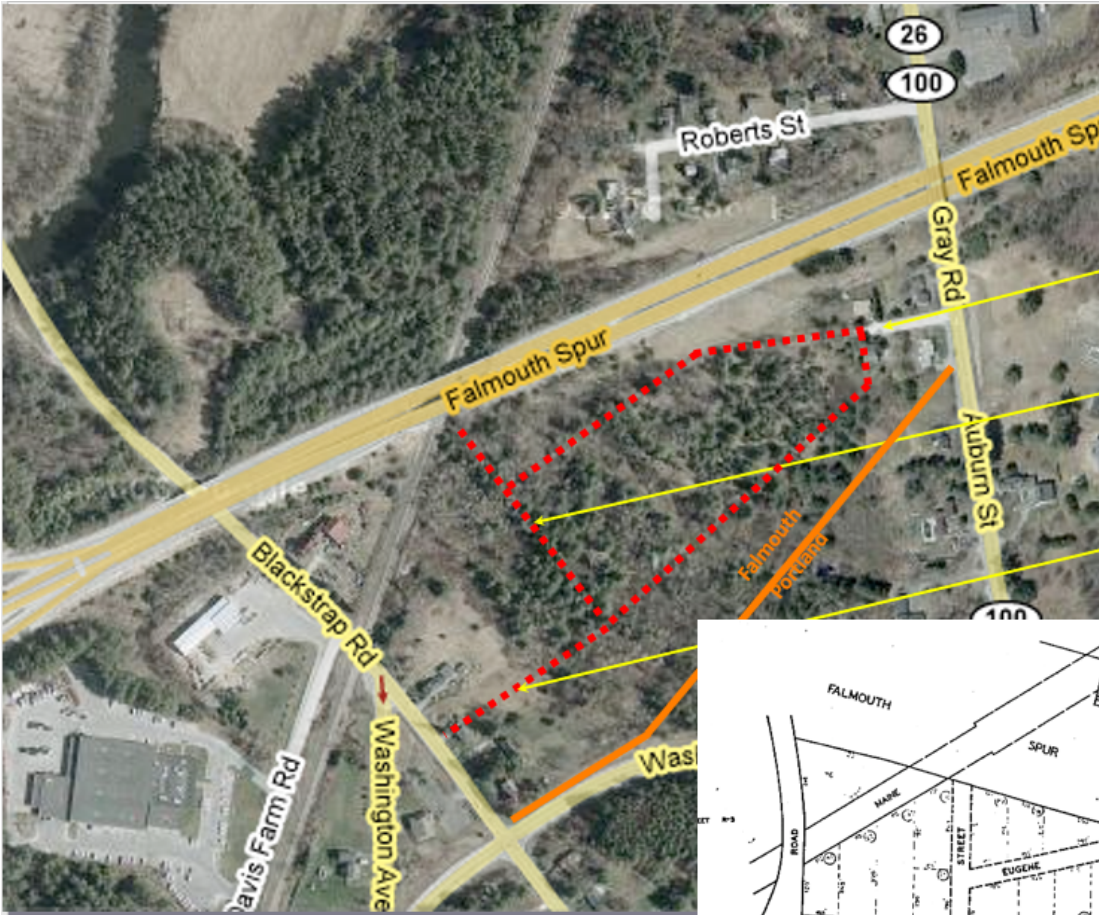
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Falmouth, ME





SW Portland Border

Eugene Street Ext.;
Scot Street

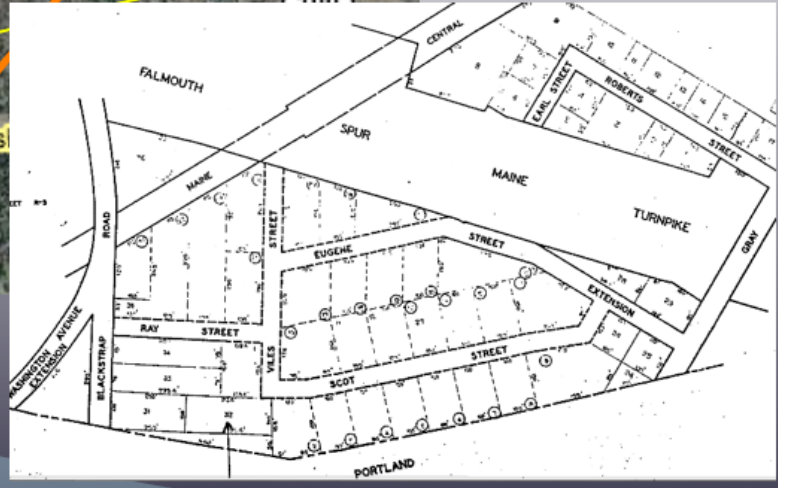
Runs perpendicular to Gray Rd

Viles Street

Runs perpendicular to Blackstrap Rd.

Ray Street

Runs perpendicular to Blackstrap Rd.





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

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

FROM: Mary Davis, Division Director
Housing & Community Development

DATE: November 8, 2019

SUBJECT: Affordable Housing Development Loan Program Modification and Refinance Request – Unity at Bayside (UAB)

Introduction

Avesta Housing Development Corporation (AHDC) has submitted a request to modify the terms of three loans from the City of Portland and reinvest those funds in a refinancing of the project. The project is being refinanced in order complete repairs to the property. The Unit at Bayside development was constructed in 2001. The development consists of 33 units in four buildings. The buildings are located at 255 Cumberland Avenue, 10 Stone Street, 24 Stone Street and 180 Oxford Street. There are 6 one-bedroom units, 10 two-bedroom units and 17 three-bedroom units. UAB is a mixed income development for individuals and families with incomes ranging from 40% of the area median income (AMI) to market rates. Twenty-six of the units are affordable at or below 60% AMI.

AHDC intends to submit a 4% tax credit application to MaineHousing. If approved, the refinance will provide financing to make needed repairs to the properties.

2001 City of Portland Loan Terms:

City Acquisition Loan: dated November 15, 2000; principal amount \$100,000, interest at 6.1% for a term of 30 years; payment deferred 30 years.

City HOME Loan: dated November 15, 2000; principal amount \$86,500; interest at 6.1% for a term of 30 years; payment deferred 30 years during which interest compounded annually. Original due date December 1, 2030.

City CDBG Loan: dated November 15, 2000; principal \$210,176 at 0% interest for a term of 30 years; annual repayment at 20% of net cash flow. Original due date December 1, 2030.

Proposed New Loan Terms:

- 1) Capitalize the accrued interest on the \$100,000 acquisition loan and reissue the new balance at 0%; currently projected at \$303,054
- 2) Capitalize the accrued interest on the \$86,500 HOME Loan and reissue the new balance at 0%; currently projected at \$262,142
- 3) Reissue \$210,136 CDBG Loan at 0%

Total reissued financing is projected to be approximately \$775,332 at 0% for a 30-year term. Payment would be deferred for 30 years.

Staff Recommendation

The long term stability of the property and the City's investment warrants approval of this request. The modified loan terms are similar to the terms provided to the most recent developers of affordable housing projects in which the City invested HOME funds. These terms would not be outside of the bounds of the City's current lending practices.

Staff supports approval of the request by Avesta Housing Development Corporation to modify the loan terms and reinvest the debt into the Unity at Bayside project, and requests that the Committee recommend approval to the City Council subject to the following conditions:

1. Final commitments from all sources on terms as projected.
2. Receipt of a satisfactory appraisal of the property.
3. Satisfactory completion of the environmental review process; an update to the previous environmental review is required.
4. Any substantial changes to the project or the financial investment will be brought back to the Housing Committee and the City Council for review and approval.
5. All standard construction loan conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.



July 23, 2019

Mary Davis
City of Portland: Housing and Community Development Division
389 Congress Street, Room 312
Portland, ME 04101

Re: City of Portland HOME Funds Application – Project Summary: Unity Village at Bayside

Unity Village at Bayside:

Summary:

Unity at Bayside is a 33-unit affordable family property located across 4 buildings on two contiguous parcels in the heart of downtown Portland. Three of the four buildings have townhouse style units, each with their own entrance. The fourth building is more like a double loaded corridor building with a main entrance that accesses two floors of apartments. Due to this design style there are many addresses associated with this building and the office is located at the 180 Oxford Street building.

Built in 2001, the property is conveniently located within walking distance of many daily amenities and services, including a playground directly adjacent to the property; the Portland Community Free Clinic - .4-mile walking distance; Hannaford Grocery Store - .7-mile walking distance; and Walgreens Pharmacy - .3-mile walking distance. Comprised of 6 one-bedroom units, 10 two-bedroom units and 17 three-bedroom units, Unity at Bayside provides a high number of larger units which, combined with their location, are critical for families seeking affordable housing in Portland.

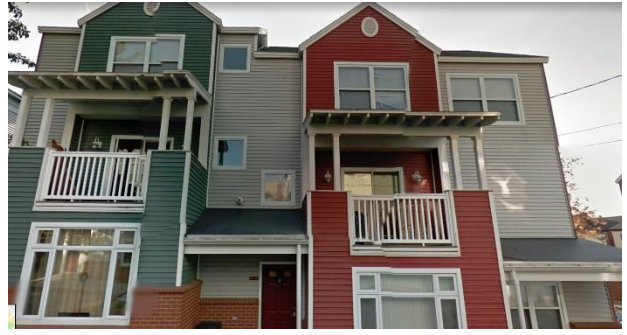
Unity at Bayside is a mixed income project for individuals and families with incomes ranging from 40% AMI to Market; 79% (26 of the 33 units) are set aside as affordable housing. There are currently income and rent restrictions governed by MaineHousing which require that 10 units are set aside for households at or below 40% AMI, 10 units are set aside for households at or below 50% AMI, and 6 units are set aside for households at or below 60% AMI. These restrictions were established in 2001, when the project was originally construction utilizing low-income housing tax credits. The planned re-syndication will keep the existing AMI restrictions in place for at least the term of the MaineHousing financing.

Avesta acquired Unity at Bayside in 2009 from the original developer. While the property is relatively new, having been constructed in 2001, it is showing major signs of deterioration and capital needs which far exceed the existing property reserves. Roofing, safety, security measures, energy efficient upgrades, and replacement of items that are nearing the end of useful life are included in the rehabilitation scope of work. The total estimated scope of work across all four buildings is 1-1.1 million dollars.

Project Pictures



255 Cumberland Ave



10 Stone Street



24 Stone Street



180 Oxford Street

Avesta Request:

Avesta Housing is preparing to submit a 4% tax credit “walk-in” application to MaineHousing. The result of this application will be the re-syndication of the project with a new tax credit investor. In conjunction with reissued MaineHousing subsidy and new amortizing MaineHousing debt, the 4% tax credit equity will finance much of the rehabilitation of the property. To help facilitate the preservation of this valuable affordable housing, Avesta is asking the city for the following:

1. Capitalize the accrued interest on the \$100,000 acquisition loan and reissue the new balance at 0%; currently projected at \$303,054
2. Capitalize the accrued interest on the \$86,500 City of Portland HOME loan and reissue the new balance at 0%; currently projected at \$262,142.
3. Reissue \$210,136 City of Portland CDBG loan at 0%

Total reissued financing is projected to be approximately \$775,332 at 0% for a 30-year term.



May 6, 2019

Mary Davis
City of Portland: Housing and Community Development Division
389 Congress Street, Room 313
Portland, ME 04101

Re: Affordable Housing Application: B5 – Map Showing Location of the Site

Unity at Bayside is a 33-unit mixed income development located within 4 buildings across two parcels in Portland, Maine. The following information is offered as a clarification of the various addresses referenced within the Unity at Bayside application.

Tax Parcel 026-H-006 255 Cumberland Ave, Portland ME

- Building 1 includes 255-259 Cumberland Ave, Portland ME

Tax Parcel 026-F-002 10 Stone Street, 16 Stone Street, 180 Oxford Street

- Building 2 includes 4-10 Stone Street, Portland ME (10 Stone Street)
- Building 3 includes 12-24 Stone Street, Portland ME (16 Stone Street)
- Building 4 includes 176-184 Oxford Street, Portland ME (180 Oxford Street)

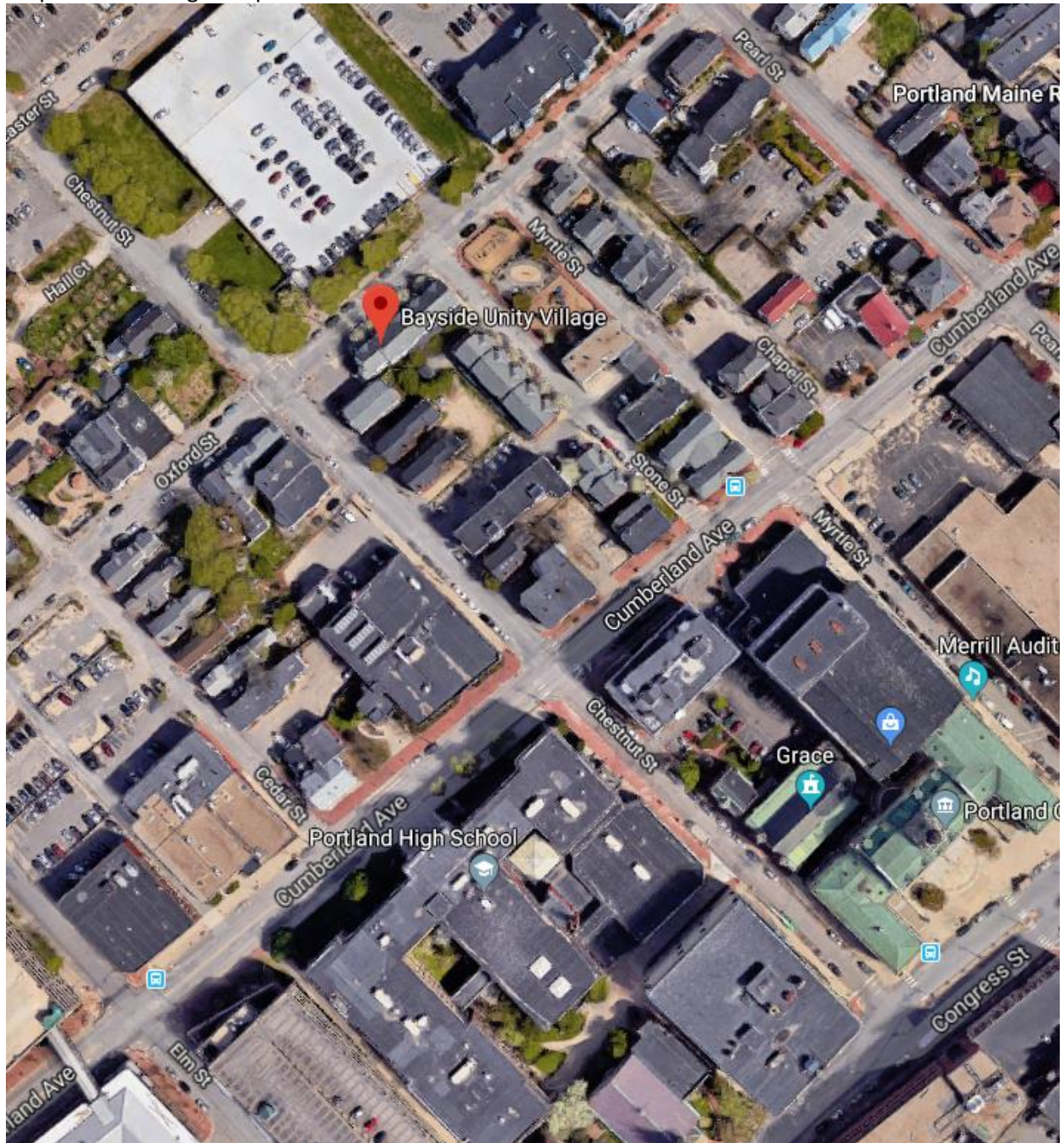
24 Stone Street is utilized within the application to reference the property as that is the location of the Avesta management office.

Thank you for your consideration.

Sincerely,

Patrick Hess
Development Officer
Avesta Housing Development Corporation

Map of Site – Google Maps





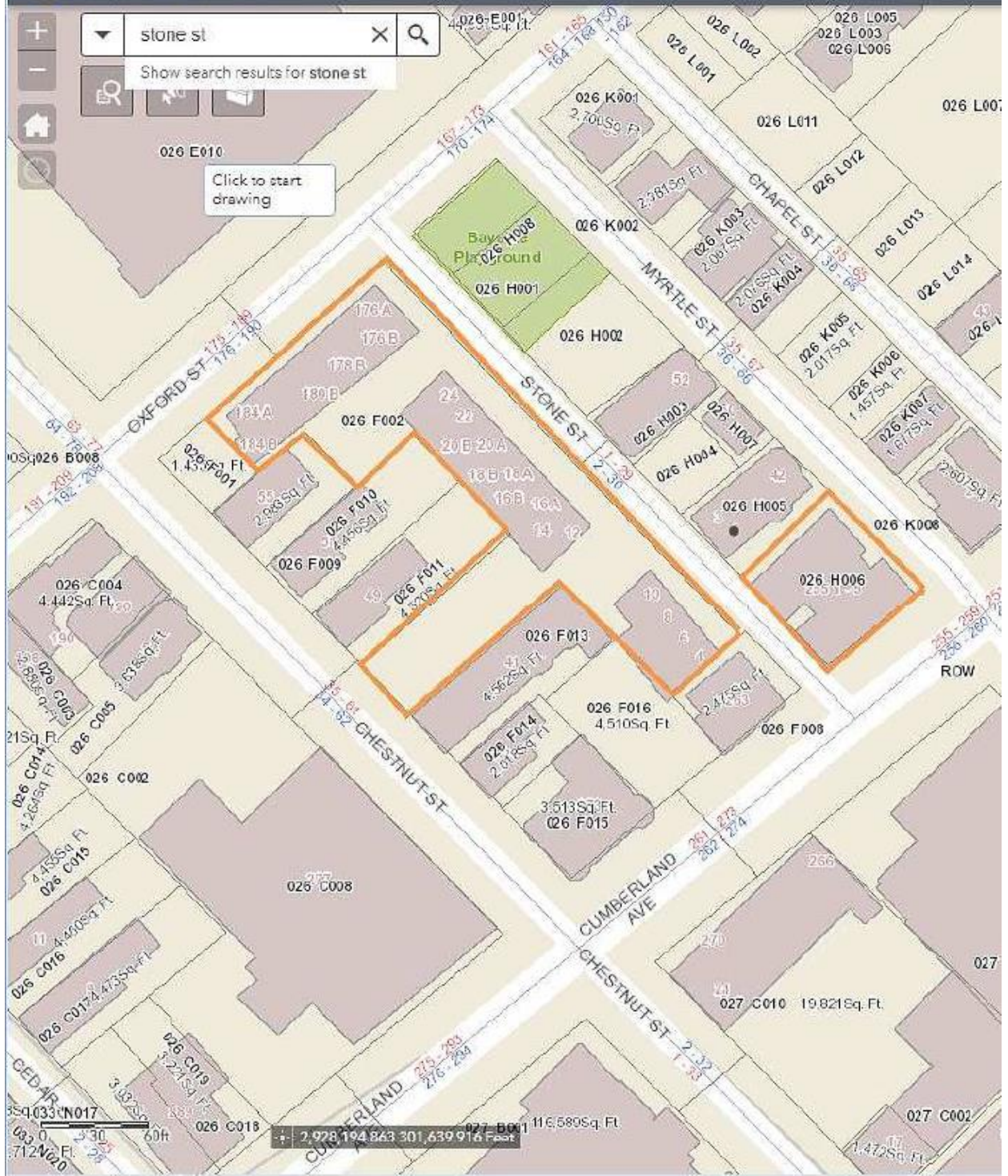
City of Portland Maine Parcel Viewer



stone st

Show search results for stone st

Click to start drawing



PROJECT NAME: Unity at Bayside
 LOCATION: Portland
 Constr. Type: Acq. Rehab.

Date: 07/23/19

| DEVELOPMENT ASSUMPTIONS | | | | | | |
|-------------------------------|-----------|-----------------------|---------------------|----------|-----------|-------|
| Total Units | 33 | Inflation Adjustments | Yr 1-5 | Yr. 6-15 | Yr. 16-30 | |
| HUD 202 Units | 3.0% | 1 | Rent | 2.00% | 2.50% | 3.00% |
| # @ 40% AMI (LIHTC/High HOME) | 30.3% | 10 | Operating Expense | 3.00% | 3.00% | 3.00% |
| # @ 50% AMI (LIHTC/High HOME) | 27.3% | 9 | Other Income | 2.00% | 2.50% | 3.00% |
| # @ 60% AMI (LIHTC) | 18.2% | 6 | Debt Coverage Ratio | 1.15 | | |
| # @ Market | 21.2% | 7 | Vacancy | 5% | | |
| Appraised Market Value | 3,434,400 | Market Value/Unit | \$104,073 | | | |

| | |
|---------------------|---------|
| Max LIHTC Available | 109,143 |
| LIHTC Alloc. | 109,143 |
| Equity yield | 0.83 |
| Synd. % | 99.99% |
| Equity Raise | 905,794 |

| | |
|---------------------|--------|
| Historic Credit FED | 0 |
| Equity yield | 0.90 |
| Synd. % | 99.99% |
| Equity Raise | 0 |

| | |
|-------------------------|---------|
| Historic Credit STATE | 0 |
| Equity yield Equivalent | 0.00 |
| Synd. % | 100.00% |
| Equity Raise | 0 |

| | |
|---------------|--------|
| Solar | 7,800 |
| Equity Yield | 0.96 |
| Synd. | 99.99% |
| Equity Raise: | 7,487 |

| | |
|-----------------------|---------|
| MUST DEFER FEE | |
| Total Equity: | 913,281 |

| | |
|--------------------------|--------|
| Gross Square Footage | 40,848 |
| Construction Cost/Sq ft. | 30.17 |

| PRO FORMA DEVELOPMENT BUDGET | | | | |
|------------------------------------|-----------------------|----------------|------------|------------------|
| | Residential | Per Unit | Commercial | TDC |
| Site Improvements | 100,000 | 3,030 | 0 | 100,000 |
| New Construction † | 1,132,406 | 34,315 | 0 | 1,132,406 |
| Historic Construction | 0 | 0 | 0 | 0 |
| General Requirements | 0 | 0 | 0 | 0 |
| Builder Profit | 0 | 0 | 0 | 0 |
| Bond Premium | 0 | 0 | 0 | 0 |
| Solar | 30,000 | 909 | 0 | 30,000 |
| Construction Contingency | 10.00% 126,241 | 3,825 | 0 | 126,241 |
| Subtotal Construction Costs | 1,388,647 | 42,080 | 0 | 1,388,647 |
| Building Permits and Fees | 22,400 | 679 | 0 | 22,400 |
| Survey & Engineering | 22,500 | 682 | 0 | 22,500 |
| Architectural & Design | 40,000 | 1,212 | 0 | 40,000 |
| Legal | 50,000 | 1,515 | 0 | 50,000 |
| Title & Recording | 10,000 | 303 | 0 | 10,000 |
| Accounting | 10,000 | 303 | 0 | 10,000 |
| Construction Period Tax | 0 | 0 | 0 | 0 |
| Construction Period Insurance | 3,500 | 106 | 0 | 3,500 |
| Other | 0 | 0 | 0 | 0 |
| Subtotal Soft Costs | 158,400 | 4,800 | 0 | 158,400 |
| Construction Loan Origination Fees | 48,000 | 1,455 | 0 | 48,000 |
| Construction Loan Interest | 50,000 | 1,515 | 0 | 50,000 |
| Equity Bridge Loan Interest | 0 | 0 | 0 | 0 |
| MH Permanent Loan Fees | 2,500 | 76 | 0 | 2,500 |
| Other Permanent Loan Fees | 2,500 | 76 | 0 | 2,500 |
| Other | 15,000 | 455 | 0 | 15,000 |
| Subtotal Finance Costs | 118,000 | 3,576 | 0 | 118,000 |
| Market Survey | 0 | 0 | 0 | 0 |
| Appraisal | 6,500 | 197 | 0 | 6,500 |
| Environmental Study | 2,500 | 76 | 0 | 2,500 |
| LIHTC Fees & Prepaid Monitoring | 38,686 | 1,172 | 0 | 38,686 |
| Relocation Costs | 50,000 | 1,515 | 0 | 50,000 |
| FF&E | 55,000 | 1,667 | 0 | 55,000 |
| Other: Testing | 0 | 0 | 0 | 0 |
| Subtotal Miscellaneous | 152,686 | 4,627 | 0 | 152,686 |
| Acquisition: Buildings | 1,376,186 | 41,703 | 0 | 1,376,186 |
| Acquisition: Land | 500,000 | 15,152 | 0 | 500,000 |
| Acquisition: Existing Reserves | 123,814 | 3,752 | 0 | 123,814 |
| Acquisition: Legal | 0 | 0 | 0 | 0 |
| Acquisition: other | 0 | 0 | 0 | 0 |
| Subtotal Acquisition | 2,000,000 | 60,606 | 0 | 2,000,000 |
| Operating Deficit Escrow | 91,363 | 2,769 | 0 | 91,363 |
| Pre-funded Replacements | 49,500 | 1,500 | 0 | 49,500 |
| Tax & Insurance Escrow | 38,417 | 1,164 | 0 | 38,417 |
| Working Capital | 0 | 0 | 0 | 0 |
| Total Syndication Expenses | 0 | 0 | 0 | 0 |
| Consultant Fee | 0 | 0 | 0 | 0 |
| Developer Overhead | 225,000 | 6,818 | 0 | 225,000 |
| Developer Profit | 225,000 | 6,818 | 0 | 225,000 |
| Other | 0 | 0 | 0 | 0 |
| Subtotal Fee and Reserves | 629,280 | 19,069 | 0 | 629,280 |
| Total Project Costs | 4,447,012 | 134,758 | 0 | 4,447,012 |
| | 4,268,963 | 104,722 | | |

Notes:

| | |
|--|---------|
| Maximum Gross Developer Fee (10%/15%) | 499,552 |
| Maximum Net Developer Fee (per unit max) | 750,000 |
| Actual Proposed Gross Fee | 450,000 |
| % of maximum Gross Fee | 90.1% |
| Proposed Net Fee Collected | 372,015 |
| % of Maximum Net Fee | 49.6% |

Minimum Deferred Fee: 0

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| FLOW OF FUNDS | | | | | | | | | | |
|----------------------------|------------------|----------------|----------------|----------------|----------------|------------------|---------------------|-----------------|------------------|--|
| During Construction | | | | | | | | | | |
| Date Estimate: | 7/1/20 | | | | | 1st Equity | Final | | | |
| Sources | CLC | 25% | 50% | 75% | 100% | PLC | Occupancy Milestone | Capital Payment | Total | |
| Beginning Cash | 0 | 0 | 0 | 152,838 | 0 | 0 | 0 | 0 | 0 | |
| Capital Contribution | 100,000 | 0 | 0 | 0 | 0 | 813,281 | 0 | 0 | 913,281 | |
| Equity Bridge Loan | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Construction Loan | 1,338,732 | 347,162 | 0 | 194,323 | 347,162 | | | | 2,227,378 | |
| GP Bridge Loan | | | | | | | | | 0 | |
| MH: 0% Deferred Loan - MH | 367,200 | 0 | 0 | 0 | 0 | 0 | | | 367,200 | |
| 0% Deferred Loan - City | 779,250 | 0 | 0 | 0 | 0 | 0 | | | 779,250 | |
| 5.5% Debt 30/40 Debt | 0 | 0 | 0 | 0 | 0 | 313,167 | | | 313,167 | |
| 5.5% IO Debt | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| State Historic Bridge: | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| AHP Subsidized Advance | 0 | 0 | 0 | 0 | 0 | 850,000 | | | 850,000 | |
| AHP Direct Subsidy | 0 | 0 | 500,000 | 0 | 0 | 0 | | | 500,000 | |
| CHCC FedHOME | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| Existing Reserves | 123,184 | 0 | 0 | 0 | 0 | 0 | | | 123,184 | |
| Seller's Note | 0 | 0 | 0 | 0 | 0 | 522,945 | | | 522,945 | |
| Development Fee Loan | 0 | 0 | 0 | 0 | 0 | 77,985 | | | 77,985 | |
| | | | | | | | | | 0 | |
| TOTAL SOURCES | 2,708,366 | 347,162 | 500,000 | 347,162 | 347,162 | 2,577,378 | 0 | 0 | 6,674,391 | |
| Uses | | | | | | | | | | |
| Acquisition | 2,000,000 | | | | | | | | 2,000,000 | |
| Construction | | 347,162 | 347,162 | 347,162 | 347,162 | | | | 1,388,647 | |
| Soft Costs | 158,400 | | | | | | | | 158,400 | |
| Financing Costs | 118,000 | | | | | | | | 118,000 | |
| Miscellaneous | 152,686 | | | | | 0 | | | 152,686 | |
| Dev Fee | 100,000 | | | | | 350,000 | 0 | 0 | 450,000 | |
| Reserves | 179,280 | | | | 0 | | | | 179,280 | |
| TOTAL DEV. COSTS | 2,708,366 | 347,162 | 347,162 | 347,162 | 347,162 | 350,000 | 0 | 0 | 4,447,012 | |
| Repay GP Bridge Loan | | | | | | 0 | | | 0 | |
| Repay Construction Loan | | | | | | 2,227,378 | | | 2,227,378 | |
| Other Syndication Costs | 0 | | | | | 0 | | | 0 | |
| SUBTOTAL OTHER ITEMS | 0 | 0 | 0 | 0 | 0 | 2,227,378 | 0 | 0 | 2,227,378 | |
| TOTAL USES OF FUNDS | 2,708,366 | 347,162 | 347,162 | 347,162 | 347,162 | 2,577,378 | 0 | 0 | 6,674,391 | |
| Ending Cash | 0 | 0 | 152,838 | 0 | 0 | 0 | 0 | 0 | 0 | |

| PROJECT FINANCING | | | | | | | | | |
|-----------------------------------|------------------|-------|------|--------|------|------------|----------|-----------|-----------|
| Source | Amount | Rate | Term | Amort. | Lien | Annual D/S | | | |
| | | | | | | Yr. 1-5 | Yr. 6-15 | Yr. 16-20 | Yr. 21-30 |
| Source 1: 0% Deferred Loan - MH | 367,200 | 0.00% | 30 | | 1st | 0 | 0 | 0 | 0 |
| Source 2: 0% Deferred Loan - City | 779,250 | 0.00% | 30 | | 2nd | 0 | 0 | 0 | 0 |
| Source 3: 5.5% Debt 30/40 Debt | 313,167 | 5.50% | 30 | 40 | 1st | 19,383 | 19,383 | 19,383 | 19,383 |
| Source 4: 5.5% IO Debt | 0 | 0.00% | 30 | | 1st | 0 | 0 | 0 | 0 |
| Source 5: AHP Subsidized Advance | 850,000 | 3.00% | 20 | 30 | 1st | 43,004 | 43,004 | 43,004 | 0 |
| Source 6: AHP Direct Subsidy | 500,000 | 0.00% | 30 | | 2nd | 0 | 0 | 0 | 0 |
| Source 7: CHCC FedHOME | 0 | 0.00% | 30 | | 1st | 0 | 0 | 0 | 0 |
| Source 8: | 0 | 0.00% | 30 | | 1st | 0 | 0 | 0 | 0 |
| Source 9: Seller's Note | 522,945 | 0.00% | 30 | | 3rd | 0 | 0 | 0 | 0 |
| Source 10: Development Fee Loan | 77,985 | 0.00% | | | | CF | CF | CF | CF |
| Source 11: State Historic Bridge: | 0 | | | | | | | | |
| Source 12: Existing Reserves | 123,184 | | | | | | | | |
| Source 13: Net Syndication | 913,281 | | | | | | | | |
| Capitalization Gap | 0 | | | | | | | | |
| Total | 4,447,012 | | | | | | | | |

| COLLATERAL COVERAGE | | |
|-----------------------------|-----------|----------|
| | Total | Per Unit |
| Projected Mortgage | 1,530,367 | 46,375 |
| Appraised Market Value | 3,434,400 | 104,073 |
| Loan to Value Ratio | 45% | |
| Market Rent Differential | 88,644 | 224 |
| Subsidy per Unit | | 34,741 |
| Subsidy per Low Income Unit | | 44,094 |

| Maine Housing Subsidy Limits: | |
|-------------------------------|---------|
| Per Project Max: | 0 |
| Per LI Unit Max: | 0 |
| Actual Request: | 367,200 |
| Request per LI Unit: | 14,123 |

| PROPOSED RENT SCHEDULE | | | Maximum Gross LIHTC/HOME Rents | Utility Allow. | Maximum Net Tenant Rent | Rents from Applicant | Market Rent | Total Rent |
|------------------------|---------|---------|--------------------------------|----------------------------|-------------------------|----------------------|-------------|------------|
| Type | AMI | # Units | | | | | | |
| Efficiency | 40% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | 50% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | 60% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | HUD 202 | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | Market | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| 1BR | 40% AMI | 3 | 676 | 34 | 642 | 642 | \$1,014 | 23,112 |
| | 50% AMI | 2 | 845 | 34 | 811 | 811 | \$1,014 | 19,464 |
| | 60% AMI | 1 | 1,014 | 34 | 980 | 980 | \$1,014 | 11,760 |
| | HUD 202 | 0 | 0 | 34 | (34) | 0 | \$1,014 | 0 |
| | Market | 0 | 1,014 | 0 | 1,014 | 1,014 | \$1,014 | 0 |
| 2BR | 40% AMI | 3 | 811 | 42 | 769 | 769 | \$1,216 | 27,684 |
| | 50% AMI | 1 | 1,013 | 42 | 971 | 971 | \$1,216 | 11,652 |
| | 60% AMI | 3 | 1,216 | 42 | 1,174 | 1,174 | \$1,216 | 42,264 |
| | HUD 202 | 1 | 1,013 | 42 | 971 | 971 | \$1,216 | 11,652 |
| | Market | 2 | 1,216 | 0 | 1,216 | 1,216 | \$1,216 | 29,184 |
| 3BR | 40% AMI | 4 | 937 | 49 | 888 | 888 | \$1,406 | 42,624 |
| | 50% AMI | 6 | 1171 | 49 | 1,122 | 1,122 | \$1,406 | 80,784 |
| | 60% AMI | 2 | 1406 | 49 | 1,357 | 1,357 | \$1,406 | 32,568 |
| | HUD 202 | 0 | 0 | 49 | (49) | 0 | \$1,406 | 0 |
| | Market | 5 | 1406 | 0 | 1,406 | 1406 | \$1,406 | 84,360 |
| 4BR | 40% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | 50% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | 60% AMI | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | HUD 202 | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| | Market | 0 | 0 | 0 | 0 | 0 | \$0 | 0 |
| Subtotals | | 33 | | | | | | 417,108 |
| Bedrooms | | 77 | | | | | | |
| | | | Other Income: | Rent Differential (5% Esc) | (968) | | | (11,616) |
| | | | Other Income: | Commercial Income | 0 | | | 0 |
| | | | Vacancy Rate | 5.42% | | | | (21,995) |
| | | | Other Income: | Laundry | 125 | | | 1,500 |
| | | | Effective Gross Income | | | | | 384,997 |

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| AFFORDABLE AMORTIZING MORTGAGE CALCULATION | | |
|--|-------|-----------|
| Effective Gross Income | | 384,997 |
| Annual Operating Expense | | 303,067 |
| Stabilized NOI | | 81,930 |
| DSC | 1.15 | 10,687 |
| \$ Avail for D/S | | 71,244 |
| Other DS | | 0 |
| Balance | | 71,244 |
| Affordable Fully Amortizing Mortgage | 5.50% | 1,045,629 |
| Affordable Interest Only Mortgage | 5.50% | 1,295,338 |

| BREAKEYEN ANALYSIS: | RENT SENSITIVITY | | OCCUPANCY | |
|---------------------|------------------|--------|---------------------|--------|
| | Total | Annual | Gross Revenues | Annual |
| Operating Expense | 303,067 | | 405,492 | |
| Debt Service | 62,386 | | | |
| Breakeven Rent | 923 | | Breakeven Occupancy | 90% |

| OPERATING EXPENSES | | | |
|-------------------------------------|---------|-----------------|------------------|
| Expense | Annual | Annual Per Unit | Monthly Per Unit |
| Administrative Expenses: | | | |
| Management Fees | 27,300 | 827 | 69 |
| Management Charges | 27,300 | 827 | 69 |
| Marketing Expenses | 1,000 | 30 | 3 |
| Legal Expenses | 500 | 15 | 1 |
| Auditing Expenses | 5,500 | 167 | 14 |
| Other Administrative Expenses | 4,500 | 136 | 11 |
| Administrative Expenses | 66,100 | 2,003 | 167 |
| Operating Expenses: | | | |
| Janitorial Payroll | 0 | 0 | 0 |
| Janitorial Supplies and Equipment | 0 | 0 | 0 |
| Janitorial Contractual Services | 9,752 | 296 | 25 |
| Fuel and Gas | 25,000 | 758 | 63 |
| Electricity | 3,400 | 103 | 9 |
| Water and Sewer | 35,000 | 1,061 | 88 |
| Garbage and Trash Removal | 5,101 | 155 | 13 |
| Vehicle and Equipment Expenses | 0 | 0 | 0 |
| Other Operating Expenses | 100 | 3 | 0 |
| Operating Expenses | 78,353 | 2,374 | 198 |
| Maintenance Expenses: | | | |
| Grounds Maintenance Payroll | 0 | 0 | 0 |
| Grounds Tools and Supplies | 0 | 0 | 0 |
| Grounds Contractual Services | 20,500 | 621 | 52 |
| Miscellaneous Ground Maintenance | 0 | 0 | 0 |
| Building Maintenance Payroll | 0 | 0 | 0 |
| Building Tools and Supplies | 0 | 0 | 0 |
| Building Contractual Services | 26,000 | 788 | 66 |
| Building Systems Maintenance | 25,000 | 758 | 63 |
| Miscellaneous Building Maintenance | 0 | 0 | 0 |
| Maintenance Expenses | 71,500 | 2,167 | 181 |
| General Expenses: | | | |
| Property Taxes | 50,000 | 1,515 | 126 |
| Property and Liability Insurance | 11,500 | 348 | 29 |
| Tenant Service Expenses | 10,764 | 326 | 27 |
| Other General Expenses | 0 | 0 | 0 |
| General Expenses | 72,264 | 2,190 | 182 |
| Replacement Reserve Funding | 14,850 | 450 | 38 |
| Commercial Expenses (if applicable) | 0 | 0 | 0 |
| Total | 303,067 | 9,184 | 765 |

| Management Costs Analysis | | | |
|--|---------------|---------|------------|
| Management Fees | 27,300 | | |
| Management Charges | 27,300 | | |
| Other Administrative Expenses | 4,500 | 59,100 | |
| Effective Gross Rental Income | | 383,497 | |
| Cost Percentage for use in Management Agreement | | | 15% |
| Maximum 60% AMI (Non-HERA) Rent Potential | | 492,216 | |
| Management Cost Percentage | 12.01% | | |

Management Costs are too high

| PROFORMA OPERATING INCOME AND EXPENSE STATEMENT | | | | | | | | | | | | | |
|---|------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YEAR | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| | | Lease Up | Stabilized | | | | | | | | | | |
| | Mos: | 6 | 7/2/21 | 7/2/22 | 7/2/23 | 7/1/24 | 7/2/25 | 7/2/26 | 7/2/27 | 7/1/28 | 7/2/29 | 7/2/30 | 7/2/31 |
| Effective Gross Income | | 192,499 | 384,997 | 392,697 | 400,551 | 408,562 | 416,733 | 427,152 | 437,830 | 448,776 | 459,996 | 471,495 | 483,283 |
| Less Operating Expense | | 126,534 | 253,067 | 260,659 | 268,479 | 276,533 | 284,829 | 293,374 | 302,175 | 311,240 | 320,578 | 330,195 | 340,101 |
| Net Operating Income | | 65,965 | 131,930 | 132,038 | 132,072 | 132,029 | 131,904 | 133,778 | 135,655 | 137,536 | 139,418 | 141,300 | 143,182 |
| TIF Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Real Estate Tax | | 25,000 | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 | 59,703 | 61,494 | 63,339 | 65,239 | 67,196 |
| Effective Real Estate Tax | | (25,000) | (50,000) | (51,500) | (53,045) | (54,636) | (56,275) | (57,964) | (59,703) | (61,494) | (63,339) | (65,239) | (67,196) |
| After Tax NOI | | 40,965 | 81,930 | 80,538 | 79,027 | 77,393 | 75,629 | 75,814 | 75,953 | 76,042 | 76,079 | 76,062 | 75,986 |
| Less RLP Repay | | 9,691 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 |
| Less Other Repay | | 21,502 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 |
| Cash Flow | | 9,772 | 19,544 | 18,152 | 16,641 | 15,006 | 13,242 | 13,428 | 13,566 | 13,656 | 13,693 | 13,675 | 13,600 |
| Cash Flow per Unit | | 296 | 592 | 550 | 504 | 455 | 401 | 407 | 411 | 414 | 415 | 414 | 412 |
| Debt Coverage Ratio | | 1.31 | 1.31 | 1.29 | 1.27 | 1.24 | 1.21 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 |
| Principal Balance (1-4) | | 1,459,617 | 1,457,403 | 1,455,065 | 1,452,594 | 1,449,984 | 1,447,227 | 1,444,315 | 1,441,238 | 1,437,987 | 1,434,553 | 1,430,926 | 1,427,094 |
| Principal Balance (5-10) | | 1,950,930 | 1,855,199 | 1,836,913 | 1,818,070 | 1,798,655 | 1,778,649 | 1,758,035 | 1,736,793 | 1,714,906 | 1,692,353 | 1,669,113 | 1,645,167 |
| Operating Reserve Balance | | 91,363 | 92,734 | 94,125 | 95,537 | 96,970 | 98,424 | 99,901 | 101,399 | 102,920 | 104,464 | 106,031 | 107,621 |

First Year End: 12/31/2021

Total Cash Flow
Projected over 12 Years
190,928

| PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued | | | | | | | | | | | | | |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YEAR | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | |
| | | 7/1/32 | 7/2/33 | 7/2/34 | 7/2/35 | 7/1/36 | 7/2/37 | 7/2/38 | 7/2/39 | 7/1/40 | 7/2/41 | 7/2/42 | |
| Effective Gross Income | | 495,365 | 507,749 | 520,443 | 533,454 | 546,790 | 563,194 | 580,090 | 597,492 | 615,417 | 633,880 | 652,896 | |
| Less Operating Expense | | 350,304 | 360,813 | 371,637 | 382,787 | 394,270 | 406,098 | 418,281 | 430,830 | 443,755 | 457,067 | 470,779 | |
| Net Operating Income | | 145,061 | 146,936 | 148,805 | 150,667 | 152,520 | 157,096 | 161,809 | 166,663 | 171,663 | 176,813 | 182,117 | |
| TIF Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Real Estate Tax | | 69,212 | 71,288 | 73,427 | 75,629 | 77,898 | 80,235 | 82,642 | 85,122 | 87,675 | 90,306 | 93,015 | |
| Effective Real Estate Tax | | (69,212) | (71,288) | (73,427) | (75,629) | (77,898) | (80,235) | (82,642) | (85,122) | (87,675) | (90,306) | (93,015) | |
| After Tax NOI | | 75,849 | 75,648 | 75,379 | 75,038 | 74,622 | 76,860 | 79,166 | 81,541 | 83,987 | 86,507 | 89,102 | |
| Less RLP Repay | | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | |
| Less Other Repay | | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 43,004 | 0 | 0 | |
| Cash Flow | | 13,463 | 13,262 | 12,992 | 12,652 | 12,235 | 14,474 | 16,780 | 19,155 | 21,601 | 67,124 | 69,719 | |
| Cash Flow per Unit | | 408 | 402 | 394 | 383 | 371 | 439 | 508 | 580 | 655 | 2,034 | 2,113 | |
| Debt Coverage Ratio | | 1.22 | 1.21 | 1.21 | 1.20 | 1.20 | 1.23 | 1.27 | 1.31 | 1.35 | 4.46 | 4.60 | |
| Principal Balance (1-4) | | 1,427,094 | 1,423,045 | 1,418,769 | 1,414,251 | 1,409,478 | 1,404,436 | 1,399,110 | 1,393,483 | 1,387,539 | 1,381,259 | 1,374,625 | 1,367,617 |
| Principal Balance (5-10) | | 1,723,153 | 1,620,493 | 1,595,068 | 1,568,870 | 1,541,875 | 1,514,059 | 1,485,397 | 1,455,863 | 1,425,430 | 1,394,072 | 1,022,945 | 1,022,945 |
| Operating Reserve Balance | | 107,621 | 109,236 | 110,874 | 112,537 | 114,225 | 115,939 | 117,678 | 119,443 | 121,235 | 123,053 | 124,899 | 126,772 |

| PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued | | | | | | | | | | |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| YEAR | | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | |
| | | 7/2/43 | 7/1/44 | 7/2/45 | 7/2/46 | 7/2/47 | 7/1/48 | 7/2/49 | 7/2/50 | |
| Effective Gross Income | | 672,483 | 692,657 | 713,437 | 734,840 | 756,885 | 779,592 | 802,980 | 827,069 | |
| Less Operating Expense | | 484,903 | 499,450 | 514,433 | 529,866 | 545,762 | 562,135 | 578,999 | 596,369 | |
| Net Operating Income | | 187,580 | 193,208 | 199,004 | 204,974 | 211,123 | 217,457 | 223,981 | 230,700 | |
| TIF Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Real Estate Tax | | 95,805 | 98,679 | 101,640 | 104,689 | 107,830 | 111,064 | 114,396 | 117,828 | |
| Effective Real Estate Tax | | (95,805) | (98,679) | (101,640) | (104,689) | (107,830) | (111,064) | (114,396) | (117,828) | |
| After Tax NOI | | 91,775 | 94,528 | 97,364 | 100,285 | 103,294 | 106,393 | 109,584 | 112,872 | |
| Less MaineHousing RLP Repay | | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | 19,383 | |
| Less Other Repay | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Cash Flow | | 72,393 | 75,146 | 77,982 | 80,903 | 83,911 | 87,010 | 90,202 | 93,489 | |
| Cash Flow per Unit | | 2,194 | 2,277 | 2,363 | 2,452 | 2,543 | 2,637 | 2,733 | 2,833 | |
| Debt Coverage Ratio | | 4.73 | 4.88 | 5.02 | 5.17 | 5.33 | 5.49 | 5.65 | 5.82 | |
| Principal Balance (1-4) | | 1,367,617 | 1,360,214 | 1,352,393 | 1,344,131 | 1,335,403 | 1,326,183 | 1,316,443 | 1,306,153 | 1,295,282 |
| Principal Balance (5-10) | | 1,100,930 | 1,022,945 | 1,022,945 | 1,022,945 | 1,022,945 | 1,022,945 | 1,022,945 | 1,022,945 | 1,022,945 |
| Operating Reserve Balance | | 126,772 | 128,674 | 130,604 | 132,563 | 134,552 | 136,570 | 138,618 | 140,698 | 142,808 |

Client: **Avesta Housing**
 Property: **Unity Village at Bayside**
 Location: **Cumberland Ave and Stone, Oxford & Myrtle Sts.
 Portland, Maine**
 Year Built: **Circa 2001 (Cumberland Ave. Bldg may be a bit older)**
 Age: **Approx. 20 years**
 No. Units **16 Flats + 17 Townhomes = 33**
 No. Beds **6@one + 10@two + 17@three = 77**
 No. Baths **33 full + 15 half + office restroom = 49**



**Capital Needs Assessment
 Capital Expenditure (CapEx) Planning**

| Line Item No. | Components & Scope of Work (SOW) | | | | Budget, Current Dollars | | | | Schedule, Years | | | | Planning Notes | | |
|---------------|--|--|--------------------|---|-------------------------|-------------|-----------|-------------|----------------------|-------------------------|--------------------------------|------------------|---|-----------------|--|
| | Report Section | Description | Observed Condition | Repair-Replacement or Corrective Action | Quantity | | Unit Cost | Item Budget | Expected Useful Life | Age Effective or Range | Remaining Useful Life or Range | Duration of Work | Code Compliance Accessibility MSHA Quality Stds | Common or Units | Other Notes or Explanation, if required |
| | | | | | Count | Unit | | | | | | | | | |
| 1 | Site: Land Forms & Improvements | | | | | | | | | | | | | | |
| 2 | 6.1.3 | All bldgs - entrance pads & stairs | Fair | Concrete repair - spalled risers & cracked treads at building entrances | 1 | Lot | \$ 5,000 | \$ 5,000 | 30 | n.a. | 0 | 1 | | Common | As soon as possible |
| 3 | 6.1.1 | Rear line retaining walls | Poor | Repair displaced blocks at wall ends, mortar top courses | 1 | Lot | \$ 1,000 | \$ 1,000 | 30 | n.a. | 1 | 1 | | Common | Year 1 |
| 4 | 6.1.6 | Street-side trees & shrubbery around bldgs | Poor | Arborist services - Remove 6 overgrown trees along rear lines. Prune all street- front trees. Clear shrubbery behind Oxford St. Bldg. Crew of 4, three trucks & chipper - three days | 1 | Lot | \$ 18,000 | \$ 18,000 | 19 | n.a. | 1 | 1 | | Common | Years 1 & 20 |
| 5 | 6.1.3 | Rear walkways | Poor | Regrade and pave walkways between rear doors & parking lot or sidewalk - at upper Stone & Oxford St Bldgs. | 120 | SY | \$ 20 | \$ 2,400 | 30 | 18 | 1 | 1 | Life Safety | Common | Year 1 |
| 6 | 6.1.1 | Chain-link fence & gates | n.a. | Close access to rear yards - upper Stone St. Bldg & behind Management Office | 70 | LF | \$ 50 | \$ 3,500 | 30 | 18 | 1 | 1 | Security | Common | Year 1 |
| 7 | 6.1.1 | Secure exit gates for chain-link fence | n.a. | Regrade and pave walkway between rear doors & parking lot | 2 | each | \$ 1,250 | \$ 2,500 | 30 | 18 | 1 | 1 | Security & Life Safety | Common | Year 1 |
| 8 | 6.1.2 | Parking areas and rear patio | Good | Re-set curbs & stops, spot pavement repairs, crack seal, shim, overlay & re-stripe | 850 | SY | \$ 18 | \$ 15,300 | 25 | 18 | 7 | 1 | | Common | Year 7 |
| 9 | 6.1.4 | Building utility services & drains | Good | Contingency item for underground piping & wiring repairs | 1 | Allowance | \$ 10,000 | \$ 10,000 | 10 | n.a. | 10 | 1 | | Common | Years 10 & 20 |
| 10 | 6.1.3 | Sidewalks | Good | | | | | | | | | | | Common | City-responsible |
| 11 | 6.1.7 | Pole-mounted lights | Good | | | | | | | | | | | Common | City-responsible |
| 12 | 6.1.6 | General groundskeeping | Good | | | | | | | | | | | Common | Funded under O&M |
| 13 | | | | | | | | | | | | | | | |
| 14 | Architecture: Structure, Building Envelope, and Exterior Construction | | | | | | | | | | | | | | |
| 15 | 6.2.5 | Rear roof surfaces, Stone St bldgs | Poor | Remove, carpentry repairs, re-flash & replace shingles | 58 | Square | \$ 500 | \$ 29,000 | 25 | 25 | 0 | 1 | | Common | As soon as possible |
| 16 | 6.2.4 | Rear screen doors - Stone & Oxford bldgs | Poor | Replace wood-framed screens with alum. combi-storm & screen | 12 | Each | \$ 650 | \$ 7,800 | 20 | 20 | 1 | 1 | Energy Efficiency | Common | Year 1 & 20 |
| 17 | 6.2.4 | Unit & common bldg entrance doors | Good | Inspect, repair or replace weather-stripping & sweeps | 36 | Each | \$ 200 | \$ 7,200 | 20 | 20 | 1 | 1 | Energy Efficiency | Common | Year 1 & 20 |
| 18 | 6.2.3 | Repair exterior ceilings over entrances | Poor-Fair | Carpentry & vinyl work | 11 | Each | \$ 750 | \$ 8,250 | 40 | n.a. | 1 | 1 | | Common | Year 1 |
| 19 | 6.2.5 | Balcony decking & roof membrane | Poor-Fair | Remove, carpentry repairs, re-flash & replace EPDM & Trex | 16 | Each | \$ 6,000 | \$ 96,000 | 30 | 29 | 1 | 2 | | Common | In Years 1&2 Improve edge flashing detail |
| 20 | 6.2.3 | Balcony posts, rails & trim | Poor-Fair | Carpentry repairs & re-paint | 16 | Each | \$ 1,200 | \$ 19,200 | 30 | 29 | 1 | 2 | | Common | In Years 1&2 concurrent with decking |
| 21 | 6.2.3 | Siding, trim & entrance doors - all bldgs | Good | Overall vinyl & carpentry repairs, and replacements as req'd. Re-caulking joints and re-painting appropriate surfaces | 32,000 | SF | \$ 2.00 | \$ 64,000 | 30 | n.a. | 2 | 2 | | Common | Years 2&3 |
| 22 | 6.2.4 | Windows | Poor-Fair | Replace remaining original windows. Cost based on 2013 replacements by Rich Aluminum | 172 | Each | \$ 920 | \$ 158,240 | 40 | n.a. | 2 | 2 | Energy Efficiency | Common | In Years 2&3 concurrent with siding work. 27 windows in 16 openings have been replaced. |
| 23 | 6.2.5 | Rear roof surfaces, Cumberland Ave bldg | Fair | Remove, carpentry repairs, re-flash, replace shingles & EPDM | 50 | Sq = 100 SF | \$ 600 | \$ 30,000 | 25 | 20 | 5 | 1 | | Common | Year 5 |
| 24 | 6.2.5 | Front roof surfaces, Stone St bldgs | Fair | Remove, carpentry repairs, re-flash, replace shingles & EPDM | 35 | Sq = 100 SF | \$ 600 | \$ 21,000 | 25 | 18 | 5 | 1 | | Common | Year 5 |
| 25 | 6.2.5 | Roof surfaces, Oxford St bldg | Good | | | | | | | | | | | Common | Recently replaced, not anticipate next 20 years |
| 26 | 6.2.5 | Front roof surfaces, Cumberland Ave bldg | Good | | | | | | | | | | | Common | Recently replaced, not anticipate next 20 years |
| 27 | 6.2.3 | Brick veneer surfaces | Good | | | | | | | | | | | Common | Repair as-need basis under O&M |
| 28 | | | | | | | | | | | | | | | |
| 29 | Interiors: Finishes, Fixtures & Equipment - Common | | | | | | | | | | | | | | |
| 30 | 6.2.2 | Utility Room floor - 4 Stone St | Poor | Carpentry repairs & new drain pan/connections | 1 | Lot | \$ 7,000 | \$ 7,000 | 40 | n.a. | 0 | 1 | | Common | Immediate |
| 31 | 6.3.9 | Laundry Room arrangement | Fair | Entrance door sill & hardware, reduce appliance count, rearrange equipment & provide folding table(s) | 1 | Lot | \$ 2,000 | \$ 2,000 | 20 | n.a. | 0 | 1 | ADA Compliance | Common | As soon as possible |
| 32 | 6.3.6 | Cumberland Ave. stairwell | Fair | Replace landing flooring, repair treads, risers & handrails, repair walls & ceilings, re-paint | 1 | Lot | \$ 9,500 | \$ 9,500 | 15 | n.a. | 3 | 1 | | Common | Years 3 & 18 |
| 33 | 6.3.6 | Management Offices, Meeting Room & Laundry Room | Good | General repairs, re-paint, replace flooring | 1 | Lot | \$ 6,000 | \$ 6,000 | 15 | n.a. | 3 | 1 | | Common | Years 3 & 18 |
| 34 | | | | | | | | | | | | | | | |
| 35 | Interiors: Finishes, Fixtures & Equipment - Units | | | | | | | | | | | | | | |
| 36 | | Walls, ceilings, doors, misc. fixtures and smoke detectors | Good | Repaired & re-painted at Tenant roll-overs along with flooring repairs & carpet shampooing | | | | | | | | | | Units | Funded under O&M budgets |
| 37 | 6.3.5 | Ceiling & wall-hung light fixtures | Good | Replace remaining original fixtures with LED | 272 | Each | \$ 175 | \$ 47,600 | 40 | n.a. | 1 | 1 | Energy Efficiency | Units | Approx. 10% already replaced |
| 38 | 6.3.1 | Flooring - carpet & resilient | Fair-good | Replace with similar. Includes re-covering stairs from street with resilient, and re-covering stairs to second level with carpet. Cost based on two 2017 replacements by Sherwin-Williams | 31 | Units | \$ 4,750 | \$ 147,250 | 10 | varies, mostly original | 1 | 4 | | Units | Years 1-4 & 11-14. Budgets may be reduced for second iteration if resilient remains in good condition. |
| 39 | 6.3.3 | Cooking ranges - existing gas | n.a. | Replace gas-fired with electric. Includes gas pipe removal & capping, and allowance for new 240 VAC circuit & outlet | 28 | Each | \$ 1,600 | \$ 44,800 | 15 | 20 | 0 | 1 | Life safety | Units | Year 1 & 17-20 |
| 40 | 6.3.3 | Cooking ranges - existing electric | Fair-good | Replace with similar. Includes install & disposal | 5 | Each | \$ 750 | \$ 3,750 | 15 | 20 | 2 | 1 | | Units | Year 2 & 16 |
| 41 | 6.3.3 | Under/over refrigerator-freezers | Fair-good | Replace with Energy Star. Includes install & disposal | 33 | Each | \$ 900 | \$ 29,700 | 15 | 20 | 2 | 5 | Energy Efficiency | Units | Years 1-5 & 16-20 |
| 42 | 6.3.3 | Range hood - recirculating | Fair-good | Replace with similar, but with LED light. Includes install & disposal | 33 | Each | \$ 250 | \$ 8,250 | 15 | 20 | 1 | 1 | Energy Efficiency | Units | Years 1-5 & 16-20 |
| 43 | 6.3.4 | Tub & shower surround | Good | Replace with similar, but 4-piece | 2 | Each | \$ 2,100 | \$ 4,200 | 1 | 20 | 1 | 1 | | Units | Establish annual budget to replace in two Units per year - Years 1-17 |
| 44 | 6.3.4 | Bathroom vanity | Good | Replace with similar - includes cabinet, counter, sink & medicine chest (or, for ADA, wall-hung lav & chest) | 2 | Each | \$ 1,200 | \$ 2,400 | 1 | 20 | 1 | 1 | | Units | Establish annual budget to replace in two Units per year - Years 1-17 |
| 45 | 6.3.3 | Kitchen counters & sink | Poor-Fair | Replace with similar, including plumbing | 11 | Each | \$ 1,200 | \$ 13,200 | 20 | 20 | 1 | 1 | | Units | Year 1 |
| 46 | 6.3.3 | Kitchen counters & sink | Poor-Fair | Replace with similar | 2 | Each | \$ 1,200 | \$ 2,400 | 1 | 20 | 2 | 1 | | Units | Remaining 22 - Establish annual budget to replace in two Units per year. Years 2-12 |
| 47 | 6.3.3 | Kitchen cabinets | Good | Replace with similar | 2 | Each | \$ 3,250 | \$ 6,500 | 1 | 20 | 1 | 1 | | Units | Establish annual budget to replace in two Units per year - Years 1-17 |
| 48 | | | | | | | | | | | | | | | |

49 Systems: Mechanical, Electrical & Plumbing

| | | | | | | | | | | | | | | | |
|----|----------------|---|-----------|---|----|-----------|----------|-----------|----|------|----|---|--------------------------------|----------------|---|
| 50 | 6.1.1 6.1.7 | Exterior ceiling & wall-hung light fixtures | Fair-Good | 24 soffit & 32 wall-hung. Replace with LED. Change some to photo-eye controlled for security. Add additional fixtures to illuminate dark areas. | 60 | Each | \$ 300 | \$ 18,000 | 25 | 20 | 1 | 1 | Security and Energy Efficiency | Common | Year 1 - concurrent with vinyl work. <i>Night-time quantity check required</i> |
| 51 | 6.3.4 | Toilets | n.a. | Replace current with low-flow, ADA height | 49 | Each | \$ 750 | \$ 36,750 | 40 | n.a. | 1 | 1 | Water savings Accessibility | Common & Units | Year 1 |
| 52 | 6.3.4 | Shower heads | n.a. | Replace current with low-flow, supply ADA hand-held wands where required | 33 | Each | \$ 75 | \$ 2,475 | 40 | n.a. | 1 | 1 | Water savings Accessibility | Common & Units | Year 1 |
| 53 | 6.3.4 | Faucet aerators | n.a. | Replace current with flow-reducing devices | 67 | Each | \$ 25 | \$ 1,675 | 40 | n.a. | 1 | 1 | Water savings | Common & Units | Year 1 |
| 54 | 6.4.3 | Management Offices & Meeting Room | n.a. | Install mini-split heat pumps | 2 | Each | \$ 6,000 | \$ 12,000 | 20 | n.a. | 3 | 1 | | Common | Concurrent with Year 4 interior work |
| 55 | 6.4.2 | Domestic hot water heat exchanger tanks | Good | Contingencies for unscheduled replacements | 1 | Allowance | \$ 2,500 | \$ 2,500 | 5 | n.a. | 5 | 1 | | Common | Years 5, 10, 15 & 20. |
| 56 | 6.4.3 | Gas-fired boilers, controls & pumps | Good | Contingencies for unscheduled significant repair or replacement | 1 | Allowance | \$ 7,500 | \$ 7,500 | 10 | n.a. | 10 | 1 | | Common | Years 10 & 20 |
| 57 | 6.4.1 | Plumbing & heating piping | Good | | | | | | | | | | | Common | Repair as-need basis under O&M |
| 58 | 6.4.3 | Electrical panels & wiring | Good | | | | | | | | | | | Common | Repair as-need basis under O&M |

Client: **Avesta Housing**
 Property: **Unity Village at Bayside**
 Location: **Cumberland Ave and Stone, Oxford & Myrtle Sts.
 Portland, Maine**
 No. Units **33**
 Inflation **3%**



Capital Needs Assessment

20-Year Projection Capital Expenditure (CapEx) Annual Budgets

| Line Item No. | Asset Inventory & Scope of Work (SOW) | | Years | | | | | | | | | | | | | | | | | | | |
|---|--|---|-----------|------------|-----------|----------|----------|----------|----------|-------------|---------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|----------|
| | | | Immediate | Short-Term | Near-Term | | | | | Long - Term | | | | | | | | | | | | |
| | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 |
| 1 Site: Land Forms & Improvements | | | | | | | | | | | | | | | | | | | | | | |
| 2 | All bldgs - entrance pads & stairs | Concrete repair - spalled risers & cracked treads at building entrances | \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | Rear line retaining walls | Repair displaced blocks at wall ends, mortar top courses | \$0 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4 | Street-side trees & shrubbery around bldgs | Arborist services - Remove 6 overgrown trees along rear lines. Prune all street- front trees. Clear shrubbery behind Oxford St. Bldg. Crew of 4, three trucks & chipper - three days | \$0 | \$18,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,000 |
| 5 | Rear walkways | Regrade and pave walkways between rear doors & parking lot or sidewalk - at upper Stone & Oxford St Bldgs. | \$0 | \$2,400 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 6 | Chain-link fence & gates | Close access to rear yards - upper Stone St. Bldg & behind Management Office | \$0 | \$3,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7 | Secure exit gates for chainlink fence | Regrade and pave walkway between rear doors & parking lot | \$0 | \$2,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8 | Parking areas (3) | Re-ert curbs & stops, spot pavement repairs, crack seal, shim, overlay & re-stripe | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$15,300 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 9 | Building utility services | Contingency item for underground piping & wiring repairs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 |
| 10 | Sidewalks | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11 | Pole-mounted lights | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | General groundskeeping | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 Architecture: Structure, Building Envelope, and Exterior Construction | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Rear roof surfaces, Stone St bldgs | Remove, carpentry repairs, re-flash & replace shingles | \$29,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 16 | Rear screen doors - Stone & Oxford bldgs | Replace wood-framed screens with alum. combi-storm & screen | \$0 | \$7,800 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,800 |
| 17 | Unit & common bldg entrance doors | Inspect, repair or replace weather-stripping & sweeps | \$0 | \$7,200 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,200 |
| 18 | Repair exterior ceilings over entrances | Carpentry & vinyl work | \$0 | \$8,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 19 | Balcony decking & roof membrane | Remove, carpentry repairs, re-flash & replace EPDM & Trex | \$0 | \$48,000 | \$48,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 20 | Balcony posts, rails & trim | Carpentry repairs & re-paint | \$0 | \$9,600 | \$9,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21 | Siding, trim & entrance doors - all bldgs | Overall vinyl & carpentry repairs, and replacements as req'd. Re-caulking joints and re-painting appropriate surfaces | \$0 | \$0 | \$32,000 | \$32,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 22 | Windows | Replace remaining original windows. Cost based on 2013 replacements by Rich Aluminum | \$0 | \$0 | \$79,120 | \$79,120 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 23 | Rear roof surfaces, Cumberland Ave bldg | Remove, carpentry repairs, re-flash, replace shingles & EPDM | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 24 | Front roof surfaces, Stone St bldgs | Remove, carpentry repairs, re-flash, replace shingles & EPDM | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 25 | Roof surfaces, Oxford St bldg | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26 | Front roof surfaces, Cumberland Ave bldg | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 27 | Brick veneer surfaces | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 29 Interiors: Finishes, Fixtures & Equipment - Common | | | | | | | | | | | | | | | | | | | | | | |
| 30 | Utility Room floor - 4 Stone St | Carpentry repairs & new drain pan/connections | \$7,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 31 | Laundry Room arrangement | Entrance door sill & hardware, reduce appliance count, rearrange equipment & provide folding table(s) | \$2,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 32 | Cumberland Ave. stairwell | Replace landing flooring, repair treads, risers & handrails, repair walls & ceilings, re-paint | \$0 | \$0 | \$0 | \$9,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 33 | Management Offices, Meeting Room & Laundry Room | General repairs, re-paint, replace flooring | \$0 | \$0 | \$0 | \$6,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 35 Interiors: Finishes, Fixtures & Equipment - Units | | | | | | | | | | | | | | | | | | | | | | |
| 36 | Walls, ceilings, doors, misc. fixtures and smoke detectors | Repaired & re-painted at Tenant roll-overs along with flooring repairs & carpet shampooing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 37 | Ceiling & wall-hung light fixtures | Replace remaining original fixtures with LED | \$0 | \$47,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 38 | Flooring - carpet & resilient | Replace with similar. Includes re-covering stairs from street with resilient, and re-covering stairs to second level with carpet. Cost based on two 2017 replacements by Sherwin-Williams | \$0 | \$36,813 | \$36,813 | \$36,813 | \$36,813 | \$0 | \$0 | \$0 | \$0 | \$36,813 | \$36,813 | \$36,813 | \$36,813 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 39 | Cooking ranges - existing gas | Replace gas-fired with electric. Includes gas pipe removal & capping, and allowance for new 240 VAC circuit & outlet | \$44,800 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,250 | \$5,250 | \$5,250 | \$5,250 |
| 40 | Cooking ranges - existing electric | Replace gas-fired with electric. Includes gas pipe removal & capping, and allowance for new 240 VAC circuit & outlet | \$0 | \$0 | \$3,750 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,750 | \$0 | \$0 | \$0 | \$0 |
| 41 | Under/over refrigerator-freezers | Replace with Energy Star. Includes install & disposal | \$0 | \$5,940 | \$5,940 | \$5,940 | \$5,940 | \$5,940 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,940 | \$5,940 | \$5,940 | \$5,940 | \$5,940 | |
| 42 | Range hood - recirculating | Replace with similar, but with LED light. Includes install & disposal | \$0 | \$1,650 | \$1,650 | \$1,650 | \$1,650 | \$1,650 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,650 | \$1,650 | \$1,650 | \$1,650 | \$1,650 | |
| 43 | Tub & shower surround | Replace with similar, but 4-piece | \$0 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$4,200 | \$2,100 | \$0 | \$0 |
| 44 | Bathroom vanity | Replace with similar - includes cabinet, counter, sink & medicine chest (or, for ADA, wall-hung lav & chest) | \$0 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$1,200 | \$0 | \$0 |
| 45 | Kitchen counters & sink | Replace with similar, including plumbing | \$0 | \$13,200 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 46 | Kitchen counters & sink | Replace with similar, including plumbing | \$0 | \$0 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 47 | Kitchen cabinets, counters & sink | Replace with similar | \$0 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$6,500 | \$3,250 | \$0 | \$0 |

20-Year Projection Capital Expenditure (CapEx) Annual Budgets

| Line Item No. | Asset Inventory & Scope of Work (SOW) | | Years | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------|---|---|---|-----------|------------|-----------|----------|--|----------|-----------|-------------|----------|-------------|----------|----------|----------|----------|--|----------|----------|----------|----------|-------------|----|--|--|--|
| | Category | Description | Repair-Replacement or Corrective Action | Immediate | Short-Term | Near-Term | | | | | Long - Term | | | | | | | | | | | | | | | | |
| | | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | | | |
| | | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | | | | |
| 49 | Systems: Mechanical, Electrical & Plumbing | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50 | Exterior ceiling & wall-hung light fixtures | 24 soffit & 32 wall-hung. Replace with LED. Change some to photo-eye controlled for security. Add additional fixtures to illuminate dark areas. | \$0 | \$18,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 51 | Toilets | Replace current with low-flow, ADA height | \$0 | \$36,750 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 52 | Shower heads | Replace current with low-flow, supply ADA hand-held wands where required | \$0 | \$2,475 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 53 | Faucet aerators | Replace current with flow-reducing devices | \$0 | \$1,675 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 54 | Management Offices & Meeting Room | Install mini-split heat pumps | \$0 | \$0 | \$0 | \$0 | \$12,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 55 | Domestic water makers | Contingencies for unscheduled replacements | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,500 | \$0 | \$0 | \$0 | \$0 | \$2,500 | \$0 | \$0 | \$0 | \$0 | \$2,500 | \$0 | \$0 | \$0 | \$0 | \$2,500 | | | | |
| 56 | Gas-fired boilers, controls & pumps | Contingencies for unscheduled significant repair or replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,500 | | | | |
| 57 | Plumbing & heating piping | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 58 | Electrical panels & wiring | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| 79 | Annual Total, Current Dollars = | | \$87,800 | \$285,453 | \$232,373 | \$186,523 | \$71,903 | \$76,590 | \$15,500 | \$30,800 | \$15,500 | \$15,500 | \$35,500 | \$52,313 | \$52,313 | \$49,913 | \$49,913 | \$15,600 | \$24,440 | \$19,390 | \$12,840 | \$12,840 | \$65,840 | | | | |
| 80 | Annual Total, Inflated Dollars = | | \$87,800 | \$285,453 | \$239,344 | \$197,882 | \$78,570 | \$86,203 | \$17,969 | \$36,777 | \$19,063 | \$19,635 | \$46,319 | \$70,304 | \$72,413 | \$71,163 | \$73,298 | \$23,596 | \$38,077 | \$31,115 | \$21,223 | \$21,859 | \$115,451 | | | | |
| 82 | Annual Total/Unit, Current Dollars = | | \$2,661 | \$8,650 | \$7,042 | \$5,652 | \$2,179 | \$2,321 | \$470 | \$933 | \$470 | \$470 | \$1,076 | \$1,585 | \$1,585 | \$1,513 | \$1,513 | \$473 | \$741 | \$588 | \$389 | \$389 | \$1,995 | | | | |
| 83 | Annual Total/Unit, Inflated Dollars = | | \$2,661 | \$8,650 | \$7,253 | \$5,996 | \$2,381 | \$2,612 | \$545 | \$1,114 | \$578 | \$595 | \$1,404 | \$2,130 | \$2,194 | \$2,156 | \$2,221 | \$715 | \$1,154 | \$943 | \$643 | \$662 | \$3,499 | | | | |
| 85 | Range Totals, Current Dollars = | | \$87,800 | \$285,453 | \$567,388 | | | | | \$468,200 | | | | | | | | | | | | | | | | | |
| 86 | Range Totals, Inflated Dollars = | | \$87,800 | \$285,453 | \$601,998 | | | | | \$678,262 | | | | | | | | | | | | | | | | | |
| 88 | Years 0-5 Total, Current Dollars = | | \$940,640 | | | | | Years 1-20 Total, Current Dollars = | | | | | \$1,321,040 | | | | | Years 0-20 Total, Current Dollars = | | | | | \$1,408,840 | | | | |
| 89 | Years 0-5 Total, Inflated Dollars = | | \$975,250 | | | | | Years 1-20 Total, Inflated Dollars = | | | | | \$1,565,712 | | | | | Years 0-20 Total, Inflated Dollars = | | | | | \$1,653,512 | | | | |
| 91 | Years 0-5 Total/Unit, Current Dollars = | | \$28,504 | | | | | Years 1-20 Total/Unit, Current Dollars = | | | | | \$40,032 | | | | | Years 0-20 Total/Unit, Current Dollars = | | | | | \$42,692 | | | | |
| 92 | Years 0-5 Total/Unit, Inflated Dollars = | | \$29,553 | | | | | Years 1-20 Total/Unit, Inflated Dollars = | | | | | \$47,446 | | | | | Years 0-20 Total/Unit, Inflated Dollars = | | | | | \$50,106 | | | | |
| 94 | Average Annual Budget/Unit, Years 0-5, Current = | | \$1,425 | | | | | Average Annual Budget/Unit, Years 1-20, Current = | | | | | \$2,002 | | | | | Average Annual Budget/Unit, Years 0-20, Current Dollars = | | | | | \$2,135 | | | | |
| 95 | Average Annual Budget/Unit, Years 0-5, Inflated = | | \$1,478 | | | | | Average Annual Budget/Unit, Years 1-20, Inflated = | | | | | \$2,372 | | | | | Average Annual Budget/Unit, Years 0-20, Inflated Dollars = | | | | | \$2,505 | | | | |



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

To: Avesta Unity at Bayside File
From: Mary Davis, HCD Division Director
Date: November 7, 2019

Executive Summary

Avesta will be submitting a 4% tax credit “walk-in” application to MaineHousing. The purpose of the application is the resyndication of the project with a new tax credit investor. The request also includes reissued MaineHousing subsidy, new MaineHousing debt and reinvest of previous City subsidy into the project. This will enable Avesta to finance repairs to the property which in turn will preserve valuable affordable housing.

Sources and Uses

| Sources | | Uses | |
|--------------------------------|--------------------|---------------------------------|--------------------|
| Maine Housing Deferred Loan | \$367,200 | Construction (Rehab) Hard Costs | \$1,262,406 |
| City of Portland Deferred Loan | \$779,250 | Hard & Soft Cost Contingencies | \$126,241 |
| 5.5% Debt 30/40 Debt | \$313,167 | Financing & Soft Costs | \$429,086 |
| FHLB Subsidized Advance | \$850,000 | Acquisition | \$2,000,000 |
| FHLB Direct Subsidy | \$500,000 | Reserves | \$179,280 |
| Seller’s Note | \$522,945 | Developer Fee | \$450,000 |
| Development Loan Fee | \$77,985 | | |
| Existing Reserves | \$123,184 | | |
| Net Syndication Proceeds | \$913,281 | | |
| Total Sources: | \$4,447,012 | Total Uses: | \$4,447,013 |

Avesta is in the initial stages of putting together the financing package for the Unity at Bayside development. Federal Home Loan Bank financing has been obtained. An application to MaineHousing is pending. Avesta has a Letter of Intent from Northern New England Housing Investment Fund to invest in the tax credits. Development loan fee and seller’s note will be paid at out of permanent loan closing.

For analysis of “Uses,” see Development Budget.

Development Budget

Overall, the development budget appears to be consistent with both industry standards and the recent experience in the greater Portland market. The \$134,758 cost per unit is below the average cost per unit of \$190,274 determined by an analysis of all projects underwritten since 2016. However the average cost per unit is slightly higher (\$10,776) than the average cost of similar rehab projects.

Construction Costs:

Construction costs are based on a Capital Needs Assessment which included an expenditure estimate. The rehabilitation cost estimate is for \$42,080 per unit, which is \$34 per square foot, and includes a 10% contingency.

Soft Costs:

Soft costs are in the mid-range for a project of this scale. Developer fee is slightly high, at 11.79% of total development costs (less reserves and developer fee).

Contingency:

Hard cost contingency is budgeted at lower than the industry standard 12% for rehabilitation. Soft cost contingency is 2%, lean but adequate considering the project has already incurred much of its soft cost budget. Construction period interest is largest remaining soft cost, and it is budgeted generously.

Acquisition:

Cost of acquisition is budgeted at \$2,000,000 (\$1,876,186 for building and land and \$123,814 for existing reserves. An appraisal will need to be reviewed when available to complete an analysis of this costs.

Operating Budget & 20 Year Cashflow Projection

The operating budget provided by the developer combines the income and expenses, including reserves, to demonstrate the overall adequacy of the budget.

Project Income:

Rents for LIHTC supported units are budgeted at the maximum allowable rate for each unit type. Avesta has extensive experience with mixed unit properties. Their actual property management experience does not suggest lower demand for market rate units in their mixed income buildings.

Operating Expense

This project includes four separate buildings. This accounts for higher than normal operating expenses. Total operating expenses are \$9,184 per unit. Administrative and utility expenses are \$2,003 and \$1,924 respectively which are higher than average project expenses per unit of all projects underwritten since 2016. Maintenance budget is healthy at \$2,617 per unit – important for mixed income and family housing.

20 Year Cashflow & Debt Service Coverage Ratio (DSCR)

Year 1 debt service coverage is 1.31, with standard income and expense inflators of 2% for income and 3% for expenses. The pro forma escalates residential income and other income at 2.5% in years 6 thru 15 and 3% in years 16-30. Without this escalation, the DSCR would drop below acceptable levels.

Developer Financials

Avesta closed out 2018 in good financial condition, with current assets of \$11.6 million and current liabilities of \$10.2 million. The resulting Current Ratio (current assets divided by current liabilities) is 1.14, a bit lean but manageable for the scale of their operations. Of that current liability, \$4.4 million was current portion of long term debt, which was subsequently refinanced in 2019, per note in audit. Net assets were \$138 million, up \$2 million over 2017. There has been annual, substantial growth in net assets since 2012, with net assets more than doubling in 7 years (2012 net assets were \$66 million).

In 2018, revenues were \$35.6 million, down \$1.6 million from 2017 due to reduced developer fee and lower “other” income. Avesta’s tenant and subsidy income was up \$1.3 million in 2018, consistent with Avesta’s growing real estate portfolio. Operating expenses were also up in almost every category, with wages up over \$900,000. 2018 net operating income was \$7.1 million. Depreciation resulted in a paper loss of \$6.2 million, but this paper loss was more than outweighed by the capital contributions from tax credit investors, i.e the growth in real estate portfolio, resulting in growth in net assets. Performance in 2018 is not problematic in itself, but the trend lines which have been positive have dipped. As Avesta’s real estate portfolio grows, Avesta and its funders need to pay attention to finding the correct scale for long term sustainable operations.

This developer has the financial capacity to intervene in a development facing unexpected setbacks and or cost over-runs to keep the development process moving forward. Their financial strength as an organization (unrestricted net assets of \$21 million) mitigates the risk inherent in any construction project.

Development Budget with Permanent Sources

Date 11/6/2019
 Project Name Unity at Bayside
 Project Address 225 Cumberland Avenue, 10 Stone Street, 24 Stone Street, 180 Ocford Street
 Developer/Sponsor Avesta Housing Development Corporation

Total Units 33 correct this
 Total Square Feet 40,848 correct this

| | Initial Application Values | | |
|--|----------------------------|------------------|--------------|
| | Total | Per Unit | Per Sq Ft |
| Sources of Funds | | | |
| Permanent Financing - 1st Lien | \$680,367 | \$20,617 | \$17 |
| Permanent Financing - City of Portland | \$779,250 | \$23,614 | \$19 |
| Equity (LIHTC/tenant contributions) | \$913,281 | \$27,675 | \$22 |
| Deferred development fee | \$77,985 | \$2,363 | \$2 |
| Other AHP Subsidized Advance | \$850,000 | \$25,758 | \$21 |
| Other AHP Direct Subsidy | \$500,000 | \$15,152 | \$12 |
| Other Seller's Note | \$522,945 | \$15,847 | \$13 |
| Other Existing Reserves | \$123,184 | \$3,733 | \$3 |
| Total Sources of Funds | \$4,447,012 | \$134,758 | \$109 |

Uses of Funds

| Hard Costs | | | | |
|--|-------|--------------------|-----------------|-------------|
| Site Improvements | | \$100,000 | \$3,030 | \$2 |
| Rehabilitation | | \$1,132,406 | \$34,315 | \$28 |
| New Construction | | | \$0 | \$0 |
| Contractor's Profit, Overhead, & Gen. Requirements | 0.0% | | \$0 | \$0 |
| Hazardous Materials abatement (if contracted separately) | | | \$0 | \$0 |
| Demolition Cost (if contracted separately) | | | \$0 | \$0 |
| Bond Premium | | | \$0 | \$0 |
| Other Solar | | \$30,000 | \$909 | \$1 |
| Hard Cost Contingency (% of hard costs) | 10.0% | \$126,241 | \$3,825 | \$3 |
| Total Hard Costs | | \$1,388,647 | \$42,080 | \$34 |

| Soft Costs | | | | |
|--|------|------------------|----------------|------------|
| Building Permit & Fees | | \$22,400 | \$679 | \$1 |
| Survey & Engineering | | \$22,500 | \$682 | \$1 |
| Design & Permitting (% of const exp) | 5.1% | \$40,000 | \$1,212 | \$1 |
| Borrower Legal (all closings, excluding syndication legal) | | \$50,000 | \$1,515 | \$1 |
| Title & Recording | | \$10,000 | \$303 | \$0 |
| Accounting | | \$10,000 | \$303 | \$0 |
| Construction Period Taxes | | | \$0 | \$0 |
| Construction Period Insurance | | \$3,500 | \$106 | \$0 |
| Other: FF&E, Security | | | \$0 | \$0 |
| Other | | | \$0 | \$0 |
| Total Soft Costs | | \$158,400 | \$4,800 | \$4 |

| Financing Costs | | | | |
|------------------------------------|--|------------------|----------------|------------|
| Construction Loan Origination Fees | | \$48,000 | \$1,455 | \$1 |
| Construction Period Interest | | \$50,000 | \$1,515 | \$1 |
| Lender Inspection Fees | | | \$0 | \$0 |
| Letter of Credit Fee | | | \$0 | \$0 |
| Permanent Loan Fee | | \$5,000 | \$152 | \$0 |
| Construction Lender Legal | | | \$0 | \$0 |
| Other | | \$15,000 | \$455 | \$0 |
| Total Financing Costs | | \$118,000 | \$3,576 | \$3 |

| Miscellaneous | | | |
|--|------------------|----------------|------------|
| Market Survey | | \$0 | \$0 |
| Appraisal | \$6,500 | \$197 | \$0 |
| Environmental Study | \$2,500 | \$76 | \$0 |
| LIHTC Fees -- prepaid monitoring | \$38,686 | \$1,172 | \$1 |
| Other: Commissioning | | \$0 | \$0 |
| Relocation Costs | \$50,000 | \$1,515 | \$1 |
| Other FF&E | \$55,000 | \$1,667 | \$1 |
| Soft Cost Contingency (% of soft costs excl Dev Fee) | 0.00% | \$0 | \$0 |
| Total Miscellaneous: | \$152,686 | \$4,627 | \$7 |

| Acquisition | | | |
|--------------------------|--------------------|-----------------|-------------|
| Acquisition: Buildings | \$1,376,186 | \$41,703 | \$34 |
| Acquisition: Land | \$500,000 | \$15,152 | \$12 |
| Acquisition: Legal | | \$0 | \$0 |
| Other Existing Reserves | \$123,814 | \$3,752 | \$3 |
| Total Acquisition | \$2,000,000 | \$60,606 | \$49 |

| Reserves and Developer Fee | | | |
|---|------------------|-----------------|-------------|
| Operating Deficit Escrow | \$91,363 | \$2,769 | \$2 |
| Prefunded Replacement Reserve | \$49,500 | \$1,500 | \$1 |
| Taxes & Insurance Escrow | \$38,417 | \$1,164 | \$1 |
| Developer Overhead | \$225,000 | \$6,818 | \$6 |
| Developer Profit | \$225,000 | \$6,818 | \$6 |
| Rent Up Reserve & Marketing | | \$0 | \$0 |
| Other | | \$0 | \$0 |
| Total Reserves and Developer Fee | \$629,280 | \$19,069 | \$15 |

| | | | |
|----------------------------|--------------------|------------------|--------------|
| Total Uses of Funds | \$4,447,013 | \$134,758 | \$112 |
|----------------------------|--------------------|------------------|--------------|

Developer Fee Analysis: Total Fees: \$450,000
(excluding reserves & developer fee) Percent TDC: 11.79%

Project Operating Pro Forma

Date November 6, 2019
 Project Name Unity at Bayside
 Project Address 225 Cumberland Avenue, 10 Stone Street, 24 Stone Street and 180 Ox
 Developer/Sponsor Avesta Housing Development Corporation

Rental Income

| Unit Type | Number of Units | Per Unit Sq Ft | Total Sq Ft | Restriction on % Median Inc. | Per Unit Monthly Gross Rent | Utility Deductions | Rent Subsidy | Per Unit Monthly Net Rent | Per Unit Net Rent Per Sq Ft | Total Monthly Net Income | Total Annual Net Rent |
|---------------|-----------------|----------------|-------------|------------------------------|-----------------------------|--------------------|--------------|---------------------------|-----------------------------|--------------------------|-----------------------|
| 1 BR | 3 | | 0 | 40% | \$676 | \$34 | | \$642 | #DIV/0! | \$1,926 | \$23,112 |
| 1 BR | 2 | | 0 | 50% | \$845 | \$34 | | \$811 | #DIV/0! | \$1,622 | \$19,464 |
| 1 BR | 1 | | 0 | 60% | \$1,014 | \$34 | | \$980 | #DIV/0! | \$980 | \$11,760 |
| 2 BR | 3 | | 0 | 40% | \$811 | \$42 | | \$769 | #DIV/0! | \$2,307 | \$27,684 |
| 2 BR | 1 | | 0 | 50% | \$1,013 | \$42 | | \$971 | #DIV/0! | \$971 | \$11,652 |
| 2 BR | 3 | | 0 | 60% | \$1,216 | \$42 | | \$1,174 | #DIV/0! | \$3,522 | \$42,264 |
| 2 BR | 1 | | 0 | 60% | \$1,013 | \$42 | | \$971 | #DIV/0! | \$971 | \$11,652 |
| 2 BR | 2 | | 0 | | \$1,216 | \$0 | | \$1,216 | #DIV/0! | \$2,432 | \$29,184 |
| 3 BR | 4 | | 0 | 40% | \$937 | \$49 | | \$888 | #DIV/0! | \$3,552 | \$42,624 |
| 3 BR | 6 | | 0 | 50% | \$1,171 | \$49 | | \$1,122 | #DIV/0! | \$6,732 | \$80,784 |
| 3 BR | 2 | | 0 | 60% | \$1,406 | \$49 | | \$1,357 | #DIV/0! | \$2,714 | \$32,568 |
| 3 BR | 5 | | 0 | | \$1,406 | \$0 | | \$1,406 | #DIV/0! | \$7,030 | \$84,360 |
| Total: | 33 | | 0 | | | | | | | \$34,759 | \$417,108 |

HUD 202
Market

Market

Operating Expenses

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

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

| | Year 1 | Year 1/Unit | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---------------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | | |
| Sch. Gross Income - Residential | \$417,108 | \$12,640 | \$425,450 | \$433,959 | \$442,638 | \$451,491 | \$460,521 | \$469,731 | \$479,126 | \$488,709 | \$498,483 |
| <u>Vacancy Loss</u> 5.273% | (\$21,994) | (\$666) | (\$22,434) | (\$22,883) | (\$23,340) | (\$23,807) | (\$24,283) | (\$24,769) | (\$25,264) | (\$25,770) | (\$26,285) |
| Other income (laundry) | (\$10,116) | (\$307) | (\$10,318) | (\$10,525) | (\$10,735) | (\$10,950) | (\$11,169) | (\$11,392) | (\$11,620) | (\$11,853) | (\$12,090) |
| Supportive Services Funding | | \$0 | | | | | | | | | |
| Effective Gross Income | \$384,998 | \$11,667 | \$392,698 | \$400,552 | \$408,563 | \$416,734 | \$425,069 | \$433,570 | \$442,242 | \$451,086 | \$460,108 |

| | | | | | | | | | | | |
|-----------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Administrative | | | | | | | | | | | |
| Management Fee | \$27,300 | \$827 | \$28,119 | \$28,963 | \$29,831 | \$30,726 | \$31,648 | \$32,598 | \$33,576 | \$34,583 | \$35,620 |
| Management Charges | \$27,300 | \$827 | \$28,119 | \$28,963 | \$29,831 | \$30,726 | \$31,648 | \$32,598 | \$33,576 | \$34,583 | \$35,620 |
| Marketing Expense | \$1,000 | \$30 | \$1,030 | \$1,061 | \$1,093 | \$1,126 | \$1,159 | \$1,194 | \$1,230 | \$1,267 | \$1,305 |
| Legal | \$500 | \$15 | \$515 | \$530 | \$546 | \$563 | \$580 | \$597 | \$615 | \$633 | \$652 |
| Audit & Accounting | \$5,500 | \$167 | \$5,665 | \$5,835 | \$6,010 | \$6,190 | \$6,376 | \$6,567 | \$6,764 | \$6,967 | \$7,176 |
| Admin Other | \$4,500 | \$136 | \$4,635 | \$4,774 | \$4,917 | \$5,065 | \$5,217 | \$5,373 | \$5,534 | \$5,700 | \$5,871 |
| Total Administrative | \$66,100 | \$2,003 | \$68,083 | \$70,125 | \$72,229 | \$74,396 | \$76,628 | \$78,927 | \$81,295 | \$83,734 | \$86,246 |

| | | | | | | | | | | | |
|----------------------------|--|-----|--|--|--|--|--|--|--|--|--|
| Supportive Services | | \$0 | | | | | | | | | |
|----------------------------|--|-----|--|--|--|--|--|--|--|--|--|

| | | | | | | | | | | | |
|------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Utilities | | | | | | | | | | | |
| Fuel & Gas | \$25,000 | \$758 | \$25,750 | \$26,523 | \$27,318 | \$28,138 | \$28,982 | \$29,851 | \$30,747 | \$31,669 | \$32,619 |
| Natural Gas | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Electric | \$3,400 | \$103 | \$3,502 | \$3,607 | \$3,715 | \$3,827 | \$3,942 | \$4,060 | \$4,182 | \$4,307 | \$4,436 |
| Water / Sewer | \$35,000 | \$1,061 | \$36,050 | \$37,132 | \$38,245 | \$39,393 | \$40,575 | \$41,792 | \$43,046 | \$44,337 | \$45,667 |
| Other | \$100 | \$3 | \$103 | \$106 | \$109 | \$113 | \$116 | \$119 | \$123 | \$127 | \$130 |
| Total Utilities | \$63,500 | \$1,924 | \$65,405 | \$67,367 | \$69,388 | \$71,470 | \$73,614 | \$75,822 | \$78,097 | \$80,440 | \$82,853 |

| Maintenance | Year 1 | Year 1/Unit | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--------------------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Grounds | \$20,500 | \$621 | \$21,115 | \$21,748 | \$22,401 | \$23,073 | \$23,765 | \$24,478 | \$25,212 | \$25,969 | \$26,748 |
| Janitorial | \$9,752 | \$296 | \$10,045 | \$10,346 | \$10,656 | \$10,976 | \$11,305 | \$11,644 | \$11,994 | \$12,354 | \$12,724 |
| Trash Removal | \$5,101 | \$155 | \$5,254 | \$5,412 | \$5,574 | \$5,741 | \$5,913 | \$6,091 | \$6,274 | \$6,462 | \$6,656 |
| Security | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Equipment & Supplies | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Maintenance | \$25,000 | \$758 | \$25,750 | \$26,523 | \$27,318 | \$28,138 | \$28,982 | \$29,851 | \$30,747 | \$31,669 | \$32,619 |
| Maintenance Contracts | \$26,000 | \$788 | \$26,780 | \$27,583 | \$28,411 | \$29,263 | \$30,141 | \$31,045 | \$31,977 | \$32,936 | \$33,924 |
| Other | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Maintenance | \$86,353 | \$2,617 | \$88,944 | \$91,612 | \$94,360 | \$97,191 | \$100,107 | \$103,110 | \$106,203 | \$109,389 | \$112,671 |

| Taxes & Insurance | | | | | | | | | | | |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Real Estate Taxes or PILOT | \$50,000 | \$1,515 | \$51,500 | \$53,045 | \$54,636 | \$56,275 | \$57,964 | \$59,703 | \$61,494 | \$63,339 | \$65,239 |
| Payroll Taxes / Fidelity Bond / Workers Comp / Health Ins. | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Insurance (property, liability) | \$11,500 | \$348 | \$11,845 | \$12,200 | \$12,566 | \$12,943 | \$13,332 | \$13,732 | \$14,144 | \$14,568 | \$15,005 |
| Other Tenant Services Expense | \$10,764 | \$326 | \$11,087 | \$11,420 | \$11,762 | \$12,115 | \$12,478 | \$12,853 | \$13,238 | \$13,636 | \$14,045 |
| Total Taxes & Insurance | \$72,264 | \$2,190 | \$74,432 | \$76,665 | \$78,965 | \$81,334 | \$83,774 | \$86,287 | \$88,876 | \$91,542 | \$94,288 |

| | | | | | | | | | | | |
|-----------------------------|----------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Replacement Reserves | \$14,850 | \$450 | \$15,296 | \$15,754 | \$16,227 | \$16,714 | \$17,215 | \$17,732 | \$18,264 | \$18,812 | \$19,376 |
| Operating Reserves | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | | | | | | | |
|-----------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total Expenses | \$303,067 | \$9,184 | \$312,159 | \$321,524 | \$331,169 | \$341,105 | \$351,338 | \$361,878 | \$372,734 | \$383,916 | \$395,434 |
|-----------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

| | | | | | | | | | | | |
|-----------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Operating Income | \$81,931 | \$2,483 | \$80,539 | \$79,028 | \$77,393 | \$75,630 | \$73,731 | \$71,692 | \$69,507 | \$67,170 | \$64,674 |
|-----------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

| Debt Service | | | | | | | | | | | |
|--------------------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| First Lien | \$19,383 | \$587 | \$19,383 | \$19,383 | \$19,383 | \$19,383 | \$19,383 | \$19,383 | \$19,383 | \$19,383 | \$19,383 |
| Second Lien | \$43,004 | \$1,303 | \$43,004 | \$43,004 | \$43,004 | \$43,004 | \$43,004 | \$43,004 | \$43,004 | \$43,004 | \$43,004 |
| Other | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service (Must Pay) | \$62,387 | \$1,891 | \$62,387 | \$62,387 | \$62,387 | \$62,387 | \$62,387 | \$62,387 | \$62,387 | \$62,387 | \$62,387 |

| | | | | | | | | | | | |
|------------------------------------|-------------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Flow (after Must Pay Debt) | \$19,544 | \$592 | \$18,152 | \$16,641 | \$15,006 | \$13,243 | \$11,344 | \$9,305 | \$7,120 | \$4,783 | \$2,287 |
| Debt Service Coverage Ratio | 1.31 | | 1.29 | 1.27 | 1.24 | 1.21 | 1.18 | 1.15 | 1.11 | 1.08 | 1.04 |

| Cash Flow Debt Payments | | | | | | | | | | | |
|--------------------------------------|------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| DHCD | 0.0% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Developer Fee Loan | 0.0% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Flow Retained by Project | | \$19,544 | \$592 | \$18,152 | \$16,641 | \$15,006 | \$13,243 | \$11,344 | \$9,305 | \$7,120 | \$4,783 |

Retained Cash Flow % 6%

Operating Expenses

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

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| Sch. Gross Income - Residential | \$508,452 | \$518,621 | \$528,994 | \$539,574 | \$550,365 | \$561,372 | \$572,600 | \$584,052 | \$595,733 | \$607,648 |
| <u>Vacancy Loss</u> 5.3% | (\$26,811) | (\$27,347) | (\$27,894) | (\$28,452) | (\$29,021) | (\$29,601) | (\$30,193) | (\$30,797) | (\$31,413) | (\$32,041) |
| Other income (laundry) | (\$12,331) | (\$12,578) | (\$12,830) | (\$13,086) | (\$13,348) | (\$13,615) | (\$13,887) | (\$14,165) | (\$14,448) | (\$14,737) |
| Supportive Services Funding | | | | | | | | | | |
| Effective Gross Income | \$469,310 | \$478,696 | \$488,270 | \$498,036 | \$507,997 | \$518,156 | \$528,520 | \$539,090 | \$549,872 | \$560,869 |

| Administrative | | | | | | | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Advertising | \$36,689 | \$37,790 | \$38,923 | \$40,091 | \$41,294 | \$42,533 | \$43,808 | \$45,123 | \$46,476 | \$47,871 |
| Office Payroll & Benefits | \$36,689 | \$37,790 | \$38,923 | \$40,091 | \$41,294 | \$42,533 | \$43,808 | \$45,123 | \$46,476 | \$47,871 |
| Office Supplies, Phone, Misc. | \$1,344 | \$1,384 | \$1,426 | \$1,469 | \$1,513 | \$1,558 | \$1,605 | \$1,653 | \$1,702 | \$1,754 |
| Mngr or Super Rent Free Unit | \$672 | \$692 | \$713 | \$734 | \$756 | \$779 | \$802 | \$826 | \$851 | \$877 |
| Audit & Accounting | \$7,392 | \$7,613 | \$7,842 | \$8,077 | \$8,319 | \$8,569 | \$8,826 | \$9,091 | \$9,363 | \$9,644 |
| Admin Other | \$6,048 | \$6,229 | \$6,416 | \$6,608 | \$6,807 | \$7,011 | \$7,221 | \$7,438 | \$7,661 | \$7,891 |
| Total Administrative | \$88,833 | \$91,498 | \$94,243 | \$97,070 | \$99,982 | \$102,982 | \$106,071 | \$109,253 | \$112,531 | \$115,907 |

| Supportive Services | | | | | | | | | | |
|----------------------------|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | |

| Utilities | | | | | | | | | | |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Fuel Oil | \$33,598 | \$34,606 | \$35,644 | \$36,713 | \$37,815 | \$38,949 | \$40,118 | \$41,321 | \$42,561 | \$43,838 |
| Electric | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gas | \$4,569 | \$4,706 | \$4,848 | \$4,993 | \$5,143 | \$5,297 | \$5,456 | \$5,620 | \$5,788 | \$5,962 |
| Water / Sewer | \$47,037 | \$48,448 | \$49,902 | \$51,399 | \$52,941 | \$54,529 | \$56,165 | \$57,850 | \$59,585 | \$61,373 |
| Other | \$134 | \$138 | \$143 | \$147 | \$151 | \$156 | \$160 | \$165 | \$170 | \$175 |
| Total Utilities | \$85,339 | \$87,899 | \$90,536 | \$93,252 | \$96,049 | \$98,931 | \$101,899 | \$104,956 | \$108,104 | \$111,348 |



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

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Victoria Volent, Housing Program Manager
Housing and Community Development

DATE: November 8, 2019

SUBJECT: 2019 Biennial Housing Report amendments

Introduction

The following is an update of changes to the 2019 Biennial Housing Report based on comments received from the Housing Committee during their October 9 meeting.

Index and Definitions

An attachment has been added to the report regarding the definitions of area median income and associated metrics. The definition of American Community Survey has been expanded. The definition of Household, Fair Market Rent, and Income have been added. Moreover, the definition of Portland, ME HUD Metro Fair Market Rent Area (HMFA), Portland-South Portland Housing Market Area (HMA), and Portland-South Portland, ME Metropolitan Statistical Area (MSA) have been edited.

Executive Summary

An introduction has been added explaining the impetus and intent of the report. The term median income was reviewed to ensure it reflects the correct metric.

Housing Demographics

A paragraph was added explaining the term median income - how it is defined, and how it is differentiated by users. The term median income was reviewed to ensure it reflects the correct metric.

Housing Affordability

The term median income was reviewed to ensure it reflects the correct metric.

Housing Supply

No changes

Housing Demand

No changes

Housing Resources

No changes

Housing Toolbox

The chart Inclusionary Zoning Development Projects: December 2015- October 2019 was added.

Attachment A: Income

An extended examination and explanation of the term Area Median Income along with a comprehensive explanation of the metrics; Portland – South Portland, ME Metropolitan Statistical Area; Portland, ME HUD Metro Fair Market Rent Area; Portland – South Portland Housing Market Area; and MaineHousing Portland – South Portland Metropolitan Area Housing Market are included. Moreover, HUD income limits were added and defined.

Housing Report

NOVEMBER 2019
Planning & Urban
Development,
Housing & Community
Development Division



CITY OF PORTLAND, MAINE





City of Portland Housing Committee

COUNCILOR JILL DUSON, CHAIR
COUNCILOR KIM COOK
COUNCILOR SPENCER THIBODEAU

Planning and Urban Development Department
Christine Grimando, AICP, Acting Director
Housing and Community Development Division
Mary Davis, Division Director
Victoria Volent, Housing Program Manager

Executive Summary (p.3-5)

Definition of Terms (p.6-7)

I. Housing Demographics (p. 8-14)

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- b. Household Tenure
- c. Household Age Distribution
- d. Employment, Wages, and Income
- e. Income by Housing Type
- f. Poverty

II. Housing Affordability (p.15-19)

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- b. Interpreting Income Levels
- c. Household Income Distribution
- d. Wages and the Cost of Rental Housing
- e. Household Income Distribution
- f. Housing-Cost Burdened

III. Housing Supply (p.20-28)

- a. Residential Property Characters
- b. Age of Housing Stock
- c. Vacancy Rates
- d. Housing Availability
- e. Planning Board Approval Activity
- f. Housing Supply: Certificate of Occupancy
- g. Place of Development
- h. Short Term Rentals
- i. Home Sales
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IV. Housing Demand (p.29-34)

- a. Federal Resources
- b. Condominiums
- c. Multi-Family Rentals
- d. Single-Family Houses
- e. Low-Income Housing/Homelessness
- f. Student Housing
- g. Desirability

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 - Emergency Solutions Grants Program (ESG)
 - Neighborhood Stabilization Program (NSP)
 - Lead Safe Housing
 - Brownfield Economic Development Initiative (BEDI)
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 - Affordable Housing Tax Increment Financing (AHTIF)
 - Housing Development Fund (HDF)
 - Selling/Leasing City-Owned and Tax Acquired Property

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- a. Inclusionary Zoning
- b. Hotel Inclusionary Zoning
- c. Housing Replacement Ordinance regarding the Housing Trust Fund
- d. Reduced Fees for Developing Affordable Housing
- e. Downtown Height Overlay District Amendment
- f. B-1, B-1b Amendment
- g. Allowing Accessory Structure in R-3 and R-5 Zones to be converted to dwelling units
- h. R-6 Zone in the vicinity of Boyd, Oxford, and Mayo Street Rezoned to R-7
- i. Multi-Family Density Standard Amendment
- j. R-6A Zone
- k. R-6A Zone
- l. Rezoning 89 Anderson Street
- m. R-5A Zone Amendment
- n. IR-1 and IR-2 Accessory Dwelling Unit (ADU) Amendment for Peaks Island
- o. Reduced Parking Requirements & Fee-in-lieu Option
- p. Priority Review
- q. India Street Form Based Code (IS-FBC)
- r. Amendment to Zoning Ordinance for Greater Density and Height
- s. B-1 and B-1b Neighborhood Business Zone
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- aa. Housing Safety
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VII. Attachment A Income (p.53-55)

Executive Summary

CITY OF PORTLAND HOUSING REPORT 2019

The biennial Housing Report has been prepared by the Housing and Community Development Division, Planning and Urban Development Department at the request of the City Council's Housing Committee. This report is designed to give an overview of the current housing market and report out on the many policies and initiatives the City has adopted to address the issues of housing availability and affordability.

Housing Stability

Housing stability promotes economic prosperity and the well-being of communities. Economic health in turn is a driving force behind housing demand and a link to housing costs. Attracting and retaining a diversified workforce relies on a healthy housing market as much as employment opportunities. The lack of affordable housing impedes the City's goals for future growth.

The Comprehensive Plan Goal

This goal is for 75% of employees in Portland to be able to live in the City. This contemplates a production goal of 2,557 housing units over the next ten years, or 256 units per year. The Workforce Housing Study from 2015 found that, of all the housing produced, currently 29% is affordable at the area median income. Based on City residents' income, that number should be between 53% and 62%. Therefore, of the goal of 256 units produced a year, 136 to 159 should be affordable at the median income. The current Affordable Housing Fund application sets a goal of 65 to 90 units affordable at or below the area median income, based on available funding.

Despite market obstacles (cost of materials and a labor shortage) and geographical limitations, Portland continues to create housing for all age and income groups. That said, there are a number of housing challenges and issues that have been identified in this report.

Some of the challenges are listed below:

- Portland's estimated median income in 2018 of \$51,799, places the city towards the bottom of the Portland – South Portland Metropolitan Area Housing Market.
- The three largest job sectors (office administration, sales, and food preparation and service) within the Portland- South Portland labor market are some of the lowest paying jobs.
- Per MaineHousing, to purchase the median priced home in Portland of \$316,000, a household would need an income of \$102,173, which is almost double the actual Portland median income of \$51,799.
- Portland's largest household group, at 20% of the population, is low-income households.
- 47% of renter-occupied households and 29% of owner-occupied households pay 30% or more of their income towards housing costs.
- 54% of Portland's housing stock was built pre-1950, which is the riskiest housing for lead hazards.
- Increased demand and limited home-building activities have contributed to a significant decline in available housing inventory.

Executive Summary

Within this backdrop, Portland is utilizing a wide variety of programs, planning, and deregulatory policies towards the creation and preservation of housing.

At the recommendation of the Housing Committee, the City Council approved subsidies during 2018 and 2019 in the amount of \$2,073,439 in HOME funds, \$280,000 in CDBG funding, \$1,961,734 in Housing Trust Funds, and \$13,846,142 in Affordable Housing Tax Increment Financing to create or rehabilitate 418 affordable and market rate housing units and a 40 room women’s lodging house. Eight of the 418 units are single-family houses.

Recent updates to the city code supports increasing residential density and height, providing incentives for creating affordable housing, backing the implementation of form-based codes, encouraging the creation of affordable accessory dwelling units, mandating inclusionary zoning, reducing lot size, expediting affordable housing administrative review, facilitating infill development, reducing development fees for the creation of affordable housing, and reducing parking minimums.

Portland’s Planning Board approved 2,300 units of residential housing from 2014 to August of 2019. This equates to approximately 383 units per year, which is greater than the Comprehensive Plan goal of 256 units per year. Inclusionary Zoning was adopted by Portland on October 19, 2015. Since then, 59 inclusionary zoning units have been approved by the Planning Board and \$826,500 has been collected as a fee-in-lieu. These fees are deposited into the City’s Housing Trust fund and have been allocated to subsidize the creation of 492 units of affordable housing. Additionally, Portland is protecting against the loss of long-term rental units from leaving the local market to host short-term guests through its short-term rental ordinance.

Portland's Planning Board approved 2,300 units of residential housing from 2014 to August of 2019.

Executive Summary

The Maine Medical Center Healthy Neighborhoods Program will fund and execute housing and community improvement programs in the surrounding St. John Valley and other neighborhoods.

Improvements to the city's transportation infrastructure both on- and off-peninsula will in part better accommodate greater housing density.

The new Portland Rental Housing Advisory Committee will provide the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues, and identify educational opportunities, seminars, and materials that would be useful to landlords and tenants.

The Housing Safety Office administers a rental housing registration and inspection program for residential rental properties. The focus of residential inspections is now on one and two-unit properties and short-term rental units.

Finally, Portland is proud to embrace the Metro Regional Coalition Council Resolution regarding the housing affordability crisis in the Greater Portland region by affirming we will continue to focus local and federal resources on the creation of new housing that is affordable at all income levels with the goal of producing 2,577 housing units (256 units per year) by 2027. Portland recognizes the need to ensure a supply of safe, inclusive, affordable housing that strengthens our community, bolsters our economy, contributes to the quality of life of our residents, and population diversity.



Definition of Terms

The following list of terms are provided for reference, and were compiled from municipal and U.S. Department of Housing and Urban Development definitions and interpretations.

AFFORDABLE HOUSING. The term “affordable housing” means that the percentage of income a household is charged in rent and utilities, or must pay in monthly mortgage payments (including insurance and taxes), does not exceed 30% of a household’s gross income.

AMERICAN COMMUNITY SURVEY (ACS). Conducted by the U. S. Census Bureau, the survey is sent to a small percentage of the population on a rotating basis through the decade. The ACS is an ongoing survey that provides vital information on a yearly basis about the nation and its people. Area Median Income is derived from the data collected in the American Community Survey 5-Year Estimates.

AREA MEDIAN INCOME (AMI). See INCOME definition

COMMUNITY DEVELOPMENT BLOCKGRANT PROGRAM (CDBG). Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low and moderate-income residents.

EXTREMELY LOW-INCOME. See INCOME definition.

FAIR MARKET RENT (FMR). Payment determined and reported by HUD for the metro fair market rent area.

HOME. The HOME Investment Partnerships Program provides formula grants to states and localities that community’s use- often in partnership with local nonprofit groups- to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent of home ownership.

HOUSEHOLD. Includes all persons occupying a housing unit and they do not need to be related. One person occupying a housing unit is a household as is one or more persons who occupy a housing unit.

HUD. The United States Department of Housing & Urban Development. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

INCLUSIONARY ZONING. Development projects that create ten or more new dwelling units for rent or for sale and are required to ensure at least 10% of the units in the project meet the definition of workforce housing unit for sale or for rent.

INCOME. The U.S. Department of Housing and Urban Development (HUD) annually computes income levels for Portland. The Maine State Housing Authority (MSHA) also annually computes income levels for Portland. The data sets used by HUD and MSHA are similar but not the same. Please see Attachment A for a detailed discussion of Income, Area Median Income, and Income levels.

LOW INCOME. See INCOME definition.

LOW INCOME HOUSING UNIT FOR RENT. The rent affordable to a household earning at or below 80% of the Area Median Income (AMI) as determined by HUD.

LOW INCOME HOUSING UNIT FOR SALE. The sale price affordable to a household earning at or below 80% of the Area Median Income (AMI) as determined by HUD.

MAINE STATE HOUSING AUTHORITY. Maine Housing is the leading provider of affordable housing resources in Maine, helping Maine people to obtain and maintain quality affordable housing.

MEDIAN INCOME. See INCOME definition.

MODERATE INCOME. See INCOME definition.

Definition of Terms

NATIONAL ASSOCIATION OF HOME BUILDERS. NAHB

produces in-depth economic analyses of the home building industry based on private and government data. Builders, home buyers, and renters are surveyed to gain insight into the issues and trends driving the industry.

NATIONAL LOW INCOME HOUSING COALITION. NLIHC is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes.

PORTLAND, ME HUD METRO FAIR MARKET RENT AREA (HMFA).

Comprised of 19 towns and cities within Cumberland County and 4 towns in York County as determined and reported by HUD. This custom geographic definition area is used in the calculation of income limit program parameters, such as the CDBG and HOME programs. HMFA is a subsection of the larger Metropolitan Statistical Area (MSA).

PORTLAND-SOUTH PORTLAND HOUSING MARKET AREA (HMA).

Comprised of 68 towns and cities within Cumberland, Sagadahoc, and York Counties as determined and reported by HUD.

PORTLAND-SOUTH PORTLAND, ME METROPOLITAN STATISTICAL AREA (MSA). Comprised of 68 towns and cities within Cumberland, Sagadahoc, and York Counties as determined and reported by HUD (coterminous with the HMA).

TAX INCREMENT FINANCING (TIF). A flexible financing tool authorized under state law. The TIF program allows municipalities to provide financial assistance to local economic development or affordable housing development projects by using new property tax revenue generated as a result of the new development. TIF revenue can be used to pay for public or private projects.

VERY LOW-INCOME. See INCOME definition.

WORKFORCE HOUSING UNIT FOR RENT. Means a dwelling unit is affordable to a household earning at or below 100% of the Area Median Income as determined by HUD.

WORKFORCE HOUSING UNIT FOR SALE. Means a dwelling unit for which the purchase price is affordable to a household earning at or below 120% of the Area Median Income as determined by HUD.

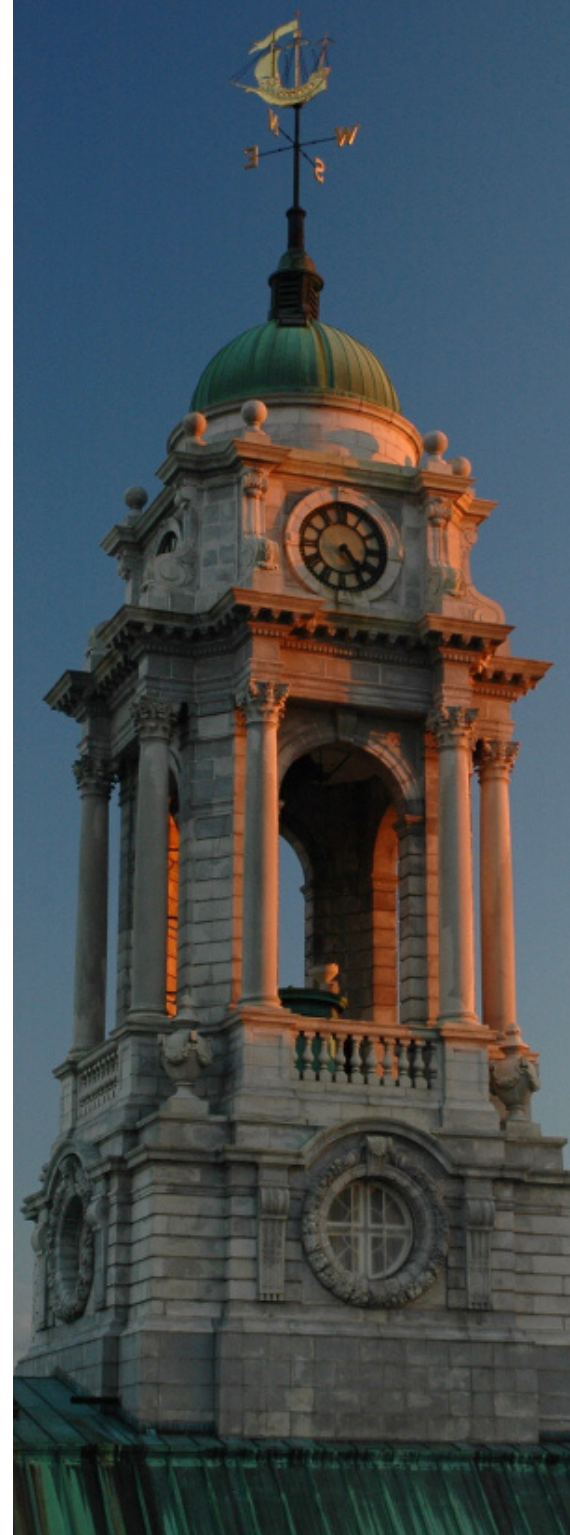


Photo courtesy of Jeff Swanson

DEMOGRAPHICS

Underlying demographic shifts—in particular, changing income and age structure of the population—shape the type, quantity, quality, and location of housing.

Population

- ▶ Portland's population grew by an estimated 223 people from 2010 to 2018
- ▶ Lewiston's population grew by an estimated 648 people from 2010 to 2018
- ▶ Bangor's population grew by an estimated 1,042 people from 2010 to 2018

A municipality's population size is an indicator of the needs of the residents; larger communities tend to have a larger percent of people requiring additional services from their community.

Portland is the largest city in Maine with an estimated 2018 population of 66,417 people. Based on U.S. Census data, Portland grew by 223 people from 2010 to 2018. In comparison, the second largest city in Maine in 2018 is Lewiston with 36,592 people. Lewiston gained 648 people from 2010 to 2018. Bangor, with a 2018 population of 33,039 is the third largest Maine city. Bangor grew by 1,042 people during that same period

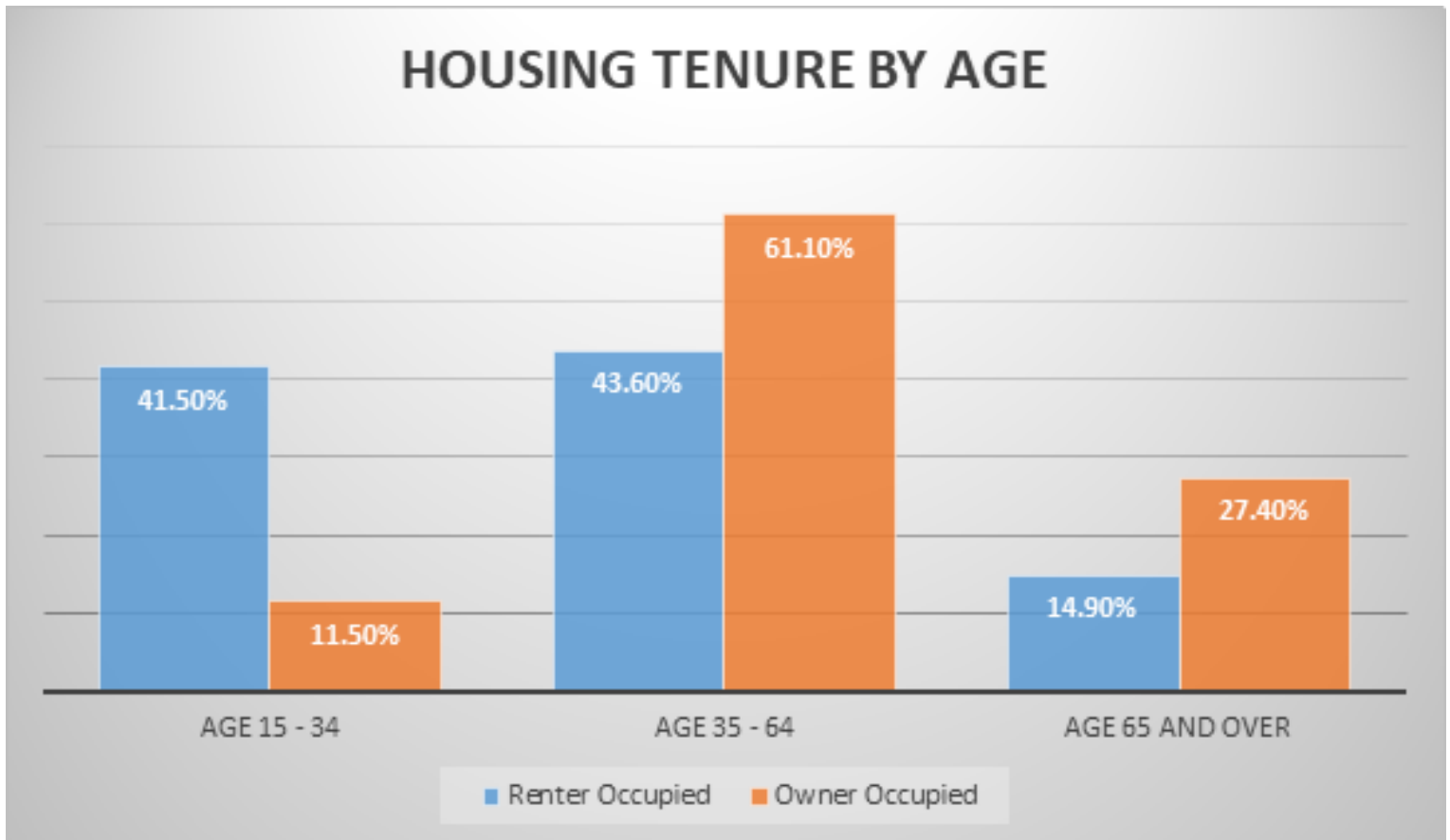


DEMOGRAPHICS

Household Tenure

- ▶ 56% of Portland households are renter occupied
- ▶ 44% of Portland households are owner occupied
- ▶ Renter occupied households has increased by 2% since 2010

Per the 2017 American Community Survey (ACS) 5-year estimates, Portland had 30,167 total households. Of those households, 56% were renter occupied and 44% were owner occupied. This is a slight change of +2% and -2% respectively from 2010 when Portland had 30,686 total households with 54% renter occupied and 46% owner occupied.



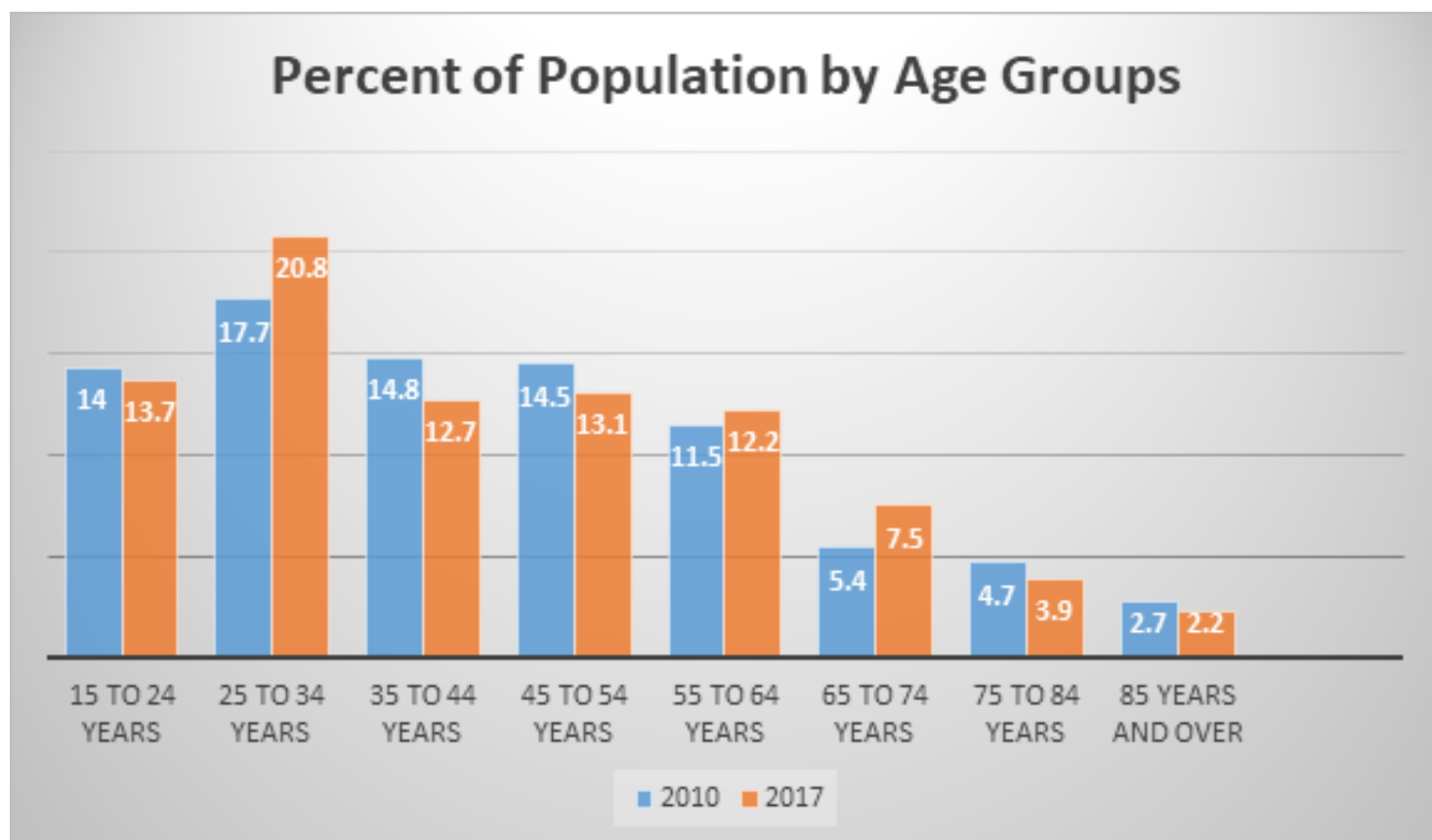
Source: U.S. Census Bureau 2013-2017 American Community Survey 5-year Estimates

DEMOGRAPHICS

Household Age Distribution

- The median age in Portland in 2018 was 36 which is less than the U.S. median of 37.8
- People aged 25 to 34 year olds make up the largest percentage of Portland residents
- People aged 25 to 34 years old (this age group includes the millennial population (aged 23 to 38) grew by slightly more than 3% from 2010
- People aged 65 to 74 years old (this age group includes the older baby boomer population (currently aged 63 to 73) grew by about 2% from 2010

Maine continues to hold the distinction of being the nation's oldest state population. While the median age in the United State in 2018 was 37.8 and 44.3 statewide, Portland's median age is 36. People aged 25 to 34 year olds make up the largest percentage of residents in Portland. This age group has grown from 17.7% of the population in 2010 to 20.8% of the population in 2017. The percent of residents aged 55 to 64 year olds has also grown from 11.5% to 12.2% of the population in 2017. This is in contrast to residents aged 35 to 44 and 45 to 54 who have decreased by 2.1% and 1.4% of the population respectively. This downward trend reverses itself with those aged 55 to 74 years and over. This population grew by 2.8% from 2010 to 2017. People who are 23 to 38 years old in 2019 are also known as Millennials while Generation X is comprised of people aged 39 to 54. Baby Boomers are currently 55 to 72 years old.



Source: U.S.Census Bureau 2006-2010 and 2013-2017 American Community Survey 5-year Estimates

DEMOGRAPHICS

Employment, Wages and Income

- ◆ The three largest job sectors within the Portland- South Portland labor market are some of the lowest paying jobs.
- ◆ Portland's estimated median income ranks towards the bottom (38 out of 43) within the Portland-South Metropolitan Area as reported by MaineHousing.
- ◆ Portland's median household income in 2018 was \$51,799 as reported by MaineHousing.
- ◆ Employees in many of the largest local job sectors cannot afford to rent or purchase a home in Portland.

The term "median income" is used to describe the amount that divides income distribution into two equal groups, half having income above that amount, and half having income below that amount. The United States Department of Housing and Urban Development (HUD) provides housing data for the larger Portland-South Portland, Maine Metropolitan Statistical Area (MSA) comprised of 68 towns and cities within Cumberland, Sagadahoc, and York Counties. HUD also reports housing and income data for the smaller Portland, Maine HUD Metropolitan Fair Market Area (MFA) comprised of 19 towns and cities within Cumberland County and four towns in York County. It is common for this amount to be reported interchangeably as the "median income", the "Portland median income", the "Portland, ME HUD Metro FMR Area", the "HMFA" or the "MFA". If the area median income is qualified in some way- generally as a percentage of AMI (e.g. 100% AMI), then this is reference to HUD's income limits. The 2019 100% AMI for Portland MFA for a household of four is \$93,000. Maine State Housing Authority (MaineHousing) also provides housing facts and an affordability index on 43 towns and cities in the Portland-South Portland Metropolitan Area Housing Market. The source of data for the reported median income is not HUD but rather Claritas, LLC. The 2018 Portland median income per MaineHousing was \$51,799.

Within the Portland- South Portland labor market, the three largest job sectors are Office and Administrative Support (15% of all jobs); Sales (10%); and Food Preparation and Services (9%). Hourly wages in these occupational groups are some of the lowest paying jobs in major job sector categories. As will be discussed in further detail later in this report, the income necessary to purchase the median priced home in Portland is \$102,173. Approximately 79 percent of Portland residents cannot afford to purchase the median priced home. The median rent for a two-bedroom unit was \$1,380 in 2018 according to the Portland Rental Market Survey, which may or may not include heat and other utilities. The income necessary to afford the median rent for a two- bedroom unit is \$55,000, while the income necessary to afford the median one-bedroom rent of \$1,050 is \$42,000. Employees in many of the largest local job sectors cannot afford to rent or purchase a home in Portland.

DEMOGRAPHICS

US. Department of Labor Bureau of Labor Statistics, May 2018 Portland-South Portland, ME Wage Estimates

| Occupation Title | Employment | Employment per 1,000 jobs | Median Hourly Wage | Annual Mean Wage | Percentage |
|-------------------------------------|------------|---------------------------|--------------------|------------------|------------|
| All Occupations | 208,520 | 1,000 | \$19.07 | \$52,260 | |
| Office and Administrative Support | 31,170 | 149.495 | \$17.60 | \$38,530 | 15% |
| Sales and Related | 21,250 | 101.929 | \$14.33 | \$41,460 | 10% |
| Food Prep and Service | 20,530 | 98.56 | \$11.97 | \$28,800 | 9% |
| Management | 14,180 | 67.990 | \$46.24 | \$109,170 | 7% |
| Healthcare Practitioners | 13,350 | 64.034 | \$32.86 | \$88,220 | 6.4% |
| Education, Training, and Library | 12,370 | 59.344 | \$23.91 | \$52,480 | 5.9% |
| Transportation | 11,710 | 56.172 | \$16.36 | \$36,600 | 5.6% |
| Business and Financial | 11,160 | 53.539 | \$30.59 | \$71,060 | 5.4% |
| Production | 9,830 | 47.152 | \$17.39 | \$38,850 | 4.7% |
| Installation, Maintenance, & Repair | 7,470 | 35.837 | \$22.06 | \$48,340 | 3.6 |
| Construction | 7,260 | 34.804 | \$19.66 | \$43,600 | 3.5% |
| Community and Social Service | 3,400 | 33.245 | \$21.09 | \$47,050 | 3.3% |
| Protective Services | 4,150 | 19.923 | \$18.41 | \$41,870 | 2% |
| Cashiers | 3,870 | 18.559 | \$11.10 | \$24,500 | 2% |
| Legal | 1,840 | 8.808 | \$30.53 | \$88,370 | 0.8% |
| Landscaping and Groundskeeping | 1,740 | 8.355 | \$15.61 | \$34,400 | 0.8% |
| Maids and Housekeeping | 1,520 | 7.268 | \$11.98 | \$25,680 | 0.7% |

Employment, Wages and Income

Portland’s estimated median income in 2018 of \$51,799 (as reported by MaineHousing), places the city towards the bottom of forty-three communities within the Portland – South Portland Metropolitan Area, as defined by MaineHousing. Based on the data from this report, Portland’s median income is ranked 38 out of 43 cities and towns with 43 being the lowest median income. South Portland, Biddeford, and Westbrook had estimated median incomes in 2018 of \$65,195, \$56,079, and \$51,076 respectively. As noted in the 2030 Comprehensive Plan, “Portland’s lower household income reflects its status as an urban employment and housing center, home to a range of populations groups from the highly affluent to those just starting out in the workforce.”

2018 HOUSING FACTS AND AFFORDABILITY INDEX FOR PORTLAND – SOUTH PORTLAND METRO AREA HOUSING MARKET

| COMMUNITY | MEDIAN INCOME | RANKING |
|-------------------|---------------|---------|
| PORTER | \$45,294 | 1 |
| NEWFIELD | \$47,075 | 2 |
| HIRAM | \$47,292 | 3 |
| PARSONSFIELD | \$47,517 | 4 |
| CORNISH | \$49,919 | 5 |
| WESTBROOK | \$51,076 | 6 |
| PORTLAND | \$51,799 | 7 |
| SEBAGO | \$55,739 | 8 |
| OLD ORCHARD BEACH | \$53,848 | 9 |
| BIDDEFORD | \$56,079 | 10 |
| STATE OF MAINE | \$56,987 | 11 |

Source: [MaineHousing](#) 2018 Portland-South Portland MA Housing Market/Housing Facts & Affordability Index

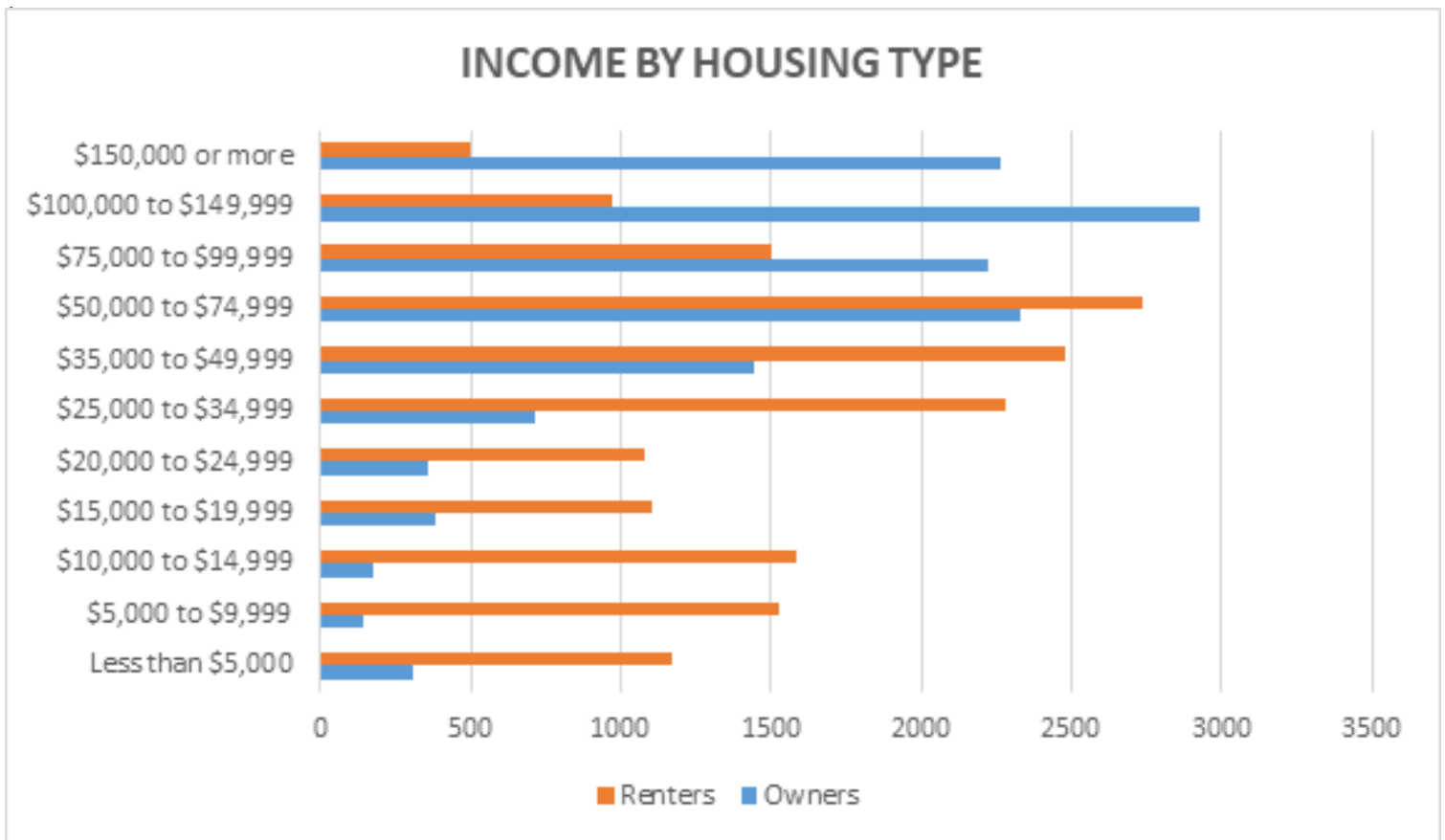
DEMOGRAPHICS

Income by Housing Type

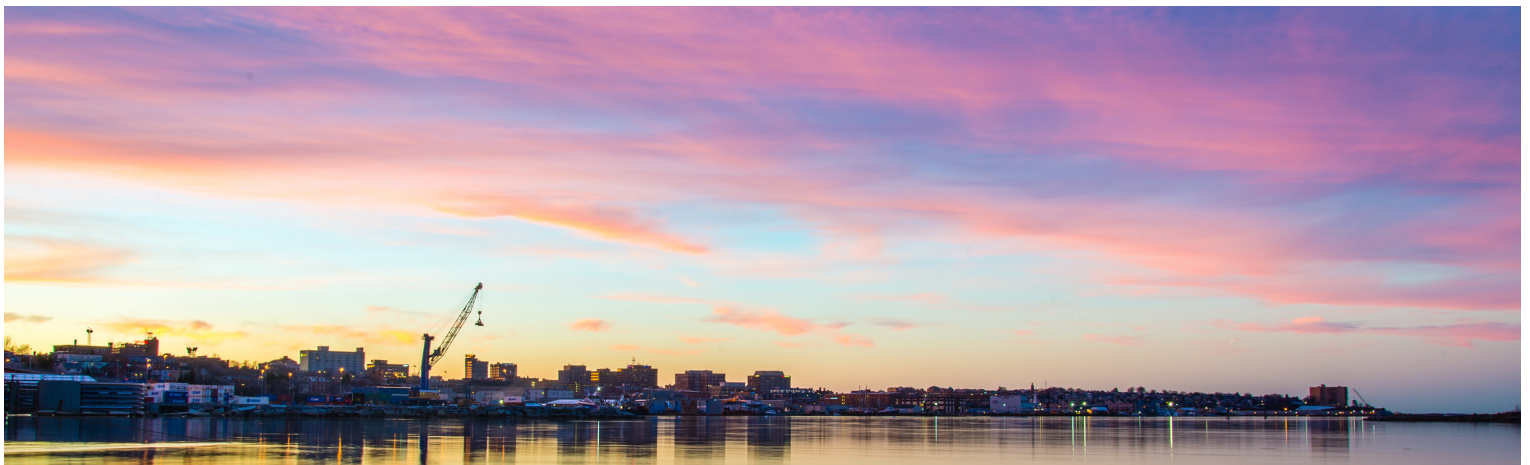
➤ Median homeowner income in 2017 was \$83,380

➤ Median renter income in 2017 was \$33,654

Portland's American Community Survey median household income increased by \$6,277 between 2011 and 2017. The median income levels for renters and homeowners in Portland has grown since 2011. The median renter income is \$33,654 per year. Median homeowner incomes were \$83,380 in 2017, exceeding the 2011 median by approximately \$8,200. While median renter incomes increased slightly, they have consistently lagged behind homeowner incomes. Renters with special needs and seniors are more likely than other renters to have extremely



Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates



DEMOGRAPHICS

Poverty

 18% or 12,000 Portland residents live in poverty

Individuals are considered living in poverty if the resources they share with others in the household are not enough to meet basic needs. An estimated 12,000 Portland residents (or 18%) live in poverty. Roughly, 22% are children and 12% are aged 65 or older.

2019 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

| Persons in Family/Household | Poverty Guideline |
|-----------------------------|-------------------|
| 1 | \$12,490 |
| 2 | \$16,910 |
| 3 | \$21,330 |
| 4 | \$25,750 |
| 5 | \$30,170 |

Source: U.S Department of Health & Human Services, 2019

| | PORTLAND | CUMBERLAND COUNTY | MAINE |
|-----------------------|----------|-------------------|-----------|
| TOTAL POPULATION | 65,407 | 281,447 | 1,294,998 |
| POPULATION IN POVERTY | 11,983 | 29,984 | 166,904 |
| PERCENT IN POVERTY | 18.3% | 10.7% | 12.8% |
| Under 18 years | 4% | 2.6% | 3.2% |
| 18-64 years | 12% | 6.7% | 8% |
| 65 years and over | 2.3% | 1.4% | 1.6% |

Source: 2013-2017 American Community Survey 5-year Estimates

HOUSING AFFORDABILITY

Affordability Index & Affordability Gap

- Portland has an affordability gap of \$155,796.
- Of 43 cities and towns in the MaineHousing Portland- South Portland Metropolitan Area Housing Market, Portland ranks 2nd in unaffordability.

MaineHousing provides an annual Homeownership Affordability Index that provides median income levels by cities and towns, and the income needed to afford the median home price. The Index measures the degree to which a typical homebuyer can afford the mortgage payments on the median-priced home. An index measurement of 1 indicates the median income of the household is just high enough to qualify for the median-priced ownership unit. An index measurement of less than 1 means the area is generally unaffordable- i.e., a household earning the area median income could not cover the payment on a median price home (30 year mortgage, taxes, and insurance) using no more than 28% of gross income.

In 2018, to purchase the median priced home in Portland of \$316,000, a household would need an income of \$102,173, which is almost double the actual median income in Portland of \$51,799. Based on the actual median income, Portland residents can only afford a home price of \$160,204. Portland has a housing affordability gap of \$155,796 (\$316,000 - \$160,204). Of the forty-three cities and towns that are included in the Portland-South Portland Metropolitan Area Housing Market, only Kennebunkport is less affordable when residents are looking for homes to purchase within their community. With an index of .51, only slightly more than half of Portland residents can afford to qualify for a mortgage to purchase the median priced home.

| Community | Index | Median Home Price | Median Income | Income Needed to Afford Median Home Price | Home Price Affordable to Median Income |
|-------------------|-------|-------------------|---------------|---|--|
| Kennebunkport | .47 | \$675,125 | \$87,500 | \$186,509 | \$316,733 |
| Portland | .51 | \$316,000 | \$51,799 | \$102,173 | \$160,204 |
| Old Orchard Beach | .62 | \$285,000 | \$53,843 | \$86,250 | \$177,934 |
| Yarmouth | .63 | \$465,000 | \$90,681 | \$143,041 | \$294,787 |
| Westbrook | .65 | \$250,942 | \$51,076 | \$78,758 | \$162,741 |
| Cape Elizabeth | .66 | \$543,000 | \$111,398 | \$167,966 | \$360,127 |

Source: MaineHousing 2018 Portland-South Portland MA Housing Market/Housing Facts & Affordability Index

HOUSING AFFORDABILITY

Interpreting Income Levels

➤ The median income for a family of four in the Portland HUD Metro FMR Area is \$93,000.

The U.S. Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI). At least 11 HUD programs and 14 other Federal programs use some variation of HUD's income limits. For a household to income qualify for workforce housing for sale under the City's Inclusionary Zoning Ordinance, the household may earn no more than 120% AMI, while workforce housing for rent is set at 100% or less AMI.

2019 INCOME LIMITS – PORTLAND HUD METRO FMR AREA

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 |
|----------------------------|----------|----------|-----------|-----------|-----------|-----------|
| Area Median Income (AMI) | | | | | | |
| 30% (Extremely Low Income) | \$19,550 | \$22,350 | \$25,150 | \$27,900 | \$30,170 | \$34,590 |
| 50% (Very Low Income) | \$32,550 | \$37,200 | \$41,850 | \$46,500 | \$50,250 | \$53,950 |
| 60% | \$39,060 | \$44,640 | \$50,220 | \$55,800 | \$60,264 | \$64,720 |
| 80% (Low Income) | \$52,100 | \$59,550 | \$67,000 | \$74,400 | \$80,400 | \$86,350 |
| 100% | \$65,100 | \$74,400 | \$83,700 | \$93,000 | \$100,400 | \$107,880 |
| 120% (Moderate Income) | \$78,120 | \$89,280 | \$100,440 | \$111,600 | \$120,528 | \$129,456 |

Source: U.S. Department of Housing and Urban Development, 2019 Fair Market Area

Household Income Distribution

Of the estimated 13,269 owner-occupied housing units and 16,898 renter-occupied housing units in Portland, 51.4% of renter households earn less than \$35,000 per year compared to 15.7% of owner households. Conversely, 39.2% of owner households earn \$100,000 or more compared to 8.7% of renter households.

| Income Range | Owner, Estimate | Owner, Percent | Renter, Estimate | Renter, Percent | Total Estimate | Total Percent |
|------------------------|-----------------|----------------|------------------|-----------------|----------------|---------------|
| \$0 to \$19,999 | 1,011 | 7.6% | 5,392 | 31.8% | 6,402 | 21.1% |
| \$20,000 to \$24,999 | 360 | 2.7% | 1,082 | 6.4% | 1,442 | 4.8% |
| \$25,000 to \$34,999 | 713 | 5.4% | 2,227 | 13.2% | 2,940 | 9.7% |
| \$35,000 to \$49,999 | 1,443 | 10.9% | 2,483 | 14.7% | 3,926 | 13% |
| \$50,000 to \$74,999 | 2,329 | 17.6% | 2,738 | 16.2% | 5,067 | 16.8% |
| \$75,000 to \$99,999 | 2,219 | 16.7% | 1,502 | 8.9% | 3,721 | 12.3% |
| \$100,000 to \$149,000 | 2,928 | 22.1% | 971 | 5.7% | 3,899 | 12.9% |
| \$150,000 or more | 2,266 | 17.1% | 503 | 3% | 2,769 | 9.2% |

Source: U.S. Census 2013-2017 American Community Survey, 5-year Estimates

HOUSING AFFORDABILITY

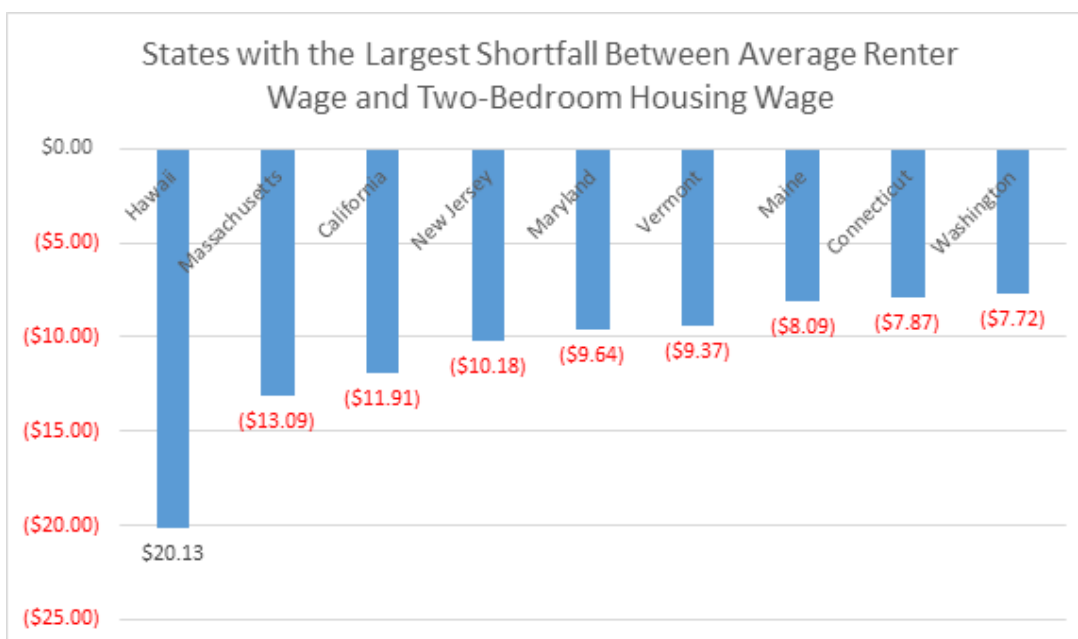
Wages and the Cost of Rental Housing

- ▶ Portland's minimum wage as of July 1, 2019 is \$11.11 per hour.
- ▶ The rent affordable at the State minimum wage is \$572.
- ▶ The hourly wage a household must earn to afford a two-bedroom rental unit, without paying more than 30% of their income towards housing, is \$26.67 or \$55,474 per year.
- ▶ Maine ranks 7th in the nation with largest shortfall between average rent wage and two bedroom housing wage.

In the National Low Income Housing Coalition's 2019 annual report, *Out of Reach*, Maine ranked 7th overall in states with the largest shortfall between average renter wage and two bedroom housing wage. Last year Maine ranked 9th overall meaning the shortfall in wages to housing cost in Maine is growing. However, in "no state, metropolitan area, or county can a worker earning the federal minimum wage or prevailing state minimum wage afford a two-bedroom rental home at fair market rent by working a standard 40-hour week."

Effective January 1, 2019, the State of Maine minimum wage was \$11.00 per hour. On July 1, 2019, Portland's minimum wage increased to \$11.11 per hour. Per the NLIHC, the hourly wage that a household must earn in order to afford the Fair Market Rent in Portland for a two-bedroom rental apartment, without paying more than 30% of their income towards housing costs, is \$26.67 or \$55,480 per year.

The rent affordable at the State minimum wage is \$572/month. The NLIHC estimates the renter median household income in Portland is \$954/month, and estimates the rent affordable at 30% of the area median income is \$698/month leaving \$256 per month for food, clothing, transportation, and medical care.



Source: National Low Income Housing Coalition, 2019 (based on Maine's minimum wage of \$11.00 per hour)

HOUSING AFFORDABILITY

Household Income Distribution

- ◊ 35% of Portland renter households are considered extremely low-income during 2016.
- ◊ 56% of Portland residents were considered low-income households during 2016.
- ◊ 73% of Rental households were considered low-income households during 2016.
- ◊ 9% of Rental households fall within the low-income to workforce housing range during 2016.

In August of this year, HUD released its Consolidated Planning/Comprehensive Housing Affordability Strategy data for 2012-2016. This data, known as the “CHAS” data, demonstrates the extent of housing problems and housing needs, particularly for low-income households. Per CHAS, Portland had an estimated extremely low-income population ($\leq 30\%$ AMI) of 7,055 or 23% of its residents. The next largest household group at 20% of the population is households earning between 50% to 80% Area Median Income (AMI), also known as low-income households.

| Income Distribution | Owner | | Renter | | Total | |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| | Est. | % | Est. | % | Est. | % |
| Household Income $\leq 30\%$ AMI | 1,005 | 7.7% | 6,050 | 35% | 7,055 | 23% |
| Household Income $>30\%$ to $\leq 50\%$ AMI | 935 | 7.2% | 2,945 | 17% | 3,880 | 13% |
| Household Income $>50\%$ to $\leq 80\%$ AMI | 2,315 | 17.7% | 3,650 | 21% | 5,965 | 20% |
| Household Income $>80\%$ to 100% AMI | 1,475 | 11.4% | 1,505 | 9% | 2,980 | 10% |
| Household Income $> 100\%$ AMI | 7,265 | 55.5% | 3,070 | 18% | 10,335 | 34% |
| Total | 12,990 | 100% | 17,220 | 100% | 30,210 | 100% |

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) data for 2012-2016



HOUSING AFFORDABILITY

Housing-Cost Burdened

- 47% of renter-occupied households are housing-cost burdened.
- Almost 8,000 rental and 4,000 homeowner households are cost-burdened.

Housing affordability is calculated based on median household income relative to the income needed to purchase a median-priced house. As seen above, Portland is unaffordable to the median income household. Another means of measuring affordability, as defined by the Federal government, concludes housing costs should be at or below 30% of a household's income to be affordable. Housing is unaffordable to moderate-income homebuyers/renters and existing moderate-income homeowners/renters if they have to spend more than 30% of their gross monthly income on housing costs. By definition, they are housing-cost burdened. The 2013-2017 American Community Survey asked participating residents to indicate if their monthly housing costs as a percentage of household income is; less than 20%; 20 to 29%; or 30% or more (i.e. unaffordable). Approximately 29% of owner-occupied households -across multiple income ranges-indicated they are paying more than 30% of their income towards housing (including mortgage payments, insurance, property taxes and condo fees). Renter households fare far worse with 47% reporting they are paying more than 30% of their income towards rent and utilities.

| Income Range | Less than \$20,000 | \$20,000 to \$34,999 | \$35,000 to \$49,999 | \$50,000 to \$74,999 | \$75,000 or more | Total or % |
|---|--------------------|----------------------|----------------------|----------------------|------------------|------------|
| Total Owner Housing Units | 5,610 | 4,269 | 3,888 | 5,015 | 10,314 | 29,096 |
| Owner Households paying 30% or more for Housing Costs | 790 | 816 | 799 | 864 | 683 | 3,952 |
| Percent of Owner Households paying 30% or more for Housing Costs | 6% | 6.1% | 6% | 6.5% | 5.1% | 29.7% |
| Total Rental Housing Units | 4,721 | 3,196 | 2,445 | 2,686 | 2,901 | 15,949 |
| Rental Households paying 30% or more for Housing Costs | 3,826 | 2,431 | 1,212 | 436 | 89 | 7,994 |
| Percent of Rental Households paying 30% or more for Housing Costs | 22.6% | 14.4% | 7.2% | 2.6% | .5% | 47.3% |

Source: 2013-2017 American Community Survey 5-year estimates

HOUSING SUPPLY

Residential Property Characters

- ◊ 35.82% of all residential housing is single-family homes.
- ◊ Approximately 50% of all residential housing is in multi-family buildings.
- ◊ 14.77% of all residential housing is in buildings of 21 or more units.
- ◊ Condominiums and two-family dwellings are the next largest percentage of residential housing at 11.14% and 11.01% respectively.
- ◊ One-bedroom units are the most popularly proposed bedroom unit during 2014-2019.

The majority of Portland residents live in duplex and apartment buildings. Almost 40% of Portland's residential housing stock is comprised of three-family or more buildings. Single-family houses and condominiums account for about 36% and 11% respectively of the housing stock.

| LAND USE | # LIVING UNITS | % OF PRIMARY RESIDENTIAL |
|-------------------------|----------------|--------------------------|
| Seasonal | 603 | 1.91% |
| Rooming Houses | 198 | .63% |
| Single Family | 11,318 | 35.82% |
| Two Family | 3,480 | 11.01% |
| Three Family | 2,829 | 8.95% |
| Four Family | 1,144 | 3.62% |
| Five to Ten Family | 2,682 | 8.49% |
| Eleven to Twenty Family | 1,085 | 3.43% |
| Twenty-one Plus Family | 4,668 | 14.77% |
| Condominium | 3,520 | 11.14% |
| Multi-Use Residential | 26 | .08% |
| Apartment & Rooms | 43 | .14% |
| Exempt Apartments | 2,588 | 1.% |

Source: City of Portland Assessor's Office FY19

HOUSING SUPPLY

Residential Property Characters

From 2014 to September of 2019, the Planning Board has approved over 2,200 units of new and renovated rental and single-family houses. One-bedroom projects, followed by two-bedroom and efficiency units are the most popular projects proposed for approval. Larger (4 and 5) bedroom projects are associated with construction projects proposed by non-profit developers.

| | Bedroom Count | | | | | | |
|--------------------------|---------------|--------|--------|--------|--------|--------|--|
| | Efficiency | 1-bdrm | 2-bdrm | 3-bdrm | 4-bdrm | 5-bdrm | |
| Units approved | 443 | 1,044 | 485 | 224 | 36 | 2 | |
| Units under Construction | 31 | 118 | 83 | 56 | 0 | 0 | |
| Units Completed | 303 | 534 | 214 | 65 | 0 | 0 | |

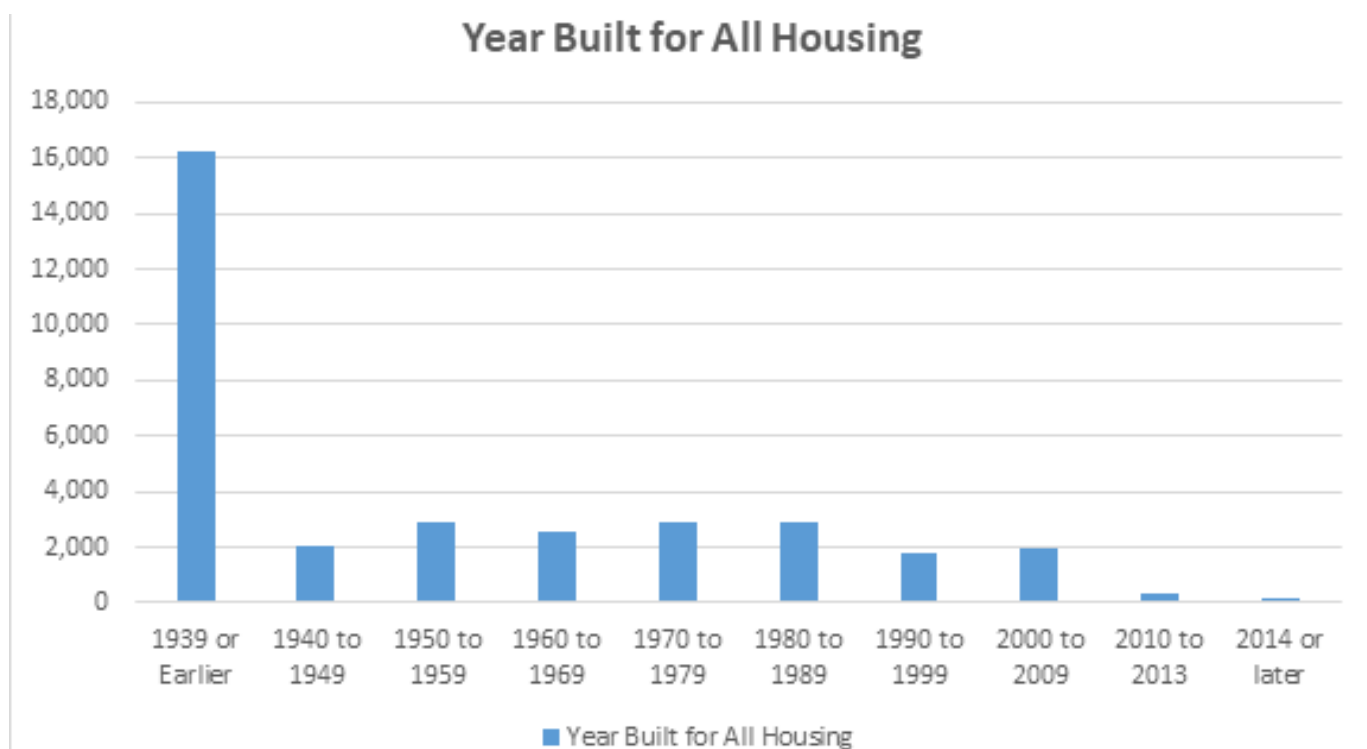
Source: Planning Department: 2014 – September 2019

Age of Housing Stock

➤ 50% of Portland housing stock is 80 years old.

➤ 54% of Portland’s housing stock was built pre 1950- which is the riskiest housing for lead hazards.

Portland has approximately 33,785 housing units (rental and homeownership). Almost 50% (16,260) of those units were built before 1939, 70% (23,761) were built before 1970. Older homes can be more expensive to maintain and heat while fire and lead hazard safety are additional concerns.



Source: 2017 U.S. Census American Community Survey 5-Year Estimates

HOUSING SUPPLY

Age of Housing Stock

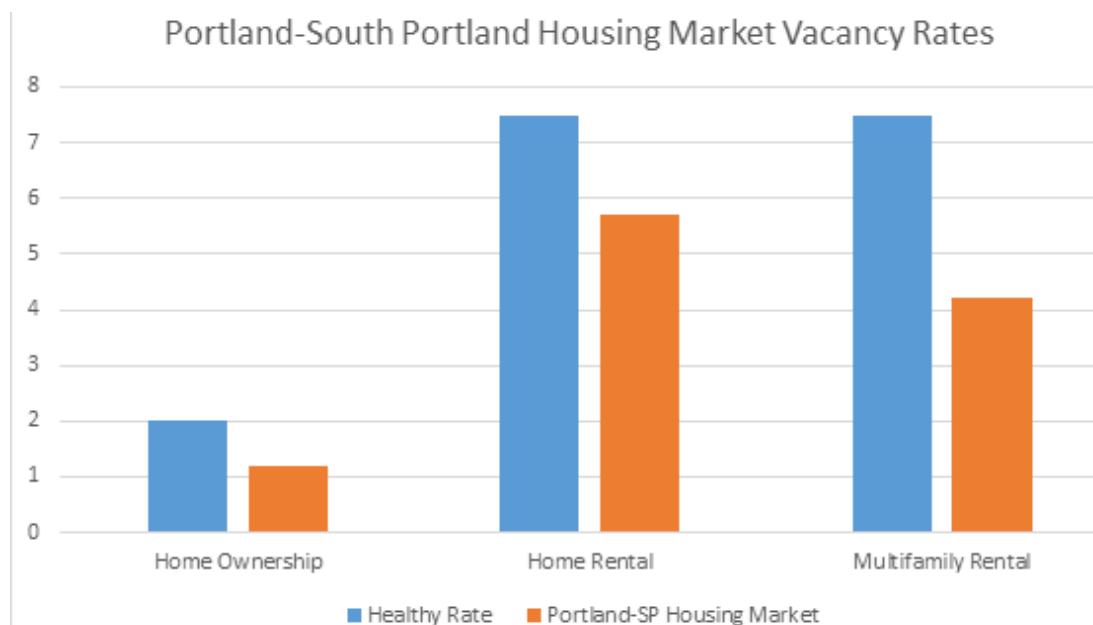
| YEAR STRUCTURE BUILT | | | |
|-----------------------|--------|--------|--------|
| Total housing units | 33,785 | +/-490 | 33,785 |
| Built 2014 or later | 124 | +/-49 | 0.4% |
| Built 2010 to 2013 | 330 | +/-147 | 1.0% |
| Built 2000 to 2009 | 1,995 | +/-286 | 5.9% |
| Built 1990 to 1999 | 1,774 | +/-284 | 5.3% |
| Built 1980 to 1989 | 2,877 | +/-329 | 8.5% |
| Built 1970 to 1979 | 2,924 | +/-305 | 8.7% |
| Built 1960 to 1969 | 2,536 | +/-308 | 7.5% |
| Built 1950 to 1959 | 2,884 | +/-305 | 8.5% |
| Built 1940 to 1949 | 2,081 | +/-252 | 6.2% |
| Built 1939 or earlier | 16,260 | +/-554 | 48.1% |

Source: 2017 U.S. Census American Community Survey 5-Year Estimates

Vacancy Rates

- ◊ Rental apartment vacancy rate was 4.2% in June, 2018.
- ◊ Homeownership vacancy rate was 1.2% in June, 2018.
- ◊ Healthy market rate is 7-8% for rental housing and 2% for homeownership.

The vacancy rate measures the state of the housing market. Vacant units represent the supply of homes that exceeds demand, which is related to economic trends. A low vacancy rate can result in pressure on housing prices. A 2% or below vacancy rate for ownership and 7 – 8 % for rental units is considered natural vacancy rates in a healthy market. As of June 2018, the rental housing market in the Portland-South Portland Housing Market was 5.7% while the rental apartment market was 4.2% (which is a decrease from 6.6% one year earlier). The vacancy rate for homeownership units is at 1.2%, down from 1.4% in September of 2015. Increased demand and limited homebuilding activities have contributed to a significant decline in available inventory.



Source: HUD Office of Policy Development and Research, June 1, 2018

HOUSING SUPPLY

Housing Availability

- Deficit of affordable and available units, at or below 50% AMI, is 17,904 units in Maine
- Of every 100 extremely low-income renter household, only 59 occupy or have access to affordable and available units leaving a shortage of 41 rental homes per low-income renter household

Each year the National Low Income Housing Coalitional (NLIHC) measures the availability of rental housing affordable to extremely low income (ELI) households and other income groups. Rental homes are both affordable and available at a particular level of income if they are affordable to households with income below the defined income level and are currently vacant, or are not occupied by households in a higher income range. Nationally and locally, ELI households face the largest shortage of affordable and available rental housing. In 2018, Maine had 59 affordable and available homes for every 100 extremely low income renter households. As household earning increased, the availability of housing units also increased. 105 and 108 affordable and available rental homes exist for every 100 renter households earning at or below 80% of AMI and 100% of AMI respectively.

| Deficit of Affordable and Available Units at or below 50% AMI | Affordable and Available Units per 100 Households at or below Threshold | | | Percent within Each Category with Severe Housing Cost Burden | | |
|---|---|---------|----------|--|---------|----------|
| | 50% AMI | 80% AMI | 100% AMI | 50% AMI | 80% AMI | 100% AMI |
| -17,904 | 75 | 105 | 108 | 73% | 3% | 0% |

Source: NLIHC Tabulations of 2016 ACS PUMS data

According to the NLIHC, “the lack of new affordable rental construction in the private market, and insufficient housing assistance forces extremely low-income renters to rely on private-market housing that filters down in relative price as it becomes older. The filtering theory suggest that new market-rate development for higher-income households results in a chain of household moves that helps lower-income households: higher-income households move into new, more expensive homes, leaving behind their older and presumably less expensive housing, which is then occupied by other households who leave even older housing behind, and so on. The filtering process, however, fails to produce a sufficient supply of rental homes inexpensive enough for the lowest-income renters to afford.”

HOUSING SUPPLY

Planning Board Approval Activity

- 142 rental units were approved by the Planning Board during 2018.
- 429 rental units were approved by the Planning Board during 2019.
- 199 condominium units were approved by the Planning Board during 2018.
- 16 condominium units were approved by the Planning Board during 2019.

Between 2014 and August of 2019, the Planning Board approved almost 2,300 units of residential housing during Level III reviews (Level III site plan review is conducted for new building construction or additions of 10,000 square feet or more, subdivisions, multiple family development, and change of use over 20,000 square feet). Approval types and quantity have fluctuated year to year based on the type of projects requesting approval. During the last five years, rental unit approvals (1,326 units) have outpaced all other approval types while two single-family subdivision approvals during 2017 (Knights Farm and Stroudwater) account for 76% of all single-family units approved through subdivision review. Condominium projects brought forward for review have steadily increased, but 2019 may see a sharp downturn as eight rental projects and one lodging house have sought and received Planning Board approval compared to one condominium project.

| Level III Unit-Approvals | 2014 | 2015 | 2016 | 2017 | 2018 | As of 8/19 | Total Units |
|--------------------------|------|------|------|------|------|------------|-------------|
| Single-Family | 0 | 0 | 0 | 104 | 23 | 9 | 136 |
| Rental (mkt rate) | 18 | 346 | 96 | 10 | 51 | 313 | 834 |
| Rental (subsidized) | 54 | 103 | 0 | 130 | 91 | 116 | 494 |
| Condominium | 60 | 141 | 95 | 175 | 199 | 16 | 686 |
| Congregate Care Facility | 0 | 150 | 0 | 0 | 0 | 0 | 150 |
| Total Units Approved | 132 | 740 | 191 | 419 | 364 | 454 | 2,300 |

Source: Portland Planning & Urban Development 8/19/19



HOUSING SUPPLY

Housing Supply: Certificate of Occupancy

- During 2017, 419 units of residential housing were approved, but only 67 units have received a certificate of occupancy.
- Of the 22 residential development projects approved by the Planning Board during 2018, only four projects are completed.

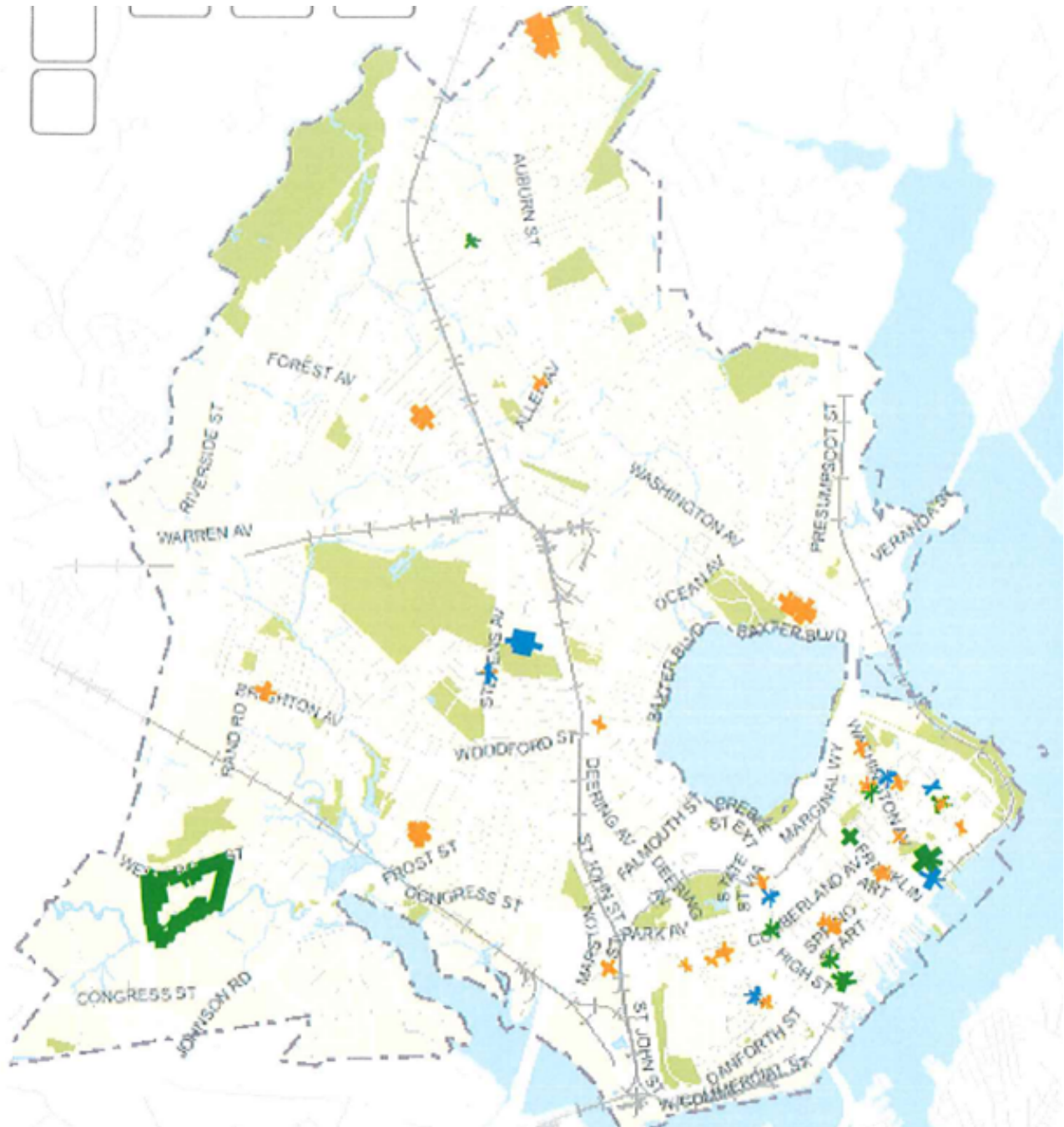
A Certificate of Occupancy permit is issued after a building is deemed complete – which can be years after Planning Board approval. For example, 62 India Street (29 condo units) was approved in May 2016 but was not ready for occupancy until July of 2018- 26 months later. 25 High (63 condo units) was approved and completed over 29 months. Hobson’s Landing (383 Commercial Street; 85 condo units) received Planning Board approval during June of 2018 and anticipates occupancy during the fall of 2020. Other approved projects have not advanced beyond the planning stage, such as; 75 Chestnut Street (53 rental units approved in 2016); 218-220 Washington Street (45 condominiums approved in 2017); and 155 Sheridan (19 condominiums approved in 2017). As noted, large development projects require years to complete, and based on past history, Planning Board approval does not always equate to the eventual creation of much needed and anticipated residential housing.

| Level III Unit-Approvals | 2014 | 2015 | 2016 | 2017 | 2018 | As of 8/19 | Total Units |
|---|------|------|------|------|------|------------|--------------|
| Single-Family | 0 | 0 | 0 | 104 | 23 | 9 | 136 |
| Rental (mkt rate) | 18 | 346 | 96 | 10 | 51 | 313 | 834 |
| Rental (subsidized) | 54 | 103 | 0 | 130 | 91 | 116 | 494 |
| Condo | 60 | 141 | 95 | 175 | 199 | 16 | 686 |
| Congregate Care Facility | 0 | 150 | 0 | 0 | 0 | 0 | 150 |
| Total Units Approved | 132 | 740 | 191 | 419 | 364 | 454 | 2,300 |
| Total Units under Construction | 0 | 0 | 0 | 173 | 207 | 0 | 380 |
| Total Units approved but not under construction | 0 | 0 | 58 | 179 | 112 | 454 | 803 |
| Total Units Completed | 132 | 740 | 133 | 67 | 45 | 0 | 1,117 |

Source: Planning Board approvals, 2014 to August 2019

HOUSING SUPPLY

Place of Development



Code:

Orange: Approved by Planning Board

Green: Under Construction

Blue: Completed

HOUSING SUPPLY

Short Term Rentals

- ◊ Cap of 400 non-owner occupied STR was attained on May 15 of this year.
- ◊ STR remove much needed housing from the supply of long-term housing.

As of May 15 of this year, 400 non-owner occupied residential units were registered as Short Term Rentals (STR). The rise of STR removes apartments and homes from the market, limiting the supply of long term housing for local residents, and drives up prices of the available housing stock. Traditional buyers may find themselves in competition with individuals or companies who assume revenue benefits with STR over long-term rentals. Most of the units offered as STR are on the Peninsula, which may have a disproportionate impact on those neighborhoods. Considering the Peninsula's extremely low vacancy rate, any significant reduction in available housing stock is a concern.

| Type | Total Amount | Island | Non Owner Occupied | Owner Occupied | Tenant Occupied |
|----------|--------------|--------|--------------------|----------------|-----------------|
| Property | 732 | 128 | 288 | 287 | 29 |
| Units | 872 | 131 | 400 | 312 | 29 |

Source: Permitting and Inspections Department 8/29/19

Home Sales

- ◊ Home sales declined in 2017 and 2018, but sale prices increased.
- ◊ Low inventory of homes for sales impacted both sale numbers and prices.

Portland is the largest market in Maine for both single-family and condominium units. During 2017 and 2018, Portland experienced a decline in home sales; 2017 was the first decline since 2012, however, sale prices remain robust. According to the June 2018 HUD Comprehensive Housing Market Analysis "part of the increase in new home sales and prices since 2011 is attributed to increased development of relatively expensive condominiums because older households downsized from larger, single-family homes". Per a local real estate agency, the median home sale price in 2018 of \$316,250 was 10.4% greater than in 2017 and the median condominium sale price of \$330,000 in 2018 increased 11% from the previous year's median price of \$297,500. During the first six months of 2019, the number of single-family sales transactions are approximately 2% below the comparable time-period for 2018 due mostly to low inventory levels.

| Housing Type | Median Price 2017 | Median Price 2018 | Median Price as of May 2019 |
|---------------------|-------------------|-------------------|-----------------------------|
| Single-Family Homes | \$286,000 | \$316,250 | \$327,000 |
| Condominiums | \$297,500 | \$330,000 | \$340,000 |

Source: Maine Home Connection from Maine Real Estate Information System, 2019

HOUSING SUPPLY

Development Costs

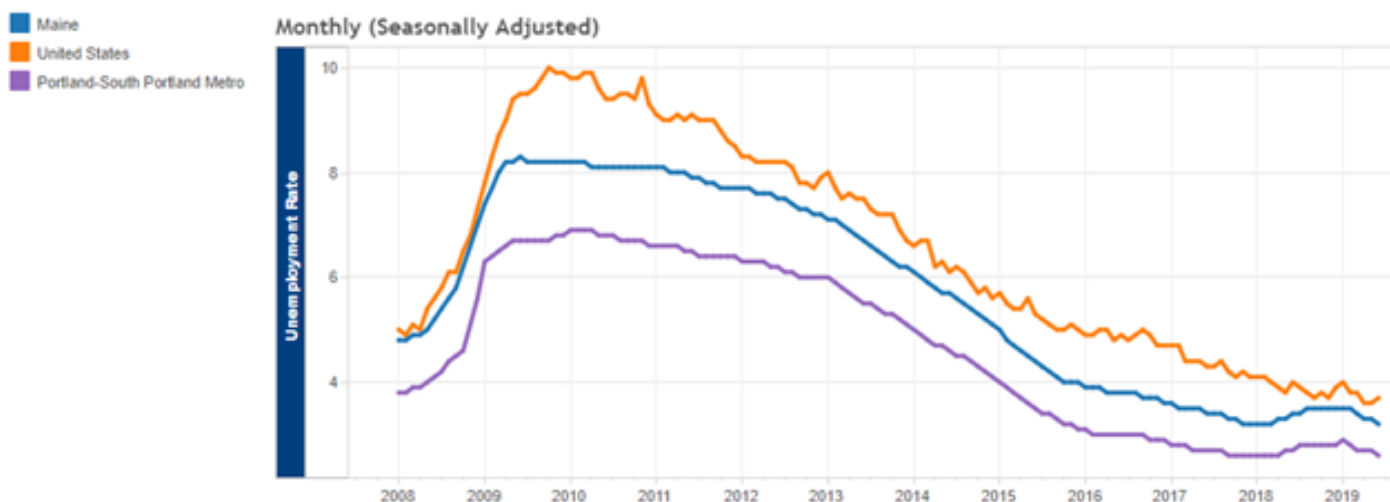
- ◊ Cost of materials and labor shortage is the largest contributor to construction costs.

From the 2017 Maine State Housing Authority report, Development Cost Trends in Affordable Housing, “the largest contributor to construction cost was primarily comprised of material and labor costs. Subsidized development costs are similar to market-rate units and projects in metro areas generally cost less than projects in rural area likely due to economies of scale from increased density. Development costs have generally risen as a result of increased materials and land prices, and continued shortage of labor. Fast-forward to June of this year, the National Association of Home Builders reported tariffs on \$10 billion worth of building materials, along with the shortage of construction workers, and concerns over housing finance continue to impact housing affordability.” Also, increased prices and construction delays notably impede the creation of subsidized rental housing as rent limits are determined and set for the year by HUD which does not allow developers to increase rents to cover higher costs.

Labor Shortage

- ◊ Unemployment rate of 2.6% in June is below the healthy rate of 4.5 to 5%.
- ◊ Shortage of skilled laborers leads to higher labor cost and increases development costs.

The cost/availability of labor was builders’ top concern in 2017 cited by 82% in a December National Association of Home Builders Survey. The unemployment rate of 2.6% in the Portland-South Portland Metropolitan area is below the statewide average of 3.2% as of June 2019. The Federal Reserve estimates a healthy economy will experience 4.5 to 5 percent unemployment. Associated General Contractors, a nation trade group, notes employers are paying more for overtime, recruitment and training and new technology to compensate for a lack of skilled workers. The shortage of skilled laborers leads to higher labor costs, which increases total development costs.



| Location | Unemployment Rate 6/19 |
|---------------------------------|------------------------|
| Portland – South Portland Metro | 2.6% |
| Maine | 3.2% |
| United States | 3.7% |

Source: Maine Department of Labor, Center for Workforce Research and Information

HOUSING DEMAND

Portland is a service center providing jobs, health services, and educational opportunities. Demand for housing by employees and students is a natural consequence growing out of this role. Two newly headquartered business, WEX and Covetrus, alone are expected to bring 1,500 to 2,000 new jobs to Portland. Portland is also nationally recognized and promoted as the "Most Livable City" (by *Forbes*), the "Best Town in the East" (by *Outside Magazine*), the "Best Healthy Place to Retire" (by AARP), the "Best City for Mid-Level Professionals" (by Kiplinger's), the "Best Cities for Young Professionals" (by *Forbes*), and a food destination (by the *New York Times*). Positive publicity, changes in the city demographics and the limited amount of housing created over the past decade all contribute towards the shortage and demand for housing.

Housing Demand

- Demand for housing within the Portland-South Portland Housing Market will require an additional 7,200 housing units by 2021.
- Buyers 36 years and younger are the largest share of homebuyers (34%).
- 47% of Older Boomers, buy due to retirement.

To achieve a balanced market of demand and supply within the Portland- South Portland Housing Market Area, HUD estimates a demand for 5,525 units of ownership housing and 1,675 rental units to be created by 2021.

Buyers 37 years and younger (Millennials/Gen Z) are the largest share of homebuyers at 34 percent of the market, and the largest share of first-time homebuyers (86% of Gen Z and 52% of Millennials) according to a 2019 National Association of Realtors report. Gen X consists of 24% of recent homebuyers. This group is the most likely to be married and have children under the age of 18 in their home. They are at the peak of their earning years and tend to buy the largest homes located within top performing school districts and near their place of work. Buyers 55 to 64 (Younger Baby Boomers) purchase multi-generational homes as their households consist of children both over and under age 18, and aging parents that need caretakers. Older Baby Boomers, aged 65 to 73, often purchase due to retirement, the desire to be closer to friends and family, and to downsize. Buyers 74 to 93 (the Silent Generation) purchase homes to also be closer to friends and family and for the desire to own a smaller home. Twenty-nine percent purchased senior-related housing and they tend to purchase the newest homes.

Positive publicity, changes in the city demographics, and the limited amount of housing created over the past decade all contribute towards the shortage and demand for housing.

HOUSING DEMAND

Condominiums

- ◉ 169 Newbury Street (Luminato), 26 units (\$345,000 one-bdrm., \$500,000 two-bdrm., \$900,000 three-bdrm). Sold-out six months before the development was completed.
- ◉ 25 High Street, 63 units while under construction were converted to condos. This building is sold out.
- ◉ 20 Thames, 28 units priced between \$500,00 to more than \$2 million, five units unsold.
- ◉ 383 Commercial (Hobson’s Landing), 85 units (\$395,000 one-bdrm., \$525,000 two-bdrm., \$850,000 three-bdrm). Expected completion date is fall 2020; 50% under contract.

During 2018, condominium units in Portland sold faster and at higher prices than in previous years. According to a report by Elise Loschiavo of the Vitalius Real Estate Group, the average condo price rose around 6% after several years on the rise (including a 20% increase in 2017). The average sale price for a condo on the Portland peninsula was \$434,410 in 2018, while the average price off-peninsula was \$247,933. The median days for a condo listing dropped from 20 days in 2017 to 13 days in 2018. Demand by suburban retirees desiring to downsize in an urban setting, millennials who prefer walkable and vibrant locations, and out-of-staters is fueling demand.

Multi-Family Rentals

- ◉ During the next three years, demand is expected for 1,675 new market-rate units in the Portland-South Portland housing market area (HUD 6/19).
- ◉ Construction of new multi-family rental units in Portland include; 443 Congress Street, 28 multi-family rental units; Hiawatha, 139 unit multi-family rental units; and 58 Boyd Street, 55 multi-family rental units.

Per HUD, the demand for rental housing has “exceeded supply as relatively high home sales prices have prevented many renter households from pursuing homeownership”. Fewer young adults are buying homes, and the growing retiree population has also affected the demand for rental housing for both market and subsidized units. HUD defines the current apartment market conditions as slightly tight.

2018 Estimated Demand for New Market-Rate Rental Housing in the Portland- South Portland HMA

| Zero Bedrooms | | One Bedroom | | Two Bedrooms | |
|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| Monthly Rent (\$) | Units of Demand | Monthly Rent (\$) | Units of Demand | Monthly Rent (\$) | Units of Demand |
| 1,150 to 1349 | 150 | 1,300 to 1,499 | 460 | 1,450 to 1,649 | 250 |
| 1,350 to 1549 | 65 | 1,500 to 1,699 | 190 | 1,650 to 1,849 | 100 |
| 1,550 or more | 40 | 1,700 to 1,899 | 190 | 1,850 to 2,049 | 50 |
| | | 1,900 or more | 95 | 2,050 to 2,249 | 50 |
| | | | | 2,250 or more | 50 |
| Total | 250 | Total | 930 | Total | 510 |

Source: HUD Portland-South Portland, Maine Comprehensive Housing Market Analysis June 1, 2018

HOUSING DEMAND

Single-Family Houses

- 1700 Westbrook Street (Stroudwater Preserve): 123 Single Family & Townhouses (under construction).

“Sales of single-family existing homes in Maine remain stable and positive” according to the August report from the Maine Association of Realtors, and demand should remain stable based on an increase in inventory and lower mortgage interest rates. Demand remains stable as buyers wait for affordable housing to come onto the market. A Harvard University Housing Study in 2018 reported that homeownership rates among young adults today are lower than in the 80s as soaring housing costs, higher rates of college and graduate school attendance and lower rates of marriage and childbearing are to blame, however, the sheer number of young adults will eventually lift housing demand.

Senior Housing

- The Motherhouse at Baxter Woods, 88 55+ rental units at affordable and market rate.
- Stevens Square at Baxter Woods, 21 55+ market rate condominium units; broke-ground 8-26-19, anticipated occupancy is early 2021.
- 173 Kennebec Street, 40 55+ units of low-income rental housing (proposed).
- 83 Middle Street, 44 55+ units of low-income rental housing (proposed).
- 200 Valley Street, 60 55+ units of low-income rental housing (proposed).

A growing retiree population has increased the demand for housing. An estimated 13.7% of Portland households are headed by a person age 65 or older during 2017 (per the US Census Bureau) compared to 12.8% during 2010. Seniors age 75 or older need accessible buildings and apartments as well as supportive care due to the prevalence of increasing disability with age. Seniors hoping to age in place are downsizing into homes that require less upkeep, and offer a walkable community. Some seniors are seeking amenities such as fitness studios, recreation rooms, high-end fixtures and finish options. Stevens Square at Baxter Woods, a 21 unit condominium development for seniors broke ground on August 26. Prices range from \$372,165 to \$612,057- only eight units remain unsold. Demand is also strong for affordable housing. According to Avesta Housing, “income qualified demand in Portland currently exceeds 500 households (age 55+) and is projected to remain above 500 through 2023. In addition, across Cumberland County, there are currently 5,000 income qualified households.”

| Households Age 65 or Older by Tenure | | |
|--------------------------------------|----------------------|----------------------|
| | 2010 ACS 5-Yr Sample | 2017 ACS 5-Yr Sample |
| Homeowners | 3,309 | 3,629 |
| Renters | 2,471 | 2,524 |
| Total | 5,780 | 6,153 |

Source: US Census 2006-2010 American Community Survey 5-Year Estimates

Source: US Census 2013-2017 American Community Survey 5-Year Estimates

HOUSING DEMAND

Low-Income Housing/Homelessness

- Very high demand for Very-low and Extremely-Low Income housing.
- Over 3,600 Portland residents or employee are applicants on the Maine Centralized Waitlist.

An example of demand far exceeding supply is the 2017 report by Avesta that 1,600 households applied for an affordable apartment in Portland; however, they were only able to place 119 of those households. The Maine Centralized Waitlist contains 14,000 to 16,000 households waiting for affordable housing within the state. The Waitlist of applicants who live or work in Portland is 3,600+. Portland Housing Authority is providing housing through 1,754 Section 8 vouchers; 88 Veteran Vouchers; 28 HUD Mainstream Vouchers; 100 Loring House Vouchers; and 25 Foster Youth to Independence Initiatives. Of the 3,600+ waitlist applicants, 1,252 qualify for one of the previously mentioned voucher programs. Portland Housing Authority’s “internal data, market research and professional management experience point to high demand for affordable rental homes in Portland. Of over 1,000 affordable rental apartments, the occupancy rates (> 98%) and fast lease-up rates are the norm. In particular, there is very high housing demand for Very-Low Income and Extremely-Low Income housing”. The average total number of individuals residing in Portland homeless shelters had a slight decrease from August of 2018 to August of 2019. The average number of adolescents dropped from 19 individual to 16; average families decreased from 206 individuals to 189 individuals (or 64 average families to 59 average families); and average adults declined from 507 individuals to 457 individuals (these numbers do not include the Expo). The Oxford Street Shelter provided housing for forty individuals from other cities and towns in Maine during the month of August, as well as thirty out-of-state and four out-of-country shelter seekers.

| Oxford Street Shelter: Intakes by Residency | | | | | | | August 2019 |
|---|-------|-------------|-------|--------------|-------|----------------|-------------|
| Maine Town | Total | Maine Town | Total | | Total | | Total |
| Auburn | 1 | Norway | 1 | Out-of-State | 30 | Out-of-Country | 4 |
| Augusta | 1 | Portland | 26 | | | | |
| Bangor | 1 | Rumford | 1 | | | | |
| Biddeford | 5 | Saco | 1 | | | | |
| Brewer | 1 | Sanford | 2 | | | | |
| Charleston | 1 | Scarborough | 1 | | | | |
| Falmouth | 1 | S. Portland | 4 | | | | |
| Freeport | 1 | Standish | 1 | | | | |
| Lewiston | 5 | Waterville | 1 | | | | |
| Machias | 1 | Wells | 1 | | | | |
| Milo | 1 | Westbrook | 4 | | | | |
| North Berwick | 1 | Windham | 3 | | | | |

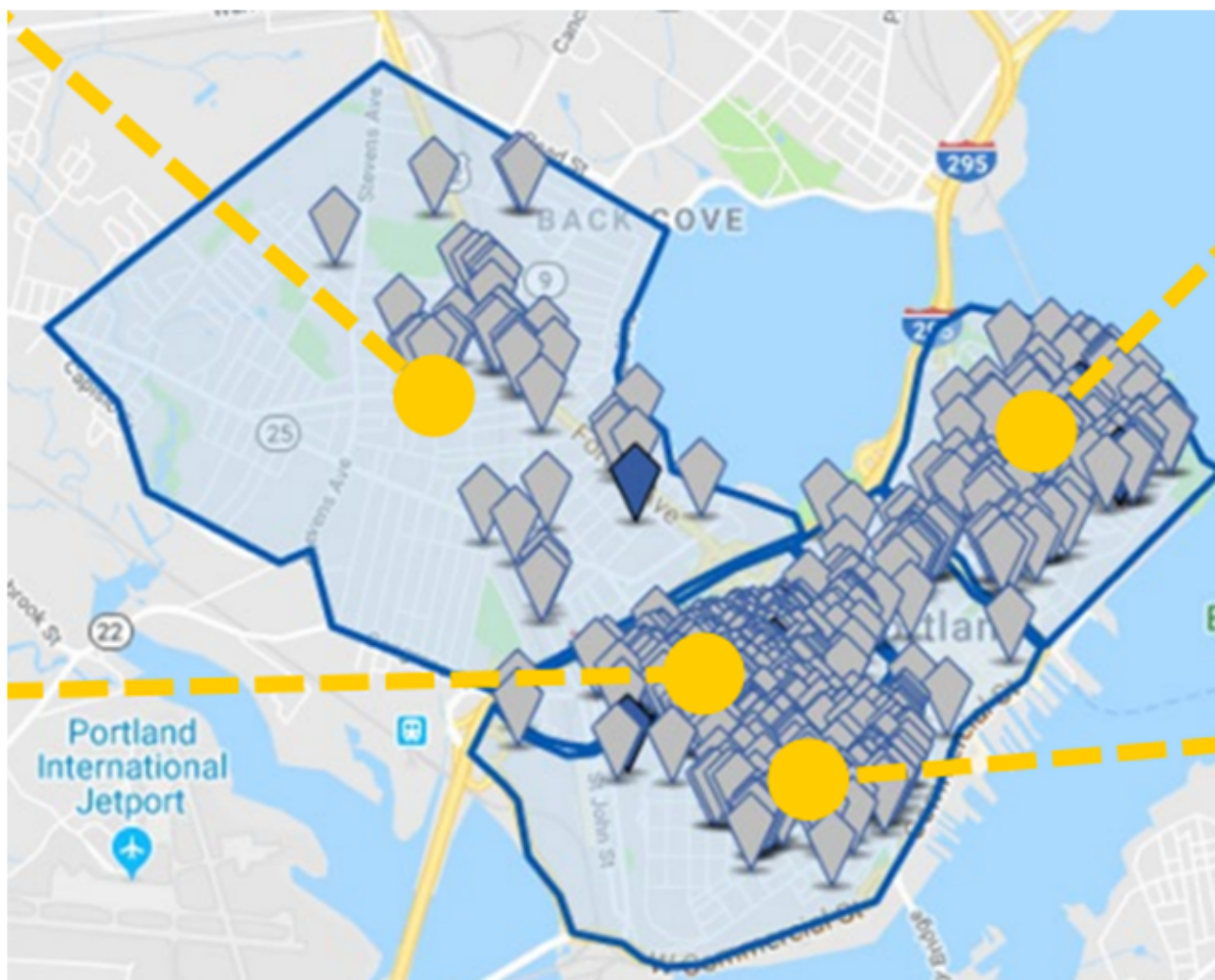
Source: City of Portland Health & Human Services Department, Social Services Division, 9/19

HOUSING DEMAND

Student Housing

- ◊ Approximately 2,500 USM students rent off campus in Portland.
- ◊ About 76% of off campus students rent apartments in Portland.

According to HUD's 2018 *Comprehensive Housing Market Analysis*, "the rental market in the Housing Market Area is notably impacted by enrollment at the University of Southern Maine and the University of New England. Of the 16,100 students enrolled at the two universities, approximately 2,700 are housed in on-campus dormitories. The remaining 13,400 students who live off campus occupy an estimated 4,375 rental units. Students account for approximately 6 percent of the rental market." During the fall of 2018, student housing at the University of Southern Maine, on the Gorham campus, was over-occupied by 112% (or 140 students). In USM's 2019 report, *Portland Campus Student Housing Project Definition*, total residence hall capacity is 1,180 students. An additional 2,575 students live off-campus in Portland. Of those students, 6% rented in Parkside, 25% rented in the East End, 18% rented in the West End/Downtown, 40% rented North of 295, and approximately 12% rented in other neighborhoods. Approximately 76% of students renting off-campus live in apartments, 5% live in houses, and 20% rent a bedroom. The University of Southern Maine is aware of the demand for student housing and is working towards a solution.



Source: Brailsford & Dunlavey/ USM: Portland Campus Student Housing Project Definition, June 2019

HOUSING DEMAND

Desirability

- Portland is the sixth most viewed city by out of state housing shoppers, out of 100 large metro areas across the US.
- About 38% of all views are from residents of Boston.

According to Realtor.com, Portland is number six for the share of views from out-of-state shoppers. Every quarter, Realtor.com conducts a cross market demand of which housing market received the most non-local views. The 100 largest metro areas across the county are ranked based on the number of out-of-state views. The metro centers on the top ten list are described as desirable destinations for retirees, vacation destinations, second-home markets, and booming employment centers. The Portland-South Portland area market is viewed most often by residents of Boston (37.1% of the time), New York City (12.8%), and Worcester, MA (3.3%).

| Rank | Metro | 2019 Share of Views from Out of State |
|------|-----------------------------------|---------------------------------------|
| 1 | Charleston- North Charleston, SC | 59.8% |
| 2 | Boise City, ID | 59.6% |
| 3 | Urban Honolulu, HI | 56.0% |
| 4 | Columbia, SC | 52.8% |
| 5 | Cape Coral- Fort Meyers, FL | 52.1% |
| 6 | Portland-South Portland, ME | 51.9% |
| 7 | North Port-Sarasota-Bradenton, FL | 49.5% |
| 8 | Greenville-Anderson-Mauldin, SC | 48.7% |
| 9 | Tucson, AZ | 48.0% |

Source: Realtor.com Q2 2019 Cross Market Demand Report



HOUSING RESOURCES

According to Enterprise Community Partners, “new rental construction over the past decade has been largely geared toward the high end of the rental market, due to increasingly high development costs.” Public subsidies are needed to subsidize the production and operation of affordable homes for the reason that the private market provides too few homes affordable to the lowest-income households.

A. Federal Resources

The U.S. Department of Housing and Urban Development’s (HUD) mission is to “create strong, sustainable, inclusive communities and quality affordable housing for all.”

To fund this mission, HUD allocates money directly to states and local governments for community planning and development projects through:

- HOME Investment Partnerships Program (HOME)
- Community Development Block Grants (CDBG)
- Emergency Solutions Grants Program (ESG)
- Neighborhood Stabilization Program – no longer available
- Lead Hazard Control Grant
- Brownfield Economic Development Initiative (U.S. EPA funded)

“Public subsidies are needed to subsidize the production and operation of affordable homes...”

HOME Investment Partnerships Program

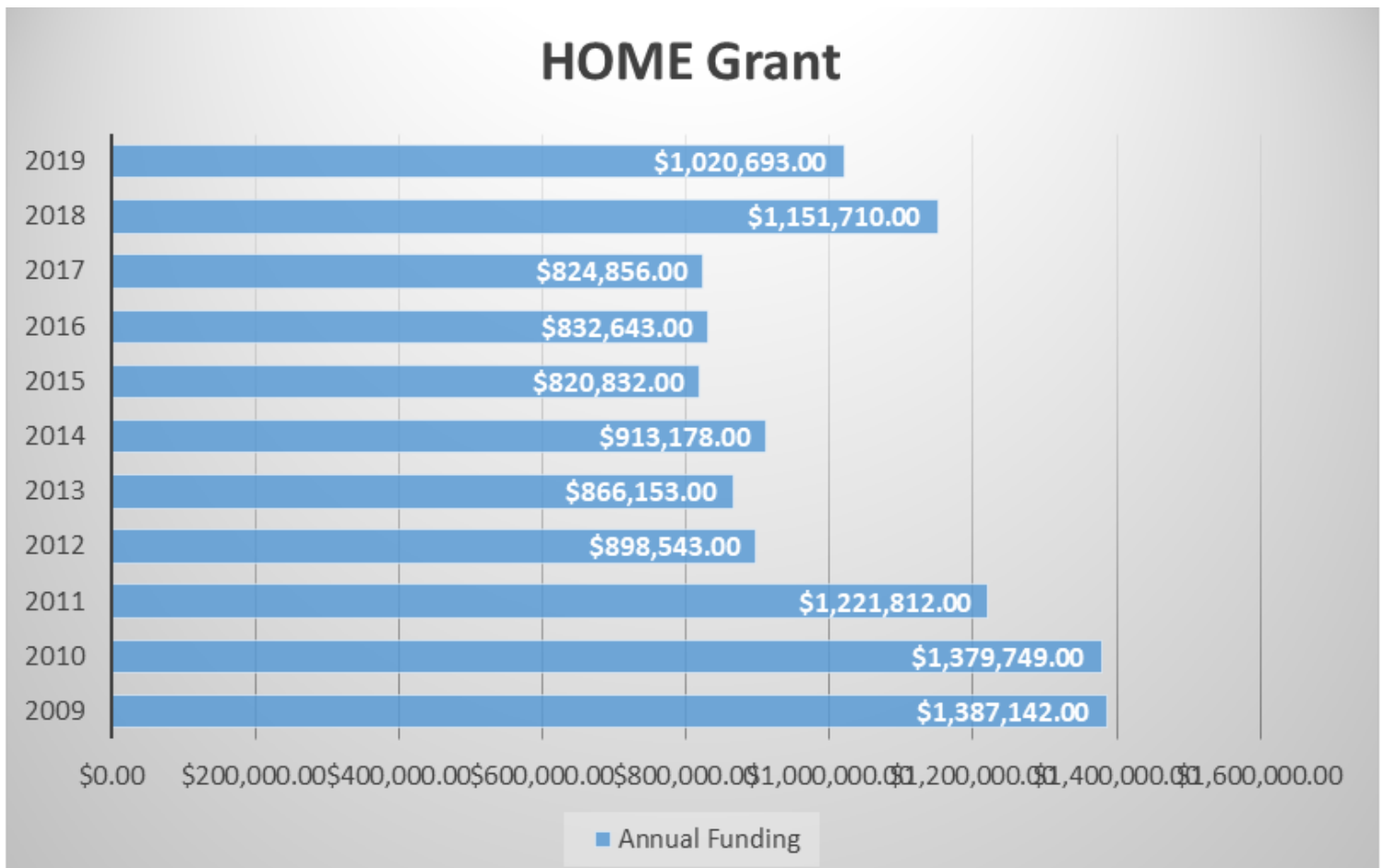
- FY 2019 HOME Award totaled \$1,020,693, slightly less than FY 2018 total of \$1,151,710.
- \$1,573,439 was committed towards the renovation and creation of 366 units of low income housing during 2018 and 2019.
- Recent HOME funded projects; 37 Front Street (111 units); 178 Kennebec Street (51 units); Deering Place (75 units); 66 State Street (30 units); 83 Middle Street (44 units).

HOUSING RESOURCES

HOME Investment Partnerships Program

HOME funds are awarded annually as formula grants to participating jurisdictions. HOME funds are used to assist with building, buying, and/or rehabilitating affordable housing for rent or homeownership as well as providing direct short-term rental assistance and security deposits to low-income families through the Tenant Based Rental Assistance Voucher Program (TBRA). During FY 18, Portland provided \$118,529 in TBRA to 87 households.

During 2018 and 2019, \$1,080,174 and \$493,265 were committed respectively towards the creation of affordable housing. HOME has been the largest funding source for the City helping to develop approximately 1,143 units of low-income housing through the allocation of approximately \$9.3 million in funds since 2000.



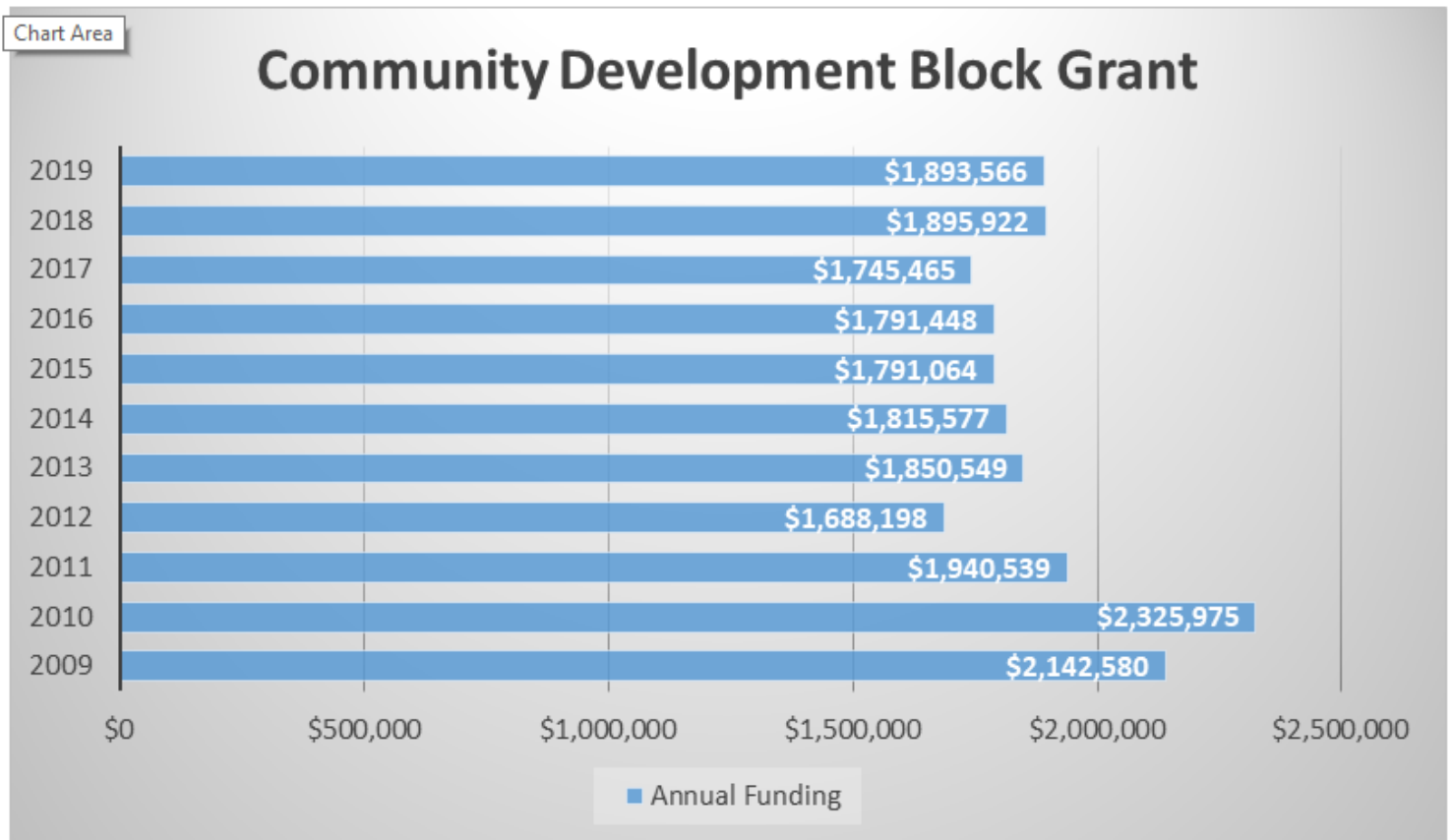
Source: HUD Exchange, HUD Awards and Allocations (2009-2019)

HOUSING RESOURCES

Community Development Block Grant (CDBG)

- ◊ FY 2019 CDBG award totaled \$1,893,566, slightly less than FY 2018 total of \$1,895,922.
- ◊ \$260,000 of CDBG funds was committed towards 166 units of low-income housing during 2018 and 2019.
- ◊ 58 Boyd Street (55 units); and 37 Front Street (111 units).

The Community Development Block Grant (CDBG) program distributes annual grants to provide communities with resources to develop and expand housing and economic opportunities for low-income households at or below 80% AMI. Approximately \$3.7 million has been award during 2018 and 2019 of which \$260,000 was committed towards 166 units of low-income housing.



Source: HUD Exchange, HUD Awards and Allocations (2009-2019)

HOUSING RESOURCES

Emergency Solutions Grants Program (ESG)

- ▶ Portland's ESG funding award in 2018 was \$157,131, and \$160,873 in 2019.
- ▶ Portland has seven homeless shelters.

HUD provides funding for the Emergency Solutions Grants Programs (ESG) to operate, provide essential services, and improve the number and quality of emergency shelters for homeless individuals and families as well as to prevent families/individuals from becoming homeless. Portland's Health and Human Service Department operates both the Oxford Street Shelter, which is the largest emergency shelter in Maine, the Family Shelter, which is the largest shelter for families in Maine, and the Community Overflow Shelter(s) with ESG funding. The City's shelter program provides efficient and effective support services to promote rapid re-stabilization and the achievement of permanent housing. The Family Shelter also serves as a Welcome House for new Mainer's or refugees/immigrants.

Neighborhood Stabilization Program (NSP)

- ▶ Approximately \$1.7 million in NSP funds helped develop the Adam Schools site into 16 moderate-income homeownership units.

The Neighborhood Stabilization Program provided emergency assistance to communities to purchase and redevelop foreclosed and abandoned properties to house workforce and low-income households. This program is no longer available.

Lead Safe Housing

- ▶ Since 1998, the Lead Safe Program has funded lead abatement work in 430 housing units, protecting local citizens and children from lead hazards in their homes.

The Lead Safe Program is funded by a competitive grant program available through HUD's Office of Lead Hazard Control and Healthy Homes. The program is designed to raise awareness about the risks of childhood lead poisoning and to cover the costs of lead abatement of housing units in Portland that contain identified lead hazards. Portland received its sixth Lead Hazard Control Grant in 2016 that was for a three-year period. The 2016 grant included a Healthy Homes allocation, which was used in tandem with the Cumberland County and City HOME Rehab program in order to improve the overall health and safety of Cumberland County's low to moderate income housing stock. HUD recently approved a total of \$2,541,696 for the City of Portland for another round of three-year funding to continue assisting in the critical financing of the high cost of lead abatement work.

In the summer of 2019, LD 1116 was signed into law mandating all children in Maine, regardless of income, be tested for lead at the ages of 1- and 2- years old. This new law, along with the lowering of Maine's childhood lead poisoning standard in 2016, is expected to create a spike in the number of children identified with lead poisoning. The Lead Safe Housing Program works closely with the Maine CDC to address high priority cases with program funding when applicable.

HOUSING RESOURCES

Brownfield Economic Development Initiative (BEDI)

Through grants received from the U.S. Environmental Protecting Agency, Portland is able to cover the cost of site assessments and provide financial assistance in the form of low interest loans and grants to assist Portland and other cities with the redevelopment of abandoned industrial lots that are considered environmentally contaminated. Cleaning up and reinvesting in brownfields properties yield many benefits to a community. These range from increasing the local tax base, property redevelopment, and job growth to taking development pressure off of open land, and protecting the environment and people's health.

A. Local Resources

Portland has valuable local funding tools to assist the City in financing affordable housing. The Housing Trust Funds (HTF) and Affordable Housing Tax Incremental Financing Districts (AHTIF) support the production of housing affordable to low and moderate-income households.

Housing Trust Fund (HTF)

- 137 units of affordable and workforce housing funded during 2018 and 2019.
- \$3,340,996.80 has been deposited into the fund from which \$663,835 has been spent and \$1,786,734 is committed towards future housing projects.
- The balance of the Housing Trust Fund is \$890,427.80 (10-9-19).

The Housing Trust Fund is a more flexible source of gap financing for projects that are not eligible for HUD funding. Projects creating housing for the missing-middle (less than 120% AMI) may be funded through the Housing Trust Fund. During 2018, two projects creating or renovating 151 units of housing, and during 2019, two projects creating or renovating 56 units of housing were approved at a cost of \$1,225,000 and \$561,734 respectively.

Revenue is generated mainly from fees associated with the City's Housing Preservation and Replacement Ordinance, Inclusionary Zoning fee-in-lieu, and Inclusionary Zoning for Hotel Projects fee-in-lieu. The Housing Trust Fund has a balance of \$890,427.80. To date, \$3,340,996.80 has been deposited into the fund from which \$663,835 has been spent and \$1,786,734 is committed towards future housing projects such as; 37 Front Street; 977 Brighton Avenue; 83 Middle Street; and 47 Boyd Street. The new Inclusionary Zoning for Hotels fee-in-lieu is expected to add \$593,736 to the HTF (fees are deposited upon completion of the project). Expected fee-in-lieu deposits from Inclusionary Zoning total \$1,393,325 (fees are also deposited upon completion of the project). Since 2011, the Housing Trust Fund assisted in creating 208 low income, 12 workforce homeownership units and nine market rate units within six development projects.

HOUSING RESOURCES

Housing Development Fund (HDF)

- Housing Development Funds have subsidized the creation of 218 housing units utilizing more than \$1.5 million since 2000.

The Housing Development Fund is comprised of loan repayments from CDBG's Multi-family rehabilitation program, and proceeds from the sale of HUD Urban Development Action Grants (UDAG) properties in Portland. The money that comes into this fund from these programs is repurposed, at this time towards subsidized housing development in Portland. HDF resources have subsidized the creation of 218 housing units utilizing \$1,555,139 since 2000.

Subsidized Housing Development in Portland Since 2000

| No. | Owner/Project | Appropriation | | Units | HOME | HDF | CDBG | HTF | TIF | NSP |
|-----|------------------------------------|---------------|--|---------------------|--------------------|--------------------|------------------------|--------------------|---------------------|--------------------|
| | | Date | | | | | | | | |
| 1 | Unity Village | 2000 | | 33 | \$ 86,500 | \$ - | \$ 363,863 | \$ - | \$ - | \$ - |
| 2 | Island View Apartments | 2013 | | 70 | \$ 71,015 | \$ 192,639 | \$ 136,346 | \$ - | \$ - | \$ - |
| 3 | St. Dominic's Family Housing | 2002 | | 12 | \$ - | \$ 436,500 | \$ - | \$ - | \$ - | \$ - |
| 4 | Brannigan House | 2002 | | 10 | \$ 93,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5 | Wellesley Estates | 2002 | | 45 | \$ - | \$ 256,000 | \$ - | \$ - | \$ - | \$ - |
| 6 | Yale Court | 2002 | | 30 | \$ 150,000 | \$ 200,000 | \$ - | \$ - | \$ - | \$ - |
| 7 | Fay Garman Senior Housing | 2003 | | 12 | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8 | Logan Place | 2003 | | 30 | \$ 435,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9 | Peninsula Community I | 2003 | | 12 | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10 | Peninsula Community II | 2004 | | 16 | \$ 307,700 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11 | Peninsula Community III | 2004 | | 10 | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | IRIS Park Apartments | 2004 | | 31 | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ - |
| 13 | Walker Terrace | 2004 | | 40 | \$ 382,000 | \$ 220,000 | \$ - | \$ - | \$ - | \$ - |
| 14 | Fore River | 2005 | | 20 | \$ 388,474 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 15 | Valley Apts. (Shalom House) | 2005 | | 24 | \$ 320,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 16 | Pearl Place Apt | 2005 | | 60 | \$ 427,000 | \$ - | \$ - | \$ - | \$ 615,502 | \$ - |
| 17 | Bayside East | 2006 | | 20 | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 | 53 Danforth Street | 2008 | | 43 | \$ 325,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 19 | Florence House | 2008 | | 25 | \$ 240,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 20 | Oak Street Lofts | 2011 | | 37 | \$ - | \$ - | \$ - | \$ 380,585 | \$ - | \$ - |
| 21 | Pearl Place II | 2011 | | 54 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 22 | Elm Terrace | 2011 | | 38 | \$ 403,795 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 23 | 409 Cumberland | 2012/2013 | | 57 | \$ 500,000 | \$ - | \$ - | \$ - | \$ 759,392 | \$ - |
| 24 | Adams School | 2013 | | 16 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,710,000 |
| 25 | Bayside Anchor | 2013 | | 45 | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 26 | Thomas Heights | 2013/2014 | | 18 | \$ 522,448 | \$ - | \$ - | \$ - | \$ 207,116 | \$ - |
| 27 | 17 Carleton Street Apt | 2015 | | 37 | \$ - | \$ - | \$ - | \$ - | \$ 726,000 | \$ - |
| 28 | Rosa True School | 2015 | | 10 | \$ 149,500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 29 | Motherhouse | 2017 | | 88 | \$ 627,223 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 30 | 65 Munjoy | 2017 | | 8 | \$ - | \$ - | \$ - | \$ 175,000 | \$ - | \$ - |
| 31 | 58 Boyd Street | 2018 | | 55 | \$ 200,000 | \$ - | \$ 30,000 | \$ - | \$ 2,144,566 | \$ - |
| 32 | 977 Brighton Avenue | 2018 | | 40 | \$ - | \$ - | \$ - | \$ 300,000 | \$ 1,954,486 | \$ - |
| 33 | Deering Place | 2018 | | 75 | \$ 500,000 | \$ - | \$ - | \$ - | \$ 4,185,757 | \$ - |
| 34 | 37 Front Street | 2018 | | 111 | \$ 510,174 | \$ - | \$ 250,000 | \$ 925,000 | \$ 6,056,916 | \$ - |
| 35 | 178 Kennebec Street | 2018 | | 51 | \$ 370,000 | \$ - | \$ - | \$ - | \$ 2,889,164 | \$ - |
| 36 | 83 Middle Street | 2019 | | 44 | \$ 193,266 | \$ - | \$ - | \$ 136,734 | \$ - | \$ - |
| 37 | 47 Boyd Street | 2019 | | 12 | \$ - | \$ - | \$ - | \$ 425,000 | \$ - | \$ - |
| 38 | 66 State Street | 2019 | | 30 | \$ 299,999 | \$ - | \$ - | \$ - | \$ 2,672,169 | \$ - |
| | | | | Units | HOME | HDF | CDBG | HTF | TIF | NSP |
| | Total | | | 1369 | \$9,302,094 | \$1,555,139 | \$780,209 | \$2,342,319 | \$22,211,068 | \$1,710,000 |
| | Total City Investment | | | \$37,900,829 | | | Last Updated 9-18-2019 | | | |
| | Avg. City Contribution/Unit | | | \$27,685.05 | | | | | | |

Source: Housing and Community Development

HOUSING RESOURCES

Selling/Leasing City-Owned and Tax Acquired Property

- ◊ Sales proceeds are targeted for the Housing Trust Fund.
- ◊ 60 Parris Terrace: 23 condominium units (2 deed restricted workforce units).
- ◊ 178 Kennebec Street: 51 rental units for households age 55+.
- ◊ 83 Middle Street: 44 rental units for households age 55+.

The City passed a provision governing tax acquired property wherein any profits from subsequent sales are allocated to the City's Housing Trust Fund. The City may also provide city-owned land for housing development and may offer the land below market price to encourage housing development or support greater affordability. Selling city-owned land provides the City with unique control over the timing, location, and affordability of housing development in Portland. It also has the added benefit of turning land with no tax liability into an income generating property for the City's tax rolls. The City is currently reviewing excess land with the intent of creating future housing. Previous transfers, such as 60 Parris Street from the City to a private developer, created 23 condominium units- two of which are deed restricted as Inclusionary Zoning units, and twenty-one that were sold at or below 120% AMI (i.e. workforce affordable). Similarly, the transfer of 178 Kennebec Street will result in 51 units of age 55+ housing; forty units will be leased at or below 60% AMI, and 11 units will be market rate. More recently, the City Council approved the option to lease land at 83 Middle Street to Community Housing of Maine for the proposed creation of 44 units of affordable housing for households aged 55+.



HOUSING TOOLBOX

Zoning is a local tool used to regulate the use of land in order to avoid nuisance conditions and to protect the health, safety and welfare of its citizens. Housing policy experts however cite the importance of reducing regularity barriers that limit the construction of housing through outdated, exclusionary, and unnecessary zoning regulations. There is a general agreement that barriers consist of regulations that were adopted to protect or maximize the value of the investment homeowners made in their residence against unwarranted fears. Those regulations have unnecessarily raised housing cost and negatively affected socioeconomic diversity.

Inclusionary Zoning (Order 82-15/16, effective 11-18-15)

- ◊ 40 Free Street; 5 workforce rental units approved in 2019.
- ◊ 132 Marginal Way; 20 workforce rental units approved in 2019.
- ◊ Total of \$826,500 collected as fee-in-lieu.
- ◊ Provides 25% density bonus in certain zones and development fee reductions.

In October 2015, the City Council approved an amendment to the City's zoning ordinance to mandate inclusionary zoning within all residential development projects of ten or more units. Qualifying projects are required to make available a minimum of 10% of their units as workforce housing to eligible households earning 100 to 120% of the area median income. Projects subject to Inclusionary Zoning are eligible for a 25% increase in total permitted units. Effective July 18, 2018 the term housing expense was amended (Order 247-18/19) to include condominium/HOA fees, mortgage insurance, and real estate taxes, and the sunset provision was deleted.

The introduction of Inclusionary Zoning ensures critically needed workforce housing is built or through the fee-in-lieu option, funded for development at a later date. Four units of rental and condominium housing have been created on-site and two units of rental housing have been created off-site; eight single-family homes are planned or under construction; and thirty-five units of rental and condominium housing have been approved but are pending construction. \$826,500 of fee-in-lieu payments have been deposited into the Housing Trust fund and allocated towards increasing the creation and affordability of rental housing. An additional \$1,393,325 will be collected upon completion of nine approved housing projects.



HOUSING TOOLBOX

Inclusionary Zoning Development Projects: December 2015 – October 2019 with all projects receiving any tax credit or city subsidies removed.

| Address | Status | # of Units | Type | Workforce Units | On-Site | Off-Site | Fee-in-lieu |
|---|--------------------|------------|--------------|--------------------|---------|----------|--------------|
| 169 Newbury St (Luminato) | Completed | 26 | Condo | 2 | 0 | 2 | \$0 |
| 62 India Street (Mason Block) | Completed | 29 | Condo | 0 | 0 | 0 | \$276,500** |
| 443 Congress St | Completed | 28 | Rental | 0 | 0 | 0 | \$280,000 * |
| 20 Thames St (Twenty Thames) | Completed | 27 | Condo | 0 | 0 | 0 | \$270,000*** |
| 1 Joy Place (Onejoy) | Completed | 12 | Condo | 1 | 1 | 0 | \$0 |
| 60 Parris St (Parris Terraces) | Completed | 23 | Condo | 2 | 2 | 0 | \$0 |
| 70 Anderson St | Completed | 10 | Rental | 1 | 1 | 0 | \$0 |
| 1700 Westbrook St (Stroudwater) | Phase 1 UC 50 SF | 123 | SF/Townhouse | 12 | 12 | 0 | \$0 |
| 383 Commercial (Hobson's Landing) | Under Construction | 89 | Condo | 8 | 0 | 8 | \$0 |
| 75 Chestnut St (Lofts 75) | Approved (2016) | 54 | Rental | 5 | 5 | 0 | \$0 |
| 161 York St | Approved (2017) | 11 | Condo | 0 | 0 | 0 | \$110,000 |
| 221 Congress St | Approved (2017) | 17 | Condo | 0 | 0 | 0 | \$170,000 |
| 153-165 Sheridan St (Sumner Hghts) | Approved (2017) | 19 | Condo | 1 | 1 | 0 | \$0 |
| 218-220 Washington St | Approved (2017) | 45 | Condo | 0 | 0 | 0 | \$416,250 |
| 22 Hope Ave Subdivision (Brandy Ln) | Approved (2018) | 16 | SF Home | 1 | 1 | 0 | \$0 |
| 56 Hampshire St (Verdante) | Approved (2018) | 30 | Rental | 1 | 0 | 1 | \$219,868 |
| 86 Newbury Street (Shipyards) | Approved (2018) | 10 | Rental | 1 | 1 | 0 | \$0 |
| 300 Allen Avenue | Approved (2018) | 12 | Condo | 1 | 1 | 0 | \$0 |
| 50 Monument Square | Approved (2018) | 21 | Rental | 0 | 0 | 0 | \$222,789 |
| 10 Hammond Street | Approved (2019) | 16 | Condo | 0 | 0 | 0 | \$169,744 |
| 40-46 Free Street | Approved (2019) | 51 | Rental | 5 | 5 | 0 | \$10,609 |
| 57 St. Lawrence Street | Approved (2019) | 15/1 | Rental/SF | 2 | 2 | 0 | \$63,456 |
| 132 Marginal Way | Approved (2019) | 192 | Rental | 23 | 23 | 0 | \$0 |
| 130 Morning Street (MHNCDO) | Approved (2019) | 9 | Condo | 1 | 1 | 0 | \$0 |
| Pending Projects- 2019 | | | | | | | |
| 1844 Forest Ave | Under Review | 16 | Rental | TBD | TBD | TBD | TBD |
| 33-37 Montreal Street (MHNCDO) | Under Review | 9 | Condo | 1 | 1 | 0 | \$ - |
| 5-7 India Street | Under Review | 24 | Rental | TBD | TBD | TBD | TBD |
| 3 Portland Square | Under Review | 24 | TBD | TBD | TBD | TBD | TBD |
| 208 Fore Street | Under Review | 34 | Condo | 0 | 0 | 0 | \$355,977 |
| Munjoy Hill Neighborhood Conservation Development Overlay | | | | | | | |
| * Fee-in-lieu collected on 12-19-2017 | | | | | | | |
| ** Fee-in-lieu collected on 7-3-2018 | | | | | | | |
| *** Fee-in-lieu collected on 2-25-2019 | | | | | | | |

Source: Housing and Community Development

HOUSING TOOLBOX

Hotel Inclusionary Zoning (Order 134-18/19 effective 2-22-19)

- ◊ 121 Middle Street, pending fee-in-lieu of \$79,926
- ◊ 1 Center Street, pending fee-in-lieu of \$513,810

In 2019, Portland amended Chapter 14 of the Land Use Code to require new hotel projects with 10 or more hotel rooms within any 5-year period, to provide low-income housing for rent on-site, or pay a fee-in-lieu to support affordable housing in the City. Based on City analysis, most specifically the analysis documented in the Greater Portland Council of Government study “Proposed Hotel Linkage Fee: Supportable Range” finds that new hospitality development creates a need for new affordable housing. This need is the result of the fact that hospitality developments necessarily create a number of jobs that do not pay employees at a rate sufficient to allow those employees to afford market-rate housing in the City.

Housing Replacement Ordinance (Order 280-09/10 effective 8-19-10)

- ◊ Of the \$1,056,830 deposited into the Housing Trust Fund (HTF), \$630,585 has been expended to leverage the creation of 37 units of low-income housing, eight workforce housing units, and 34 Housing First units.

The city's land use ordinance contains a housing replacement requirement intended to limit the loss of housing stock but in cases where housing is lost, promote and facilitate the development of new housing supply. The ordinance requires the payment of a fee per unit for any net loss of housing as a result of demolition of an existing residential property or conversion of residential space to another use. The fees received by the City are contributed to the Housing Trust Fund. The last deposit into the Housing Trust Fund from the Housing Replacement Ordinance was for \$250,000 during 2012.



HOUSING TOOLBOX

Reduced Fees for Developing Affordable Housing (Order 98-06/07 effective 12-4-06)

- ◊ 72 Bishop Street- 30 affordable units
- ◊ 17 Carleton Street- 37 affordable units
- ◊ 134 Washington Street- 18 affordable units
- ◊ 81 East Boyd Street – 45 affordable units
- ◊ 58 Boyd Street – 44 affordable units
- ◊ 510 Cumberland Avenue – 45 affordable units

Portland adopted amendments to the land use code to reduce the development fees associated with the development of eligible affordable residential real estate projects by 5 to 25%. The cost of work (i.e. Building Permit) fees are also reduced based on the percentage of new units that are low income or workforce units.



Downtown Height Overlay District Amendment (Order 91-13/14 effective 12-17-13)

- ◊ 667 Congress St (Hiawatha- Longfellow Apartments) - 139 market-rate rental units.

The Downtown Height Overlay District Map was amended to rezone parcels between Danforth and York Street to B-3 and increase the allowed height to sixty-five feet. Two years later the City adopted a second map amendment (Order 81 15/16 effective 11-18-15) to further expand the Downtown Height Overlay District on additional underutilized land between Danforth, York and High Streets to increase the allowable height from 45” to 65” for residential development.

B-1, B-1b Amendment (Order 118 13/14 effective 1-15-14)

- ◉ 118 Congress Street- 12 units

An amendment to the B-1 and B-1b zone was adopted to encourage traditional small-scale commercial and mixed-use forms in existing neighborhood retail nodes. Buildings in the B-1 zone along Congress Street with commercial first floor and residential upper floors are allowed to be 50 feet in height rather than 45 feet.

Allowing Accessory Structures in R-3 and R-5 Zones to be converted to dwelling units (Order 202-13/14 effective 5-28-14)

- ◉ 14 low-income units have been approved by the Zoning Board of Appeals in the R-5 zone.

Any detached or accessory structure in the R-3 and R-5 zones, which were in existence on January 1, 1940, may be converted to dwelling units without meeting front, side or rear yard setbacks. Converted units within the R-5 zone must be affordable to households earning up to 80% of the area median income and are subject to income verification. Units may not be sold as condominium units.

R-6 Zone in the Vicinity of Boyd, Oxford, and Mayo Street Rezoned to R-7 (Order 244-13/14 effective 6-18-14)

- ◉ 81 East Oxford (Bayside Anchor) - 45 units (36 rental units for low-income households).
- ◉ 58 Boyd Street- 55 units (44 rental units for low-income households).

In May of 2014, the City Council passed an amendment to the zoning map in the vicinity of Boyd, Oxford, and Mayo Streets in East Bayside from R-6 to R-7 to allow for greater density for future housing development.

Multi-Family Density Standard Amendment (Order 263 13/14 effective 7-16-14)

- 101-121 Newbury Street- 35 units
- 72 Bishop Street- 30 affordable units
- 3 Pleasant Avenue- 25 units

The Commercial Business Zone (B-2, B-2b, B-2c) was amended to offer the opportunity for larger scale commercial and residential development along the city's major arterials and shopping centers. This amendment permitted multi-family dwellings without boundary and commercial use restrictions, increased the permitted housing density, clarified the setback requirements, and provided for lively, urban ground floor uses.

R-6A Zone (Order 73 14/15, effective 11-19-14)

In October of 2014, the City Council passed an order creating a new R-6a zone to encourage higher density multi-family housing on large parcels located off the peninsula. The zone was designated appropriate for areas that are along major transportation routes, near service areas, and in redevelopment (underutilized) or infill areas. The R-6a zone encompasses the majority of Munjoy Hill. Prior to the text amendment, the minimum lot size of 4,500 sf rendered 71% of the existing parcels as non-conforming. After lowering the minimum lot size to 2,000 sf, 86% of the existing R-6a lots were considered conforming.

R-6A Zone (Order 74 14/15 effective 11-19-14)

- 777 Stevens Avenue (the Park Danforth) - 59 units of age restricted housing.

Following the creation of the R-6a zone, the City Council amended the zoning map to include 777 Stevens and 880 Forest Avenue in the R-6a zone. This amendment allowed for the construction of a new building with fifty-four (59) senior independent living units attached to the existing building with a one-story connector. The new building is four stories along Arbor Street and Forest Avenue, with a fifth story corner projection.

Rezoning 89 Anderson Street (Order 102-14/15 effective 1-14-15)

- 89 Anderson Street (East Bayside Lofts)- 53 market rate apartments

The zoning map was amended to rezone 89 Anderson Street from Residential R-6 to Neighborhood Business B-1b to support greater residential development above a ground floor commercial use to serve the local market.

R-5A Zone Amendment

(Order 276 14/15, effective 7-15-15)

- 605 Stevens Avenue (Motherhouse) – 88 units of which 66 are affordable
- 802 Ocean Avenue (Portland Retirement Residence)

The R-5a zone was amended by the City Council allowing the creation of multifamily dwelling units as a permitted use. Multifamily development of four or more dwelling units qualify for height bonuses while three-family dwellings have dimensional requirements similar to those of lesser density.

IR-1 and IR-2 Accessory Dwelling Unit (ADU)

Amendment for Peaks Island

(Ordern 82-15/16 effective 11-18-15)

On October 19, 2015, the City Council approved amendments to the IR-1 and IR-2 zones allowing for revisions to the language regulating accessory dwelling units on Peaks Island. The revisions called for allowing ADUs on undersized lots within or as additions to existing dwellings provided certain conditions are met. These units would only be allowed if they are rented year round to households earning no more than 100% of the area median income. The intent is to provide affordable year round housing to Peaks Island residents who face pressure from seasonal rental markets.

Reduced Parking Requirements & Fee-in-Lieu Option

(Order 240-09/10 effective 6-21-10 and Order 83-15/16 effective 11-2-15)

- Nine projects, including six devoted to the creation of low-income housing have been permitted under the reduced parking requirements. One project, also aimed at low-income housing chose to pay a fee-in-lieu.

The cost of providing parking in new residential development projects can often be substantial and encourages inefficient land use patterns. The city has reduced some parking requirement on the peninsula to help decrease parking-related costs and incentivize residential development. Developers in the non-residential or the IS-FBC zones have the option of paying a fee-in-lieu to meet their project's parking requirements. Fee-in-lieu payments go to the Sustainable Transportation Fund. For each low-income or workforce housing unit for rent or sale within an eligible project under the Affordable Housing Ordinance, no more than one parking space is required. Additionally, the planning board may establish a parking requirement for affordable housing units for rent or sale within an eligible project that is less than one parking space per affordable housing unit, regardless of the size of the structure.

HOUSING TOOLBOX

Priority Review (Order 82-15/16 effective 11-18-15)

To the extent possible, the Planning Division offers expedited reviews for projects including low-income or workforce housing units. The Planning Board make its best effort to hear, review, conditionally approve or deny within one workshop and one public hearing any proposed plans or applications for eligible housing projects containing some low-income or workforce units.

India Street Form Based Code (IS FBC) (Order 83-15/16 effective 12-2-15)

- 169 Newbury Street (Luminato) 26 condo (2 off-site IZ units)
- 62 India Street 29 condo units \$276,500 to the Housing Trust Fund (collected)
- 20 Thames Street 28 condo units \$280,000 to the Housing Trust Fund (collected)
- 56 Hampshire Street 30 rental units (1 off-site IZ unit, and \$209,398 to Housing Trust Fund) (under construction)
- 86 Newbury Street (Shipyard) 10 rental units (1 IZ unit on site)

The rezoning of India Street to a form-based code is intended to regulate development through emphasizing the relationship between buildings, streets, open space, walkability, and urban uses. By implementing this new zoning method, the city hopes to create a more predictable development environment for the private sector and the public alike. Also, one additional story of up to 12 feet in height is allowed for residential developments where 20% of the units are workforce units for sale or low-income housing units for rent.

Amendments to Zoning Ordinance for Greater Density and Height (Order 31-17/18 effective 10-6-17)

In 2017, the city amended Division 30 (Affordable Housing) to offer incentives for affordable housing in the B-1, B-1b, B-2, B-2b, B-2c, B-3, B-3b, B-5, R-7, and R-P zones to allow the maximum number of units that would otherwise be allowed to increase, along with a height bonus and a reduction in setback for Inclusionary Zoning projects that create a greater percentage of low-income or workforce units for sale or rent. These zones are best aligned to access transit along and adjacent to primary transit routes.

Order 31-17/18 also provided dimensional bonuses to promote orderly development of low and moderate income developments as Planned Residential Unit Developments (PRUDs). When any PRUD provides 50% or more workforce or low income housing, the area per dwelling unit would be reduced by 50%; the maximum number of units and maximum length of building do not apply but may be set through site plan review; minimum building setbacks may be reduced; and the minimum recreation space is reduced to 200 square feet per unit. The amendment also allows land on both sides of a street to count toward the minimum lot size requirement for the PRUD.

B-1 and B-1b Neighborhood Business Zone (Order 170-17/18, effective 3-5-18)

The City Council approved amendment of the city code to allow live/work units or straight residential units to remove the regulatory barrier on ground-floor units in off-peninsula locations. The B-1 and B-1b Neighborhood Business zones are intended to foster mixed-use development in its traditional form, with residential uses located over ground floor commercial spaces. However, this design standard is somewhat incompatible with fair housing laws that require residential projects of four or more units provide ADA accessible ground-floor units where no elevator exists, or make all units and common space accessible in a building where an elevator does exist. Installation of an elevator for universal building access in small-scale mixed-use projects is oftentimes challenging if not cost prohibitive, thus requiring a ground-floor residential unit.

Munjoy Hill Neighborhood Conservation Overlay District (Order 221-17/18 effective 6-4-18)

- ◉ 130 Morning Street (9 units, 1 affordable unit)
- ◉ 33 Montreal Street (9 units, 1 affordable unit)
- ◉ 128 North Street (6 units, 1 affordable unit) (under Planning Board review)

The Munjoy Hill Neighborhood Conservation Overlay District was added to Chapter 14 of the Land Use Ordinance to address the negative impacts of development pressures within Munjoy Hill and to create a positive framework for investment in the area. Alternative dimension and design standards and demolition review were created for the District. In addition, developments of three or more units that elect to maximize the height bonus of 45' must include at least one workforce housing unit for rent or for sale.

Nonconforming Use and Nonconforming Buildings (Order 222 17/18 effective 6-4-18)

In 2018, the City amended section 14-381 through 14-437 to simplify and modernize the requirements for additions to non-conforming structures in order to better accommodate owner's desire to put limited additions on these structures. The amendment addresses concerns the existing language made it difficult to add on to existing homes and, therefore, encourage demolition over renovation.

Transportation Improvements to Allow for Greater Density

- Redesign Franklin Street and the Forest Avenue corridor to allow for additional development and multi-modal transportation.

The Planning and Urban Development Department, in cooperation with the Department of Public Works, has been working on improvements to the city's transportation infrastructure both on- and off peninsula in part to better accommodate greater housing density.

Short Term Rentals (Order 179-16/17 effective 4-26-17)

- 732 properties are registered as short-term rentals - 128 are on Peaks Island; 288 are non-owner occupied; 287 are owner-occupied, and 29 are tenant occupied.
- 872 units are registered as short-term rentals- 131 are on Peaks Island; 400 are non-owner occupied; 312 are owner-occupied; and 29 are tenant occupied.
- Total of \$209,436.80 transferred into the Housing Trust Fund from funds not spent toward program administration.

Portland approve an ordinance in April 2017 that requires Short Term Rental (STR) units to be registered with the city effective January 1, 2018 and placed a rental cap of 300 non-owner occupied units on the mainland. During 2019, changes in how STR units were defined and a new rental cap of 400 non-owner occupied units on the mainland went into effect. The purposed of the Ordinance is to protect Portland's long-term rental units from leaving the local market to host short-term guests, and to ensure the safety of each unit. The City adopted a registration fee to pay the cost of inspections. Funds not spend towards program administration are deposited into the Housing Trust Fund for the creation of affordable housing.

Portland Water District Efficiency and Repair Services Program

- A total of 10 projects were funded by the Portland Water District.

The Portland Water District Efficiency and Repair Services Program provides financial assistance to low income residential customers of the Portland Water District (PWD) for the repairs and improvements that reduce water consumption through the installation of plumbing fixtures and water saving devices including the repair of leaking or broken water pipes, toilets, hot water tanks, faucets, showerheads, toilet dams, and low-flow devices. The City of Portland administers the program on behalf of the PWD. A qualified residential customer is one who owns and occupies a year round residence within the PWD service area and whose household income is at or below 80% of the area median income. The PWD has initially set aside \$10,000 for this program but has funded a total of \$15,700.

Healthy Neighborhoods Program (Order 112-17/18 effective 12-20-17)

The City Council approved an amendment to Chapter 14 of the City Code requiring Maine Medical Center to initiate and adopt a memorandum of understanding between MMC and the City of Portland towards a Healthy Neighborhoods Program within the Maine Medical Center Institutional Overlay Zone. The Program shall be designed to fund and execute housing and community improvement programs in the surrounding St. John Valley and other neighborhoods.

Rental Housing Advisory Committee (Order 32-18/19 effective 9-12-18)

Portland's Rental Housing Advisory Committee provides the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues, and identifies educational opportunities, seminars, and materials that would be useful to landlords and tenants. The Committee held their first meeting on September 24 to create a work plan of topics for future discussion.

Housing Safety

Rental Housing Registration/Inspections

- ◆ 18,076 units registered in 2019; up from 15,675 units registered as of May 2017.
- ◆ 25 illegal unit inspections (8-26-19).
- ◆ 936 long and short-term housing safety inspections (8-26-19).

The Housing Safety Office administers a rental housing registration and inspection program for residential rental properties in the City of Portland. All property owners are required to register residential rented apartment units, rented houses, rented rooms, or rented beds with the City's Housing Safety Office beginning January 1, 2016 or within thirty (30) days of renting a property. The annual registration fee pays for the cost of a citywide rental inspection program. Owners occupying a unit on their own property are not required to register the unit they occupy, but must register the units that are rented. Over 2,500 inspections of short-term and long-term units have been conducted as of August 26, 2019.

Fire Department Inspection Program

➤ 724 fire prevention inspections completed from January to September 4, 2019

In 2015, Portland established a task force to review its fire inspections programs. The traditional focus had been on three-unit and above structures (as well as schools, fire permits, and commercial buildings), but following the tragic Noyes Street fire, the focus of residential inspections is now one and two-unit properties, and with the introduction of the short-term rental program, these dwelling units also require on-site inspections.

ATTACHMENT A

INCOME

(1) AREA MEDIAN INCOME (AMI)

The household income for the median or middle household in the region. It is the midpoint of household incomes for the HUD Metro Fair Market Rent Area (HMFA) as defined determined and reported by the U.S. Department of Housing and Urban Development (HUD) based on data provided by the American Community Survey 5-Year Estimates. If the AMI is qualified in some way- generally as a percentage of AMI, then this is reference to HUD's income limits.

HUD Income Limits

- ◊ Low Income: Households with a gross household income at or below 80% of the Area Median Income.
- ◊ Very Low-Income: Households with a gross household income at or below 50% of the Area Median Income.
- ◊ Extremely Low-Income: Households with a gross household income at or below 30% of the Area Median Income.

(2) PORTLAND-SOUTH PORTLAND, ME METROPOLITAN STATISTICAL AREA (MSA)

Comprised of 68 towns and cities within Cumberland, Sagadahoc, and York Counties as determined and reported by HUD (coterminous with the PORTLAND-SOUTH PORTLAND HOUSING MARKET AREA).

◊ Cumberland County (28 cities and towns)

Baldwin, Bridgton, Brunswick, Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Frye Island, Gorham, Gray, Harpswell, Harrison, Long Island, Naples, New Gloucester, North Yarmouth, Portland, Pownal, Raymond, Scarborough, Sebago, South Portland, Standish, Westbrook, Windham, Yarmouth.

◊ Sagadahoc County (11 towns/cities)

Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Perkins, Phippsburg, Richmond, Topsham, West Bath, Woolwich.

◊ York County (29 towns/cities)

Acton, Alfred, Arundel, Berwick, Biddeford, Buxton, Cornish, Dayton, Eliot, Hollis, Kennebunk, Kennebunkport, Kittery, Lebanon, Limerick, Limington, Lyman, Newfield, North Berwick, Ogunquit, Old Orchard Beach, Parsonsfield, Saco, Sanford, Shapleigh, South Berwick, Waterboro, Wells, York.

ATTACHMENT A

INCOME

(3) PORTLAND, ME HUD METRO FAIR MARKET RENT AREA (Portland HMFA)

Custom geographic definition area used in the calculation of income limit program parameters, such as the CDBG and HOME programs. A HUD Metro Fair Market Rent Area (HMFA) is a subsection of the larger Metropolitan Statistical Area (MSA). Portland's HMFA is comprised of 19 towns or cities in Cumberland County, and four towns in York County.

 **Cumberland County: (19 towns/cities)**

Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Frye Island, Gorham, Gray, Long Island, North Yarmouth, Portland, Raymond, Scarborough, South Portland, Standish, Westbrook, Windham, Yarmouth.

 **York County: (4 towns)**

Buxton, Hollis, Limington, Old Orchard Beach

(4) PORTLAND-SOUTH PORTLAND HOUSING MARKET AREA (HMA)

Comprised of 68 towns and cities within Cumberland, Sagadahoc, and York Counties as determined and reported by HUD (coterminous with the PORTLAND-SOUTH PORTLAND, ME METROPOLITAN STATISTICAL AREA)

(5) MAINEHOUSING PORTLAND-SOUTH PORTLAND METROPOLITAN AREA HOUSING MARKET

A similar but not identical list of geographic areas used in the calculation of income limit parameters by MaineHousing for MaineHousing programs. MaineHousing's Portland-South Portland Metropolitan Area Housing Market is comprised of 22 towns or cities in Cumberland County, 18 towns in York County, one town in Androscoggin County, and two towns in Oxford County.

 **Cumberland County:**

Baldwin, Cape Elizabeth, Casco, Cumberland, Falmouth, Freeport, Frye Island, Gorham, Gray, Naples, New Gloucester, North Yarmouth, Portland, Pownal, Raymond, Scarborough, Sebago, South Portland, Standish, Westbrook, Windham, Yarmouth.

 **York County:**

Alfred, Arundel, Biddeford, Buxton, Cornish, Dayton, Hollis, Kennebunk, Kennebunkport, Limerick, Limington, Lyman, Newfield, Old Orchard Beach, Parsonsfield, Saco, Waterboro, Wells.

 **Androscoggin County**

Durham

 **Oxford County**

Hiram, Porter



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

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Victoria Volent, Housing Program Manager

DATED: November 6, 2019

RE: 2019 Housing Committee Report
Goals, Work Plan, and Accomplishments

Introduction

The City Council met on January 28, 2019 to develop key priorities and goals for the Council and its Committees. Listed below is the 2019 Housing Committee goal followed by the 2019 Housing Committee Workplan priorities, recent committee accomplishments, and consideration of items to consider for the year ahead.

2019 HOUSING COMMITTEE GOAL

Goal: Increase access to rental and ownership housing that is safe, affordable, and accessible for working and low -income families.

2019 HOUSING COMMITTEE PRIORITIES

- A. Leverage an increase in the number of affordable housing units in the City in fiscal year 2019/20 by leveraging new projects and identifying opportunities to capacitate completion of projects in the pipeline. As part of establishing the 2019 Housing Trust Fund Annual Plan (framework, policy and priorities):
- Set an annual target of new units or percentage of units to be ready for occupancy by the end of each fiscal year;
 - Identify a specific a public/private partnership project to add rental and ownership units to our housing inventory by leveraging policy, planning expertise, funding, zoning, public land and/or other strategies;
 - Increase the dollars available for affordable housing development by proposing a general fund allocation to the Housing Trust Fund in the annual city budget process.
- B. Spur new workforce housing to address demand from new businesses to the City. Evaluate recent changes to the Inclusionary Zoning Ordinance regulations to determine if a down payment assistance program is needed. Support implementation of the Hotel Linkage fee proposal and targeted use of any funds yielded to leverage development of workforce housing.

C. Advance multi-year workplan initiatives. Continue to serve as the lead council committee for guidance, evaluation and implementation of ongoing housing program and policy initiatives including, for example;

- HOME: Recommendation of 2019 HUD funded Community Development Budget;
- Rental Housing Safety & Inspection Program (through the Permitting & Inspection Department and the Fire Department). Continue to assess program implementation and effectiveness, receive mid-year and annual reports re: registrations and safety inspections of long and short term rental housing, and sponsor public review of rental market data;
- Density goals for transit corridors. Review to determine what more the city can do to actualize this goal identified in the Comprehensive Plan;
- Permitting & Review. Receive evaluation report from the Permitting & Inspections Department on the outcome of its initiatives to achieve customer service improvements including: transparency, process consistency, and time frames for issuance of permits, etc.;
- Planning Department. Review proposed revisions to Chapter 14 Land Use Code Division 30 and the site plan review process; maintain awareness of housing development trends and review recommendations for continuous improvement of department services to the public.
- The Rental Housing Advisory Board. Prioritize the activation of this Board and incorporate a timeline for receiving policy recommendations from the RHAP into the Housing Committee Work plan.
- Biennial Housing Report and Interim Housing Report. Develop and issue in the October 2019 the full biennial State of Housing Report. The report will include housing market facts, an overview of public policy best practices and developing trends, rental and ownership affordability data, and a broad range of current housing statistics; and include outcome measurement of policies implemented by the city, including for example:
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HOUSING COMMITTEE GOAL ACCOMPLISHMENTS

The Housing Committee met eleven times throughout 2019, including the meeting on November 13. Outlined below is a brief overview of how the Committee addressed the goal and priorities highlighted by the City Council.

GOAL: Increase access to rental and ownership housing that is safe, affordable and accessible for working and low -income families.

During a joint meeting held on May 21, 2019 of the Economic Development Committee and Housing Committee, each Committee voted to forward the recommendation designating 66 State Street and 37 Front Street as Affordable Housing Development Districts and Tax Increment Financing Districts (AHTIF). The requests were approved by the Council on July 15, 2019.

During the Housing Committee meeting on April 10, the Committee approved application criteria for staff to identify and recommend eligible development projects to apply for Affordable Housing Development funding. The application went out to the public on April 24 and proposals were due on May 31. Six proposals were reviewed by the Committee during their July 10 meetings.

The committee voted to recommend to the City Council the award of Affordable Housing Development funding to five of the six proposals submitted as follows:

1. Community Housing of Maine (CHOM): 83 Middle Street – \$193,266 in HOME Investment Partnership Program Funds (HOME) and \$136,734 in Housing Trust Funds. Creating 44 units of affordable rental housing for seniors (3 studio units, and 41 one-bedroom units) (serving households with incomes up to 80% of the area median income (AMI) as long as the average income and rental limit in the project remains at 60% or less of the area median income).
2. Developers Collaborative: 66 State Street - \$299,999 in HOME Funds. Creating 30 units of low-income rental housing (30 one-bedroom units) (13 units at or below 50% AMI and 17 units at or below 60% AMI). AHTIF financing provided through a Credit Enhancement Agreement at 75% of the increased taxable value returning an average of \$89,072 annually to the developer over 30 years.
3. Portland Housing Development Corporation: 47 Boyd Street - \$425,000 in Housing Trust Funds. Rehabilitate an existing three-story multifamily building from 9 units to 12 units, featuring 8 units affordable at 50% AMI, 1 unit affordable at 80% AMI, and 3 market rate units.
4. HomeStart: 18 Luther Street - \$36,000 in Housing Trust Funds. Upgrade on the single-family rental house and add an accessory dwelling unit onto the rear of the building.
5. Portland Housing Development Corporation: 37 Front Street - Replace the existing 50 family apartments at Front Street with a new multi-family apartment project containing a total of 105 new apartments of which 84 apartments will be maintained as affordable units (with 69% at or below 50% AMI, 11% at or below 60% AMI, and 20% set aside for homeless or disabled households), 21 units will be market rate and 8 will be homeownership units (six affordable at 100% AMI) in seven buildings for families and seniors. AHTIF financing provided through a Credit Enhancement Agreement at 75% of the increased taxable value returning an average of \$201,897 annually to the developer over 30 years

2019 HOUSING COMMITTEE PRIORITIES ACCOMPLISHMENTS:

- A. Leverage an increase in the number of affordable housing units in the City in fiscal year 2019/20 by leveraging new projects and identifying opportunities to capacitate completion of projects in the pipeline.

The current Affordable Housing Development Fund application sets an annual development goal of 65 to 90 units at or below median income based on available funding. During 2019, the Council approved funding that would create 87 units of housing with 84 units at or below the median income (see discussion above for details), and replace 50 family apartments with 105 new apartments and 8 homeownership units.

The Housing Committee has reviewed and discussed opportunities to engage the city in a public/private partnership to add housing units to the city's housing inventory utilizing city-owned and tax acquired property. Over the course of four meetings in 2019, the Housing Committee provided direction on six promising, but challenging sites. Easements, wetlands, a potential vernal pool, abandoned sewer pipes, Environmental Site Assessment and, Department of Environmental Protection reviews are just some of the issues to be addressed. Though the Committee planned to have completed this process during 2019, each challenge represented an unforeseen delay in the process.

The Housing Committee pursued establishing an annual allocation into the Housing Trust Fund through this year's budget process and discussed allocating additional funding from the proceeds of the WEX sale. However, the Council did not include a general allocation for the Housing Trust Fund in the annual budget.

- B. Spur new workforce housing to address demand from new businesses to the City. Evaluate recent changes to the Inclusionary Zoning Ordinance regulations to determine if a down payment assistance program is needed. Support implementation of the Hotel Linkage fee proposal and targeted use of any funds yielded to leverage development of workforce housing.

The Housing Committee recommended the Council appropriate up to \$36,000 from the Housing Trust Fund to lower the effective sale price of three Inclusionary Zoning Home Ownership units by up to \$12,000 per unit as soft second mortgages to potential buyers. Council approved the order on January 17, 2019. The recommendation was based on the recognition the calculation of the maximum sale price of an Inclusionary Zoning workforce unit did not provide a broad range of qualified buyers. To forestall a reoccurrence, the Planning Board amended the Guidelines for Developers of Inclusionary Workforce Units (on June 12, 2018) to change the calculation of the maximum sale price of a workforce unit from 30% of 120% AMI to 30% of 110% AMI. This change lowers the maximum sale price of an Inclusionary Zoning homeownership unit. Since implementation of the change in the maximum sale price, one Inclusionary Zoning homeownership unit has sold without problem.

In 2019, Portland amended Chapter 14 of the Land Use Code to require new hotel projects with 10 or more hotel rooms within any 5-year period, to provide low-income housing for rent on-site, or pay a fee-in-lieu to support affordable housing in the City. The Planning Board has approved two hotel projects since adoption of the Order (effective February 22, 2019). Each developer chose to pay the fee-in-lieu for a total of \$593,736 to

be deposited into the Housing Trust fund at the time the certificate of occupancy is issued.

- C. Advance multi-year workplan initiatives. Continue to serve as the lead council committee for guidance, evaluation, and implementation of ongoing housing programs and policy initiatives.

During the September 11, 2019 meeting of the Housing Committee, Permitting & Inspections and the Fire Department presented a joint review regarding the Rental Housing Safety & Inspections Program. The Fire Department provided an update on the Fire Department Inspection Program while the Licensing and Housing Safety Division prepared a review of long-term and short-term rental registrations

As part of the ReCode effort, staff is reviewing parking regulations and their consistency and relationship to the city's vision as it relates to transportation and housing density within service and transit nodes. The Planning and Urban Development Department, in cooperation with the Department of Public Works, continues to work on improvements to the city's transportation infrastructure both on- and off peninsula in part to better accommodate additional housing development. The redesign of Franklin Street and improvements to priority corridors such as Forest Avenue would help accommodate additional development and multi-modal transportation improvements.

The Permitting and Inspections department presented an evaluation report to the Committee on May 8 regarding the outcome of initiatives to achieve customer service improvements, including: greater process transparency and consistency, and improved timeframes for issuance of permits. During that same meeting, Planning and Urban Development reported on the outcome of the Chapter 14 Land Use Code Division 30 amendments, and provided an overview of development trends.

In August 2018, at the recommendation of the Housing Committee, the City Council approved changes to the composition and duties of the Rental Housing Advisory Committee. The duties of the Rental Housing Advisory Committee will include providing the Housing Committee with recommendations or proposals for improvements, modifications, or changes to the City's housing ordinance or policies. The Rental Housing Advisory Committee (RHAC) will also identify educational opportunities, seminars, and materials that would be useful to landlords and tenants. RHAC conducted their first meeting on September 24, 2019 to elect co-chairs, determine a meeting schedule through 2020, and discuss potential work plan topics.

The 2019 Biennial Housing Report was presented to the Housing Committee during their October 9 meeting. Comprised of six chapters and an Executive Summary, the report provides insight into Portland's housing demographics, housing affordability, housing supply, housing demand, housing resources, and housing toolbox. At the request of the Housing Committee, the Housing Report includes housing market data, an overview of public policy best practices, developing trends, rental and ownership affordability data, and a broad range of current housing statistics including outcome measurement of implemented policies.

ADDITIONAL 2019 ACTIVITIES

- Committee recommended and City Council approved the 2019 Housing Program budget
- Committee approved the 2019 Affordable Housing Development application
- Committee recommended and City Council approved the FY 2020 Housing Trust Fund Annual Plan
- Committee reviewed the FY19 end of year report to HUD
- Committee reviewed proposed Portland Development Corp. by-laws to allow the use of Brownfield funds for residential projects
- Committee reviewed and approved of Affordable Housing TIF applications
- Committee approved funding requests received from the Affordable Housing Development application
- Committee, City Council approved the Metro Regional Coalition Housing Resolution
- Continued oversight of:
 - Rental Housing Safety & Inspection Program
 - Residential Rental Registration Program
 - Inclusionary Zoning requirements

FUTURE WORK

The 2019 Housing Committee continued the progress made by earlier Housing Committees in another busy and productive year. Achievements centered on advancing the Council goal of increasing access to rental and ownership housing that is safe, affordable and accessible for working and low -income families. Listed below are a few items for the next Housing Committee to consider as part of their work plan for 2019.

- Eliminate or amend Inclusionary Zoning off-site rules.
- Explicitly exempt development projects from Inclusionary Zoning that are otherwise providing affordable or workforce housing(e.g. Avesta, Portland Housing Authority, Community Housing of Maine) that meets or exceeds IZ requirements.
- Evaluate the potential for additional affordable housing development on small and/or nonconforming lots than currently allowed under City regulations.
- Evaluate existing zoning for potential changes, consistent with areas identified in the City's Comprehensive Plan, to accommodate increased residential densities.
- Encourage and support the creation of additional low income and workforce housing through innovative funding and housing models.
- Continue to encourage and incentivize the development of Housing First projects.
- Continue to work on sustainable means of capitalizing the Housing Trust Fund.

ATTACHMENTS:

Housing Committee 2019 Priorities and Goal/Objective

Final 2019 Housing Committee Work Plan – Completed Work

Goal/Objective: Increase access to rental and ownership housing that is safe and affordable and accessible for working and low-income families.

Housing Committee Priorities

- A. Leverage an increase in the # of **affordable housing** units in the City in fiscal year 2019/20 by leveraging new projects and identifying opportunities to capacitate completion of projects in the pipeline. As part of establishing the 2019 Housing Trust Fund Annual Plan (framework, policy and priorities)
- ... Set an annual target of new units or % of units to be ready for occupancy by the end of each fiscal year.
 - ... Identify a specific a public/private partnership project to add rental and ownership units to our housing inventory, by leveraging policy, planning expertise, funding, zoning, public land and/or other strategies.
 - ... Increase the dollars available for affordable housing development by **proposing a general fund allocation to the Housing Trust Fund** in the annual city budget process.
- B. Spur new **workforce housing** to address demand from new businesses to the City. Evaluate recent changes to the Inclusionary Zoning Ordinance regulations to determine if a down payment assistance program is needed. Support implementation of the Hotel Linkage fee proposal and targeted use of any funds yielded to leverage development of workforce housing.
- C. **Advance multi-year workplan initiatives.** Continue to serve as the lead council committee for guidance, evaluation and implementation of ongoing housing program and policy initiatives including, for example:
- ... HOME: Recommendation of 2019 HUD funded Community Development Budget.
 - ... Rental Housing Safety & Inspection Program (through the Permitting & Inspection Department and the Fire Department). Continue to assess program implementation and effectiveness, receive mid-year and annual reports re: registrations and safety inspections of long and short term rental housing, and sponsor public review of rental market data.
 - ... Density goals for transit corridors. Review to determine what more the city can do to actualize this goal identified in the Comprehensive Plan.
 - ... Permitting & Review. Receive evaluation report from the Permitting & Inspections Department on the outcome of its initiatives to achieve customer service improvements including: transparency, process consistency, and time frames for issuance of permits, etc.
 - ... Planning Department. Review proposed revisions to Chapter 14 Land Use Code Division 30 and the site plan review process; maintain awareness of housing development trends and review recommendations for continuous improvement of department services to the public.

Housing Committee – 2019 Priorities

...The Rental Housing Advisory Board. Prioritize the activation of this Board and incorporate a timeline for receiving policy recommendations from the RHAP into the Housing Committee Work plan.

... Biennial Housing Report and Interim Housing Report. Develop and issue in the October 2019 the full biennial State of Housing Report. The report will include housing market facts, an overview of public policy best practices and developing trends, rental & ownership affordability data, and a broad range of current housing statistics; and include outcome measurement of policies implemented by the city, including for example:

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**Draft 2019 Housing Committee Work Plan
as of November 8, 2019**

November 13, 2019

1. (Action Item) Review and Recommendation to the City Council on Disposition of Tax Acquired and City-Owned Property
2. Review and Recommendation to the City Council – Affordable Housing Development Loan Program Modification and Refinance Request for Avesta’s Unity at Bayside development
3. Review of Draft 2019 Biennial Housing Report
4. Review of 2019 Annual Housing Committee Report
5. 2019 and 2020 Work Plan Discussion (new and/or updated recommendations to forward to the 2020 Housing Committee)

December 11, 2019

COMPLETED WORK

January 9, 2019

1. 2019 Work Plan Discussion and Preparation for Council Goals and Objectives Setting Session

February 13, 2019

1. Review, Discussion and Recommendation to the City Council of Proposed Portland Development Corp. By-Law Modification and Program Guideline Amendments to allow the use of Brownfields Funds for Residential Projects.
2. Housing Committee Accomplishments 2016-2018
3. Update on Rental Housing Advisory Committee
4. Review and discussion of opportunities to engage the city in a public/private partnership to add housing units to the City’s housing inventory utilizing city-owned property. (Auburn St., 99 Capisic St., West School Site.) **Possible Executive Session**
5. 2019 Work Plan Discussion – a. Housing Committee Goals for 2019; b. March meeting date

March 7, 2019 (Joint Meeting with Finance Committee)

1. Housing Trust Fund Discussion

March 27, 2019

1. (Action Item) Housing Program Budget - Review and Recommendation to the City Council
2. (Action Item) Rental Housing Advisory Committee Update and Proposed Ordinance Amendments
3. 2019 Work Plan Discussion

April 10, 2019

1. Housing Policy Discussion – Non-Renewal of Leases and Notification Requirements, Voucher/Rental Subsidy Discrimination, Rental Application Fee Abuse
2. (Action Item) Affordable Housing Development Application - Review and Approval to Issue by the Committee
3. (Action Item) Review and Recommendation to the City Council of the 2019 Housing Trust Fund Annual Plan
4. Community Development Week – April 22-26/Fair Housing Month
5. 2019 Work Plan Discussion

May 8, 2019

1. Report from the Permitting and Inspections Department on the implementation and outcome of initiatives concerning the permitting and review process, time frames, etc.
2. Report from Planning & Urban Development regarding Residential Housing from 2016-2019.
3. Verbal update from Corporation Counsel’s Office and staff regarding possible revisions to City Code Chapter 14, Division 23 Nonconforming Use and Nonconforming Buildings, Section 14-391 Nonconformity as to number of dwelling units.
4. Review of Affordable Housing TIF Applications
5. 2019 Work Plan Discussion

May 21, 2019 (Joint Meeting with Economic Development Committee)

1. (Action Item) Review and Approval of Affordable Housing TIF Applications

2. Presentation from Health and Human Services Acting Director on possible public-private partnerships to support affordable housing projects on City-owned properties.
3. Presentation of Disposition of Tax Acquired and City-owned Property

June 12, 2019

1. Review of 2019 Short Term Rental Registration Program (Possible Executive Session)
2. Communication Item FY20 HUD Annual Allocation Plan
3. Review of Affordable Housing Development Funding Requests

July 10, 2019

1. (Action Item) Review and Approval of Funding Requests Received from the Affordable Housing Development Application
2. 2019 Work Plan Discussion
3. Verbal update on miscellaneous items

August 14, 2019 cancelled

September 11, 2019

1. Review of Affordable Housing Development Funding Request for 18 Luther Street
2. Welcome and Organizational Meeting for the Rental Housing Advisory Committee
 - a. Introduction of newly appointed members of the Rental Housing Advisory Committee
 - b. Quick overview of the language establishing the Committee and respond to questions
 - c. Facilitate the Rental Housing Advisory Committee in establishing a meeting schedule
3. Metro Regional Coalition Housing Resolution
4. Presentation, Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report (Public Comment)
5. Communication Item: FY19 HUD Consolidated Annual Performance Report
6. Communication Item: Bayside Village Briefing
7. 2019 Work Plan Discussion

October 9, 2019

1. Presentation of 2019 Biennial Housing Report
2. Communication Item: Update on 93 Douglass Street (site of former West School) – City Manager Jon Jennings will provide an update for the Committee.
3. Communication Item: Update on Disposition of Tax Acquired and City-Owned Property
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