ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, May 19, 2020
TIME: 5:30 PM
LOCATION:

You are invited to a Zoom webinar.
When: May 19, 2020 05:30 PM Eastern Time (US and Canada)
Topic: Remote Meeting EDC

Please click the link below to join the webinar:
https://zoom.us/j/97530169647

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International numbers available: https://zoom.us/u/a3VYePXB

Public Comment will be taken on all action items.

1. **Review and accept Minutes of previous meeting held on April 21, 2020.**

   a. See attached draft meeting Minutes.

2. **Public Hearing on Land Exchange Agreement between the City of Portlaand JB Brown, including discontinuance of an undeveloped portion of Emery Street at the Commercial Street intersection and vote to recommend to the City Council.**
   Committee may go into executive session per 1 M.R.S.A 405(6)(C) to provide staff direction on negotiations.

   a. See enclosed memorandum from Greg Mitchell; documents for this transaction will be provided on Monday, May 18, 2020.

3. **EDC Committee Discussion and Direction on four Affordable Housing Project Tax Increment Financing (TIF) District Credit Enhancement Agreement Requests which have been reviewed by the Housing Committee – Mary Davis and Greg Mitchell**

Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiations.

a. Community Housing of Maine 83 Middle Street Project

b. Avesta 200 Valley Street Project

c. Portland Housing Authority 337 Cumberland Avenue (former Maria's Restaurant) Project

d. Portland Housing Authority 577 Washington Avenue (Washington Gardens) Project

4. **Executive Session: Per 1 M.R.S.A. 405(6)(C) to provide direction to staff regarding the following:**

a. Possible disposition of Angelo's Acre located at 431 Commercial Street (verbal update).

Next Meeting Date: June 2, 2020

Minutes
Remote Economic Development Committee
April 21, 2020

These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Economic Development Committee (EDC) of the Portland City Council was held on Tuesday, April 21, 2020, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Justin Costa and members Councilors Tae Chong, Nicholas Mavodones, and Spencer Thibodeau. Mayor Kate Snyder joined the meeting as noted herein. Present from the City staff were OEO Outreach and Initiatives Coordinator Angelina Klouthis, Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and OEO Director Julia Trujillo.

Chair Costa welcomed everyone to the first Remote EDC meeting due to the COVID-19 Pandemic.

Item #1: Review and vote on February 18, 2020, draft meeting Minutes.

On motion made by Councilor Chong, seconded by Councilor Mavodones, the Committee voted unanimously to accept the Minutes as published.

Item #2: Portland Downtown Proposed Fiscal Year 2021 Work Plan and Budget for Discussion

Casey Gilbert, Executive Director of Portland Downtown (PD), thanked the Committee for their time to review the proposed FY2021 work plan and budget, which needs approval by the full PD Board and then described the Board make-up of stakeholders in the Downtown. She noted that PD has a brand new five-year Strategic Plan for 2020 through 2025 with goals to "Serve, Enhance, Engage, Achieve". She then described PD's mission for a clean, safe, and vibrant Downtown. FY2021 will be a year to assist with stimulating the economy given current circumstances. She also noted that she and the Board are in the process of interviewing for a new Executive Director given her notice to the Board earlier this year. Ms. Casey described FY2020 highlights – please see attached for more information.

Regarding the FY2021 budget, Ms. Casey noted a 1.8% increase in assessment income based on current valuations and a PD projected decrease in mil rate; it is not based on the Revaluation process currently being undertaken by the City. This budget was achieved working with City Assessor Chris Huff. It is conservative in estimates.

(Mayor Snyder joined the meeting at this time.)

Mr. Mitchell added that the FY2021 PD Budget is just over $1 Million, and staff will work with the Assessor based on that budget and a proposed mil rate for PD. PD's budget, work plan, and setting the mil rate need approval by the City Council, a two read item generally held in the month of June.

Mr. Mitchell also noted that this was being presented to the Committee for informational purposes; no action required. The final budget would be approved by the PD Board at its May meeting and it would then be ready for City Council action.

Chair Costa applauded the conservative estimate, and requested that this come back to the Committee for its recommendation to the City Council when the budget is finalized.

Chair Costa asked if there were any questions for Ms. Gilbert. There being none, he thanked Ms. Casey for the great job she has done for PD.

Item #3: City of Portland Workforce Training Pilot Program Results and Discussion.

Chair Costa noted that this Committee was proactive in getting the area-wide TIF Districts revenue amended to allow use of TIF revenue for workforce training to create jobs.

FY2020 is the first year of use with the City allocating $250,000 from the Downtown TIF. Of that amount, the City worked with Portland Adult Education (PAE) to design the training program and allotted $100,000 for the pilot program. The City then sent an RFP requesting proposals for another Pilot program to invest in Portland employer workforce training needs, with a budget of $150,000. Coastal Counties Workforce (CCW), working with Maine Health (MH), was awarded the contract. City staff, as well as PAE and CCW will update the Committee on these pilot programs.

Mr. Mitchell agreed, as well as a discussion on program continuation or not, given these are pilot programs. He noted that per TIF State Statute these programs have to be associated with employment.

Ms. Trujillo appreciated the innovative ways to use TIF funding for workforce development. PAE’s pilot program was a brand new Banking Training Module and continuation of its Education Academy and Intensive English courses, and CCW’s pilot program works with incumbent workers of Maine Health with on the job training and English training. Both parties were granted a no cost extension to their contracts due to the COVID-19 Pandemic. A summary of measurements and overall jobs is included in the backup. Accountability process could be improved and work continues on that aspect.

Councilor Chong, in looking at the numbers, noted PAE’s success rate at approximately $1,600 per participant (61 participants), while CCW assisted 29 participants or $5,000 each noting their goal was to assist 65, with cut off earlier due to COVID-19. Both train front-line workers which is laudable.

Anita St. Onge of PAE was pleased with the work done to date with this TIF funding investment and described the programs of Education Academy, New Mainer Teller Program, Intensive Job Readiness, and Intensive English classes and noting levels achieved.

Liz Love, also with PAE, added that there were 75 served under the programs, and 61 served by TIF revenue investment and others through the PAE workforce program. PAE had six financial institutions involved in the teller training program, which institutions also assisted in teaching the program. Ms. Love described the success rates and those recently hired, both as tellers and in the education system, as well as the intent of the Intensive Job Readiness Class and Intensive English Class to provide general support to obtain a first U.S. job.

Councilor Chong again noted the remarkable return on the TIF investment, and, in his recent outreach to Hannaford, he suggested that PAE get in contact with them as they are looking for more workers.

Jillian Sample from CCW thanked the City for the $150,000 TIF Investment for job enhancement of incumbent employees at MaineHealth, with a goal of assisting 65 employees. As of April 16, the program has assisted 29 individuals and is now the paused due to COVID-19. They will be working towards the goal of 65 employees and will provide performance reports, building on the momentum they experienced through April 16th.

Jennifer O'Leary from Maine Health added that the TIF revenue investment supported the Career Navigator who uses a combination of resources to support employees navigate career pathways within MaineHealth. The Career Navigator goes into the working environment building relationships with employees, addressing personal and academic barriers, for a pathway to advancement.

Councilor Chong appreciated the work to date and would look forward to future performance reports.

Mr. Mitchell queried the Committee if it wanted to begin discussion on future investment in workforce training, with Chair Costa noting consensus to begin discussions.

Councilor Chong said that with 90,000 unemployed, he would like to continue the investment to get as many retrained and employed quickly, but not necessarily with new programs and utilizing existing educational facilities.

Chair Costa agreed that continuing with workforce training investment would be a goal, particularly during this time. This year's investment of $250,000 goes much further in the workforce training effort than it does in sidewalk construction.

Mr. Mitchell, hearing support for continuing investment, said he will come back with suggestions for future investment working with the City Manager, noting uncertainty in City budgets at this time. PAE and CCW will continue with their current programs under their current contracts.

The Committee concurred.

Item #4: Portland Development Corporation (PDC) COVID-19 Program Response

In response to the COVID-19 Pandemic, Mr. Mitchell said that he wanted to update the EDC on what the PDC is doing, noting that both Councilor Chong and Mr. Jennings serve on the PDC Board. The PDC first offered three (3) month deferrals of loan payments (April, May, June) for loan clients in good standing, with about two-thirds utilizing this program. The PDC then has met to discuss guidelines for a proposed Rapid Response Loan Program, COVID-19 BAP Grant Program for retention/rehiring, and a Microenterprise Grant Program to assist business to stay open. When the PDC approves the guidelines, they will be presented to the City Council for approval.

In response to Councilor Thibodeau, Mr. Mitchell noted that the PDC is reserving up to $400,000 in its unrestricted loan funds for the Rapid Response Loan Program, with maximum loans of $10,000 and $5,000 forgivable if they meet the jobs retention/rehiring guidelines. The PDC will have a first round of $250,000 available in this loan program, with an additional $150,000 that would be available in a second round, if needed.

Consensus of the Committee was that it would look forward to seeing these proposed programs and guidelines at the Council level.

Item #5: Discuss possible City business fee refunds while Stay at Home Orders are in place.

Chair Costa said that this is on the Agenda from a City Council meeting where the possibility of fees being waived for short-term rentals during the Pandemic was brought up. The policy question is what about other business fees.

Mr. Jennings said that City staff would need to wait to be able to assess all of the fees and bring back its recommendations on ways to approach this. He anticipated the fees would be more on the business licensing side that may have been impacted by Stay at Home Orders; may look at a pro-rating approach – everything is on the table. He also noted that the City revenue budget is taking a hard hit as well during this time.

Councilor Mavodones noted the need for equity among license holders, and this Committee would need to know the impact budget wise.

Councilor Thibodeau said that this would be a tough issue, while also noting any performance guarantees that the business survives. Perhaps a guidelines that it has to stay open for the remainder of the year. This may be a topic for the Finance Committee.

There was discussion among staff and the EDC that an analysis would need to be done to determine cost to the City, as well as to determine if it would be beneficial or not, or too complicated to manage.

Item #6: EDC 2020 Work Plan Discussion

Chair Costa noted that the EDC lost a couple of meetings due to the Pandemic so wanted the Committee to discuss the Work Plan.

Mr. Mitchell indicated that the Roux Institute is still moving forward and will be available to provide an update to the Committee shortly. There are some affordable housing TIFs coming up, questioning whether they should be discussed at a joint EDC and Housing Committee or separately.

Chair Costa suggested they could be reviewed separately, particularly during this remote meeting time. He then asked about the waterfront, and Mr. Jennings that they could meet and program it for future meetings.

Councilor Chong said that there may be new items as COVID-19 unwinds more, with tourism heavily affected. Also, the need to build in more infrastructure for high speed internet, particularly due to on-line learning needs. Also, more manufacturing and maker spaces are needed, suggesting working with colleges and tech schools; health informatics and medical capabilities could also be considered.

Chair Costa asked the Committee if the items currently on the Work Plan are still relevant.

Councilor Thibodeau noted to stay the course on the work plan. The City will continue its response to small businesses.

Councilor Mavodones generally agreed with Councilor Thibodeau. The City needs to be flexible in dealing with COVID-19 effects, and IT infrastructure is a good point, with students challenged because of lack of connectivity. There have been discussions regarding this in the past with an investment cost upwards of $70 Million. This can be revisited as needed.

Chair Costa said that he would work Mr. Jennings and Mr. Mitchell for updating the Work Plan and queue up items as they become ready.

Councilor Thibodeau said that he would like to be kept apprised of the three RFPs currently out for sale of City-owned property.

Chair Costa said that this can be added, and there will also be a bigger picture that we all see coming, working with business and organizations when the time is right.

Noting no further questions/discussion, the Chair asked for a motion to adjourn.

On motion made by Councilor Chong, seconded by Councilor Thibodeau, the Committee voted unanimously to adjourn the meeting at 7:30 p.m.

Respectfully, Lori Paulette

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FY21 Budget and Development Plan

PORTLAND DOWNTOWN EST. 1633

Portland Downtown stimulates a thriving, vibrant, and sustainable downtown community

FY20 Highlights

- *Drive Less, Do More* campaign with City of Portland and regional transit partners
- Purchased new self-watering planters to beautify downtown
- Welcomed new board members and conducted annual board check-ins
- Increased event sponsorships by 20%
- Record attendance at Merchant Meetings
- Created Pandora's Winter Lights Walking Tour Brochure
- Awarded CDBG grant in partnership with City of Portland to refresh pedestrian wayfinding signs and add bike racks
- Developed new 5-year strategic plan

Budget Comparison

FY20	FY21 (draft)
• Assessment income $1,018,037	• Assessment income $1,036,500 (+ 1.8%)
• Total income $1,082,037	• Total income $1,101, 650
• Supplemental Services expense $404,862	• Supplemental Services expense $425,000
• Total expense $1,082,037	• Total expense $1,101,080

Notes on FY21 budget

- While assessment revenue does show a small increase (1.8%), it is anticipated that the mil rate will actually <u>decrease</u>, based on estimated valuation
- Staffing changes are reflected in reduction in employee costs
- Events are budgeted to be break-even, so budget is not impacted if events are cancelled
  - Horse + Wagon Rides will likely be discontinued
- Increase in programmatic expenses to support social service organizations
- Overall, a very conservative budget has been planned and approved by our Finance + Executive Committees

Strategic Plan Comparison

2015-2020	2020-2025
• Vitality	• Serve
• Experience	• Enhance
• Growth	• Engage
• Advocacy	• Achieve

2020-2025 Strategic Plan Guiding Principles

- Portland Downtown is a community builder
- Portland Downtown is a key advocate for the downtown community
- Portland Downtown is a strong partner and collaborator
- Portland Downtown strives to be increasingly environmentally sustainable
- Portland Downtown believes in organizational sustainability

FY21 Development Plan

- Welcome new executive director
- Focus on advocacy for stakeholders
- Evaluate programs and services: value, outcomes and impact
- Implementing new 5-year plan and aligning committee goals with plan
- Improve downtown experience for those who live, work, do business, and visit
- Increase board engagement and ensure all stakeholders are well represented in board seat allocation
- Communicate organizational mission, goals and values to stakeholders and increase stakeholder engagement
- Assess impacts of COVID-19 on downtown stakeholders and develop partnerships, advocacy and programs to support

CITY OF PORTLAND
Economic Development
Gregory A. Mitchell, Director

TO: Economic Development Committee

FROM: Greg Mitchell, Economic Development Director

DATE: May 15, 2020

SUBJECT: Proposed Land Exchange Agreement between JB Brown and the City of Portland, including the discontinuance of an undeveloped portion of Emery Street at the Commercial Street Intersection

I. ONE SENTENCE SUMMARY

The proposed Land Exchange Agreement between the City of Portland and JB Brown supports new construction of an 80,000+ square foot VA facility with parking garage, and adds additional property to the City-owned Canco Road Public Works and Parks & Recreation Complex.

II. BACKGROUND

Under direction of the EDC, a Land Exchange Agreement has been negotiated to swap an undeveloped portion of Emery Street at the Commercial Street intersection, which must first be discontinued, in exchange for undeveloped industrial property owned by JB Brown located at the end of Quarry Road.

The City is need of additional property adjacent to the City Canco Road Complex for outside storage. The JB Brown property proposed for the land exchange includes 20,000+/- square feet. JB Brown has allowed the City to use this property, at no cost, for over two (2) years.

The City property to be exchanged includes an undeveloped portion of Emery Street at the Commercial Street intersection with 11,000+/- square feet which is proposed for street discontinuance. The final square footage and descriptions for each property will be determined by property surveys. It is noted that the City will retain easements for below and above ground utilities, including a pedestrian access easement across the portion of Emery Street to be discontinued. The separate properties have been determined to be of equivalent value, which is approximately $49,000.00.

In order to provide JBBrown with access to the Emery Street property as early as possible, the Land Exchange Agreement also includes a semi-permanent License Agreement that will allow JBBrown to close on its construction financing and begin construction of the project prior to the completion of the street discontinuance and the closing of the exchange. The License Agreement will terminate upon the completion of the discontinuance, or if JBBrown fails to build the proposed development, fails to rebuild the building in the event that it is destroyed, or if they otherwise fail to comply with the terms of the Agreement.

III. INTENDED RESULT AND OR COUNCIL GOAL ADDRESSED

This land exchange will support new construction of an 80,000+ square foot VA facility and parking garage located on West Commercial Street, as well as to add to City-owned property located on Canco Road which supports municipal Public Works and Parks & Recreation Department services.

IV. FINANCIAL IMPACT

The separate properties have been determined to be of equivalent value so there is no direct cost to the City other than property survey expenses.

V. RECOMMENDATION

City staff recommends the EDC vote to recommend approval of the City of Portland and JB Brown Land Exchange Agreement to the City Council.

VI. LIST ATTACHMENTS

- Proposed Land Exchange Agreement

<u>LAND EXCHANGE AGREEMENT</u>

This Land Exchange Agreement (this "Agreement") is made as of the ____ day of May, 2020 (the "Effective Date"), by and between **J.B. BROWN & SONS** ("JBB"), a Maine corporation with offices in Portland, Maine, and the **CITY OF PORTLAND**, a Maine municipal corporation with a place of business in Portland, Maine and mailing address of 389 Congress Street, Portland, Maine 04101 (the "City").

Section 1. <u>Introduction.</u>

Each of the parties owns real property in Portland, Maine. The parties have agreed to exchange certain property, and to provide for certain appurtenant easements in connection with the exchange, all on the terms and conditions set forth in this Agreement. The properties that are the subject of this exchange are shown on **<u>Exhibit A</u>** and **<u>Exhibit B</u>** attached hereto and are incorporated herein.

Section 2. <u>Property to be Exchanged.</u>

In the exchange:

(i) The City will take steps to discontinue the parcel of land depicted on **<u>Exhibit A</u>** and identified as part of an unimproved portion of an approximately 60-foot wide public right of way, known as Emery Street ("<u>Parcel 1</u>"), *provided, however*, that the City shall retain easements, in common with JBB, on Parcel 1 for (i) pedestrian ingress and egress and (ii) underground, on ground, and above ground utilities ((i)-(ii) collectively referred to as the "Easements"). The approximate locations of the retained easements are generally depicted on **<u>Exhibit A</u>**. JBB hereby waived any right to any damages or other compensation from the City resulting from the discontinuance of Parcel 1.

(ii) JBB will convey to the City the parcel of unimproved land depicted on **<u>Exhibit B</u>** and identified as a portion of Tax Map 150-A-8, together with an easement for vehicular and pedestrian access over the private portion of Quarry Road labeled "Extension of Quarry Road" on Exhibit B (<u>Parcel 2</u>);

All of these conveyances will be on the terms and conditions set forth in this Agreement.

Section 3. <u>Equivalent Value.</u>

The parties agree that (i) the value of Parcel 1, including the Easements, is equivalent to the value of Parcel 2, and (ii) each party's conveyance is in full consideration of the other party's conveyance. Except for any closing expenses as provided in Section 10 (herein) below, neither JBB nor the City is providing any other consideration for the exchange, unless the City exercises the Parcel 2 Alternative, as that term is defined below.

Section 4. Property Being Exchanged "As-Is".

(a) Parcel 1. Except as described in Section 2(i) above and as hereinafter set forth, JBB acknowledges that it is acquiring Parcel 1 "as is" with all faults. The City has made no representations or warranties of any kind whatsoever with respect to the condition of Parcel 1 or the compliance of Parcel 1 with any laws, rules, regulations or ordinances, including (without limitation) any relating to zoning, the environment, or hazardous materials.

(b) Parcel 2. The City acknowledges that it is acquiring Parcel 2 "as is" with all faults. JBB has made no representations or warranties of any kind whatsoever with respect to the condition of Parcel 2 or the compliance of Parcel 2 with any laws, rules, regulations or ordinances, including (without limitation) any relating to zoning, the environment, or hazardous materials.

Section 5. Title, Inspections.

(a) Title Examinations. The parties will have from the date of this Agreement until 6:00 PM Eastern Daylight Savings Time on the sixtieth (60^{th}) day after the date of this Agreement (the "Due Diligence Period") to complete their respective title examinations. Title shall be good, marketable and insurable title, free and clear of all encumbrances except (i) as set forth in **Exhibit B**, (ii) the Easements described in Section 2(i) herein, (iii) zoning ordinances, and (iv) real estate taxes not yet due and payable.

(b) Inspections. During the Due Diligence Period, each party and its employees, consultants, contractors and agents shall have the right, at their own expense, to enter on Parcel 1 or 2 at reasonable times in order to (i) inspect the same, (ii) conduct engineering studies, percolation tests, geotechnical exams, environmental assessments, and other such studies, tests, exams, and assessments, and (iii) do such other things that each party determines, in its sole discretion, to be required to determine the suitability of the property for the parties' intended use (collectively, the "Inspections").

(c) Objections. Each party will have until the end of the Due Diligence Period to deliver to the other party any written objections to title matters (other than the permitted exceptions identified herein) that materially affect marketability, insurability, or use of Parcel 1 or Parcel 2, respectively, or to unacceptable results of the Inspections. Objections not made prior to the end of the Due Diligence Period will be deemed waived; *provided, however*, that objections pertaining to matters of record first appearing after the date of this Agreement may be made at any time prior to the Closing.

(d) Option to Cure. In the event of a title or Inspection objection, the party owning the property that is the subject of the objection will have the option, but not the obligation, to cure the objection and will notify the other party of its election within ten (10) business days after receipt of the title objection. In the event that the party owning the property that is the subject of the objection elects to cure the objection, that party thereupon will have thirty (30) days from the date of the notice of election, or such other reasonable time as the parties may agree, to cure the objection. In the event that the party owning the property that is the subject of the objection does not elect to cure the objection, or having elected to cure the objection fails to timely do so, the other party will have the option either to terminate this Agreement (after which neither party will have any further obligation or liability to the other under this Agreement) or to waive the objection in writing and proceed to the Closing.

Section 6. Conditions Precedent to Closing.

(a) The City shall make reasonable efforts to cause the discontinuance of the portion of Emery Street identified as Parcel 1 on or before August 1, 2020. Provided, however, that in the event that the City Council votes not to approve the discontinuance of Parcel 1, but the parties have executed the License Agreement (as that term is defined in Section 11 hereof), the parties shall proceed to Closing with respect to Parcel 2, provided, however, if the occurrence of the Parcel 2 Alternative described below has also occurred, the City may elect to accept from JBB in lieu of acquiring Parcel 2 in exchange for the License the Back-up Consideration (as defined in paragraph (b) below).

(b) The City is satisfied in its sole discretion (1) with the results of the Inspections, (2) that JBB has good, marketable and insurable title in Parcel 2, and (3) that JBB has the corporate power to convey Parcel 2 to the City. Notwithstanding anything to the contrary in this Agreement, and provided that the parties have executed the License Agreement, in the event that the City determines at any time prior to closing that title to Parcel 2 or the results of any Inspection are in any way unsatisfactory to the City (the "Parcel 2 Alternative"), the City may elect to accept from JBB in lieu of acquiring Parcel 2 the sum of Forty-Nine Thousand Dollars ($49,000.00) (the "Back-up Consideration").

Section 7. Closing.

The Closing will be held on or before the thirtieth (30^{th}) day after the later of the following: (i) the expiration of the Due Diligence Period, (ii) the date on which the Conditions to Closing described in Section 6 above are completed to the satisfaction of each party to this Agreement, or (iii) October 31, 2020 (the "Closing"), which Closing shall be held at the Offices of Verrill, LLP, at One Portland Square, Portland, Maine, or on such other date or at such other place as the parties may agree.

Section 8. Deeds.

(a) Deed or Parcel 2 Alternative Price to City. At the Closing, JBB will deliver to the City a fully-executed Quitclaim Deed with Covenant conveying Parcel 2, or in the event the City elects the Parcel 2 Alternative as described in Section 6(b) above, JBB shall pay to the City the Back-up Consideration.

(b) Certificate of Discontinuance. At the Closing, the City will record a certificate of discontinuance for Parcel 1, subject to the Easements set forth in Section 2(i) herein, provided that the City Council has approved the discontinuance.

(c) Property Descriptions. The property descriptions contained in the deed to the City and the Certificate of Discontinuance will be based on survey plans (the "Plans") that will more specifically describe the properties shown on **Exhibit A** and **Exhibit B**. The Plans will be distributed to the parties prior to the expiration of the Due Diligence Period for final approval. The parties will agree on the descriptions of Parcel 1 and Parcel 2 prior to the Closing.

(d) Abutter Status. Each deed or street discontinuance, as applicable, will recite that the grantee is an abutter to the grantor.

Section 9. Closing Deliverables.

(a) City Deliverables. At the Closing, and as a condition thereto, the City will deliver in connection with its conveyance to JBB the following as applicable:

(i) the executed street discontinuation subject to the provisions of Section 8(b) above;

(ii) documentation acceptable to JBB indicating that this transaction has been duly authorized and that the person executing documents on behalf of the City is duly authorized to do so;

(iii) an executed owner's affidavit in form satisfactory to the City indicating no tenants or other occupants presently in possession and indicating no debts due for labor or services performed or materials used that could give rise to mechanic's liens.

In the event the contemplated transfer by the executed street discontinuation is not part of the transaction to be conducted at Closing, then in such an event, the items listed in this Section 9(a), clauses (i) through (iii), inclusive, will not be applicable or required.

(b) JBB Deliverables. At the Closing, and as a condition thereof, JBB will deliver in connection with its conveyance to the City, as applicable:

(i) the executed deed or the Back-up Consideration described in Section 8(a) above;

(ii) an executed State of Maine Real Estate Transfer Tax Declaration;

(iii) an executed notice pursuant to 38 M.R.S.A. § 563(6) stating that, to the best of JBB's knowledge, no underground storage facility for the storage of oil or petroleum exists on Parcel 2;

(iv) documentation acceptable to the City indicating that this transaction has been duly authorized and that the person executing documents on behalf of JBB is duly authorized to do so;

(v) an executed certificate of non-foreign and Maine residency status; and

(vi) an executed owner's affidavit indicating no tenants or other occupants presently in possession and indicating no debts due for labor or services performed or materials used that could give rise to mechanic's liens.

In the event the contemplated transfer by JBB to City of Parcel 2 is not part of the transaction to be conducted at Closing, then in such an event, the items listed in this Section 9(b), clauses (ii) through (vi), inclusive, will not applicable or required.

Section 10. Closing Costs and Apportionments.

(a) Real Estate Taxes and Assessments. The parties acknowledge that the City is exempt from taxes or assessments on Parcel 1 and that Parcel 1 is exempt from the same for fiscal year 2020/21. As to Parcel 2, JBB shall be liable for all real estate taxes and assessments for fiscal year 2020/21. JBB shall pay all such taxes for fiscal year 2020 on or before the Closing.

(b) Real Estate Transfer Tax. Each real estate transfer tax declaration will state that the value of the properties that is the subject of the declaration is the assessed value, and JBB will pay its share of real estate transfer taxes. The parties acknowledge that, pursuant to 36 M.R.S.A. §4641-C(1), the City is exempt from real estate transfer taxes.

(c) Recording Fees. The City will pay the recording fees for the deed from JBB on Parcel 2. JBB will pay the recording fees for the Certificate of Discontinuance for Parcel 1.

(d) Legal Fees and Expenses. The parties each will bear the cost of their respective legal fees, costs, and expenses.

Section 11. License Prior to Closing. Upon execution of this Agreement, the parties hereby agree and acknowledge that the parties shall execute a license agreement for JBB's use of Parcel 1, substantially in the form attached hereto as **Exhibit C** and incorporated herein by reference (the "License Agreement").

Section 12. Representations and Warranties.

(a) City. The City represents and warrants that:

(i) It has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed, and delivered by the City and is a legal, valid, and binding agreement of the City, enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by the City will not violate any judgment or order applicable to the City or the City's instruments of organization, governance or operation, and will not result in any material breach of, or constitute a material default under, or result in the creation of any material lien, charge, security interest, or other encumbrance upon Parcel 1 or any note, bond, indenture, mortgage, deed of trust, bank loan, or credit agreement to which the City is a party or by which Parcel 1 is bound.

(iii) The City has not received any written notice of any pending condemnation, violation of law, or other legal action of any kind materially and adversely affecting Parcel 1.

(iv) The City has no knowledge of any pending or threatened litigation, administrative action, or governmental investigation or examination (including, but not limited to, environmental investigations, examinations, claims, and demands) concerning Parcel 1.

(v) To the best of City's knowledge, no third party other than JBB, its successors and assigns, has any right to acquire all or any part of Parcel 1.

(b) JBB. JBB represents and warrants that:

(i) JBB has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed, and delivered by JBB and is a legal, valid, and binding agreement of JBB, enforceable in accordance with its terms. The execution, delivery, and performance of this Agreement by JBB will not violate any judgment or order applicable to JBB or JBB's instruments of organization, governance or operation, and will not result in any material breach of, or constitute a material default under, or result in the creation of any material lien, charge, security interest, or other encumbrance upon Parcel 1 or any note, bond, indenture, mortgage, deed of trust, bank loan, or credit agreement to which JBB is a party or by which Parcel 1 is bound.

(iii) JBB has not received any written notice of any pending condemnation, violation of law, or other legal action of any kind materially and adversely affecting Parcel 2.

(iv) JBB has no knowledge of any pending or threatened litigation, administrative action, or governmental investigation or examination (including, but not limited to, environmental investigations, examinations, claims, and demands) concerning Parcel 2.

(v) No third party has any right to acquire all or any part of Parcel 2.

(c) Survival. All representations and warranties contained herein are intended to remain true and correct as of the Closing, are deemed to be restated at the Closing, and will survive the Closing.

Section 13. General Provisions.

(a) Assignment. Neither this Agreement nor any of the rights or obligations of any party pursuant to this Agreement may be assigned without the prior written consent of the other party.

(b) Brokers. Each party will indemnify and hold harmless the other from and against any claims for brokerage commissions arising out of any brokerage agreements entered into by the indemnifying party.

(c) Governing Law. This Agreement is governed by, and is to be construed and enforced in accordance with, the laws of the State of Maine (without regard to conflicts-of-laws principles that would require the application of any other law).

(d) Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the exchange of the property that is the subject of this Agreement, supersedes all prior oral or written offers, negotiations, agreements, understandings, and courses of dealing between the parties relating thereto, and is subject to no understandings, conditions or representations other than those expressly stated herein. This Agreement may be modified or amended only by means of a writing signed by the parties.

(e) Notices. Any notices required or permitted to be given hereunder will be given in writing, signed by the party giving the same, and will be delivered (a) in person, (b) by a commercial overnight courier that guarantees next business day delivery and provides a receipt, or (c) by electronic mail (with Request a Read Receipt), and such notices will be addressed as follows:

To JBB:

Vincent P. Veroneau
J.B. Brown & Sons
10 Free Street
P.O. Box 207
Portland, Maine 04112-0207
E-Mail: veroneau@jbbrown.com

with a copy to:

David L. Galgay, Jr., Esq.
Verrill Dana
One Portland Square
Portland, Maine 04101-4054
E-Mail: dgalgay@verrill-law.com

To City:

Jon P. Jennings
City Manager
City of Portland
389 Congress Street
Portland, Maine 04101
E-Mail: gmitchell@portlandmaine.gov

with a copy to:

Danielle West-Chuhta, Esq. Corporate Counsel
City of Portland
389 Congress Street
Portland, Maine 04101
E-Mail: DWCHUHTA@portlandmaine.gov

[End of Page / Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the day and year first above written.

J.B. Brown & Sons

By: ________________________________
Vincent P. Veroneau
Its President

City of Portland

By: ________________________________
Jon P. Jennings
Its City Manager

Approved as to Form:_________________
Corporation Counsel

Approved as to Funds:________________
Finance Dept.

EXHIBIT A
[Depiction of Parcel 1]

CITY OF PORTLAND
SPACE AND BULK REQUIREMENTS

1. EXISTING ZONE: B5b - Urban Commercial Mixed-Use Zone
R-4 - Residential Zone

2. PARCEL SIZE: 8.40 ACRES

3. SPACE AND BULK:

	REQUIRED / ALLOWED	PROVIDED
MAXIMUM LOT COVERAGE	100%	< 100%
MAXIMUM BUILDING HEIGHT	55 FT. (62 FT. FOR ROOFTOP PROJECTIONS)	< 55 FT.
MINIMUM LOT SIZE	NONE	8.40 ACRES
MINIMUM SIDE YARD	NONE	5.3 FT.±
MINIMUM REAR YARD	NONE	120 FT.±
MINIMUM FRONTAGE	NONE	1,394 FT.
MAXIMUM FRONT YARD BUILDING SETBACK	10 FT.	< 10 FT.

4. PARKING REQUIREMENT:

MEDICAL OFFICE - 1 SPACE/400SF

PROPOSED OUTPATIENT CLINIC 62,300 SF	156 SPACES	400± SPACES

MATERIAL LEGEND:

- POROUS PAVEMENT SECTION
- STANDARD-DUTY PAVEMENT SECTION
- HEAVY-DUTY PAVEMENT SECTION
- HEAVY-DUTY PAVEMENT W/STONE STORAGE SECTION
- BITUMINOUS SIDEWALK
- 10' WIDE SHARED BITUMINOUS PATHWAY (USE STANDARD-DUTY PAVEMENT SECTION)
- C.I.P. REINFORCED CONCRETE

NOTE:
SEE DETAIL SHEETS FOR SECTION REQUIREMENTS.

NOTE:
SEE SHEET C-4.2 FOR SIGN LEGEND.

NOTES:

1. OWNER OF RECORD: J.B. BROWN & SONS
10 FREE STREET
PORTLAND, ME 04101
TAX MAP-BLOCK-LOT NUMBER 060 A001001
C.C.R.D. BOOK 29147 PAGE 254
2. BEARINGS ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM, NAD83, WEST ZONE. BEARINGS ARE REFERENCED TO GRID NORTH.
3. ELEVATIONS ARE BASED ON CITY OF PORTLAND DATUM.
4. BOUNDARY LINES SHOWN ARE TAKEN FROM PLAN REFERENCE 2.
5. PROPERTY IS LOCATED IN THE CITY OF PORTLAND B-5b & R-4 ZONES.
6. SNOW REMOVAL AND PROPERTY MAINTENANCE SHALL BE BY THE OWNER.
7. WASTE DISPOSAL SHALL BE BY PRIVATE WASTE HAULER.
8. ALL GRANITE TIPDOWNS SHALL BE 7' LENGTH. NO GRANITE CURB PIECES SHALL BE LESS THAN 4' LONG MINIMUM.
9. THE DOMESTIC WATER ENTRY SHALL INCLUDE SPACE FOR THE METER ASSEMBLY AND BACKFLOW PREVENTER IN ACCORDANCE WITH P.W.D. REQUIREMENTS (SEE STANDARD METER SET DETAILS).

PLAN REFERENCES:

1. "PLAN OF ALTA/ACSM Land Title Survey, 113 West Commercial Street, Portland, Maine, MADE FOR, J.B. Brown & Sons, 10 Free Street, Portland, Maine", by Titcomb Associates, JOB #215093, DATE: February 9, 2016, SHEET 1 OF 2 AND SHEET 2 OF 2.
2. "PLAN OF Property Division, 113 West Commercial Street, Portland, Maine, MADE FOR, J.B. Brown & Sons, 10 Free Street, Portland, Maine", by Titcomb Associates, JOB #215093, DATE: November 12, 2019.
3. "CONTRACT NO. 3, LOWER FORE RIVER INTERCEPTOR, CROSS COUNTRY AND WEST COMMERCIAL STREET", BY CAMP DRESSER & McKEE Inc., CONSULTING ENGINEERS, BOSTON, MASS., SHEETS 25, 26 AND 27, REVISED FOR RECORD DRAWING 8/81.
4. "PLANS FOR 115 K.V. UNDERGROUND TRANSMISSION LINE, SECTION 275 – SEWALL ST. S/S TO CAPE STEAM", AS-BUILT PLAN AND PROFILE, DATED 3/26/75, SHEETS PP-7, PP-8, PP-9 & PP-10, BY CMP.
5. "CANAL LANDING AMENDED SITE PLAN, PHASE III SITE LAYOUT PLAN", FOR NEW YARD LLC, BY GORRILL PALMER, REVISED 10.08.19.

NORTH

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)
1 inch = 40 ft.

NOTE: THIS PLAN SET IS ISSUED FOR PERMITTING PURPOSES AND SHALL NOT BE USED FOR CONSTRUCTION.

STATE OF MAINE
STEPHEN R. BUSHEY
05.08.20
LICENSED PROFESSIONAL ENGINEER

STEPHEN R. BUSHEY, P.E.
LIC. #7429

U:\3572_VA Clinic West Commercial St–Portland, ME\2 – CAD\DWG\3572–SITE.dwg 5/8/2020 4:24 PM

Rev.	Date	Revision
3	05.08.20	REVISED AND RESUBMITTED TO CITY
2	05.01.20	REVISED AND RESUBMITTED TO CITY
1	03.25.20	REVISED PER CITY REVIEW AND RESUBMITTED

Issued For	Date	By
RELEASED TO CONTRACTOR – 100% PRICING SET	04.08.20	SRB
RELEASED TO CONTRACTOR – 90% PRICING SET	03.06.20	SRB
LEVEL III SITE PLAN APPLICATION	01.20.20	SRB
TMP APPLICATION	11.22.19	SRB

Design: SRB	Draft: CDD	Date: NOV. 2019
Checked: SRB	Scale: AS NOTED	Job No.: 3572
File Name: 3572–SITE.dwg		

This plan shall not be modified without written permission from Gorrill Palmer Consulting Engineers, Inc.(GP). Any alterations, authorized or otherwise, shall be at the user's sole risk and without liability to GP.

GORRILL PALMER
Relationships. Responsiveness. Results.
www.gorrillpalmer.com
207.772.2515

Drawing Name: OVERALL SITE LAYOUT PLAN

Project: U.S. Department of Veterans Affairs – Community Based Outpatient Clinic
141 West Commercial Street, Portland, Maine

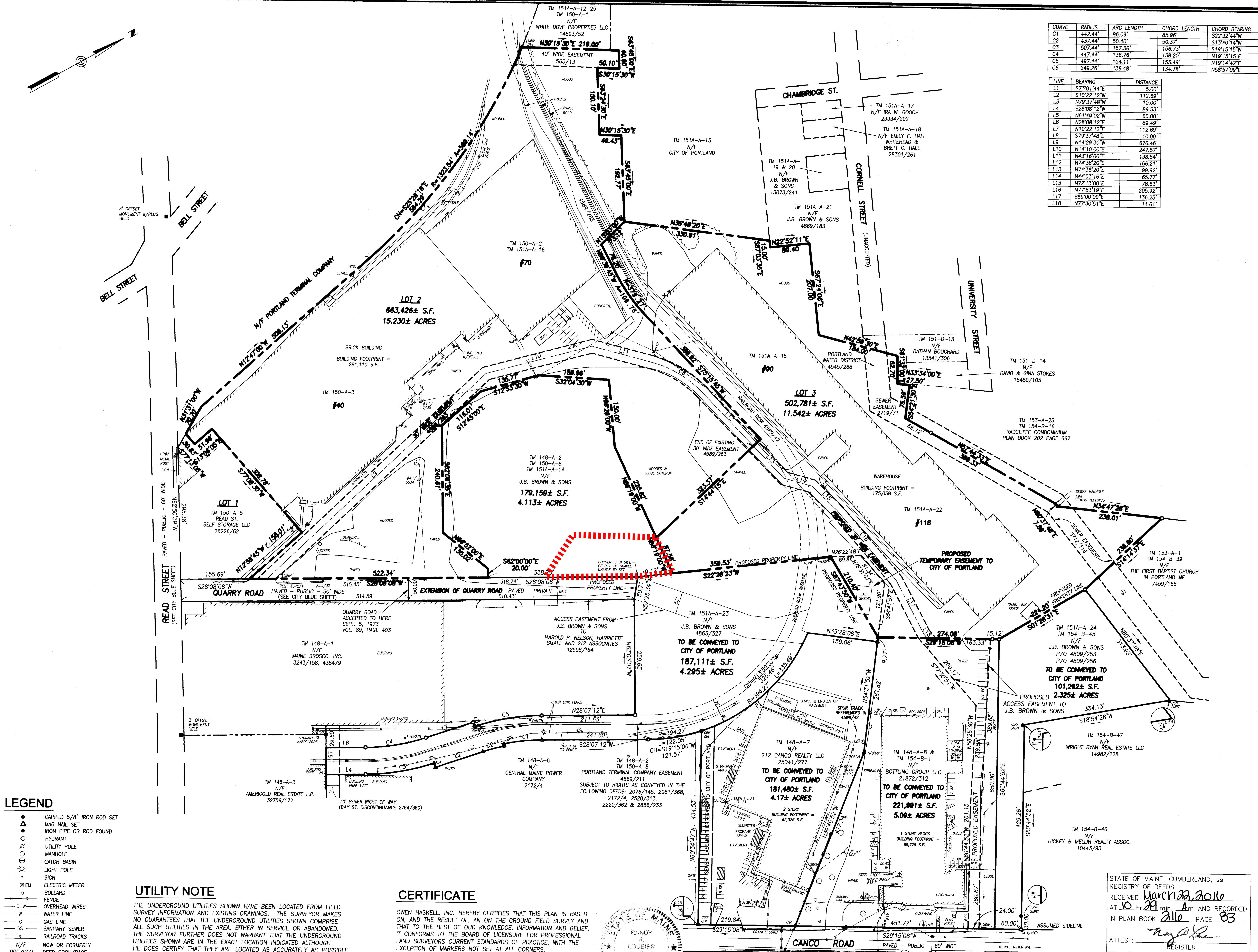
Client: FDS JBB PORTLAND, LLC
10 Free Street, Portland, Maine 04101

Drawing No. C–4.0

EXHIBIT B

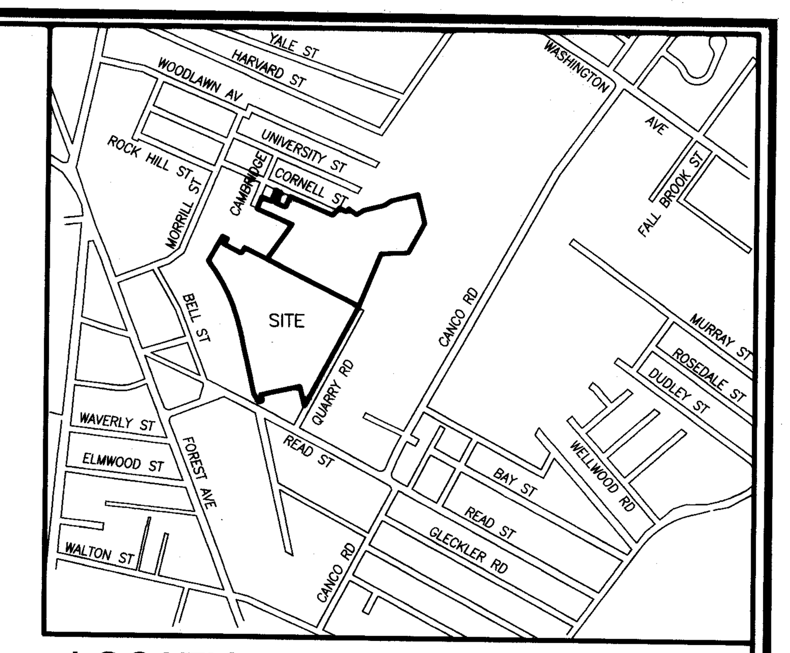
[Depiction of Parcel 2]

EXHIBIT A



CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	442.44'	86.09'	85.96'	S22°32'44"W
C2	437.44'	50.40'	50.37'	S13°40'14"W
C3	507.44'	157.36'	156.73'	S19°15'15"W
C4	447.44'	138.76'	138.20'	N19°15'15"E
C5	497.44'	154.11'	153.49'	N19°14'42"E
C6	249.26'	136.48'	134.78'	N58°57'09"E

LINE	BEARING	DISTANCE
L1	S73°01'44"E	5.00'
L2	S10°22'12"W	112.69'
L3	N79°37'48"W	10.00'
L4	S28°08'12"W	89.53'
L5	N61°49'02"W	60.00'
L6	N28°08'12"E	89.49'
L7	N10°22'12"E	112.69'
L8	S79°37'48"E	10.00'
L9	N14°29'30"W	676.46'
L10	N14°10'00"E	247.57'
L11	N43°16'00"E	138.54'
L12	N74°38'20"E	166.21'
L13	N74°38'20"E	99.92'
L14	N44°03'16"E	65.77'
L15	N72°13'00"E	78.63'
L16	N77°53'19"E	205.92'
L17	S89°00'09"E	136.25'
L18	N77°30'51"E	11.61'



LOCATION MAP N.T.S.

PLAN REFERENCES

1. PLAN OF PROPERTY IN PORTLAND, MAINE MADE FOR J.B. BROWN & SONS PLAN SHOWING THE EXISTING R.R. LOCATION EXHIBIT A AND THE PROPOSED RELOCATION EXHIBIT B AT ROCKY HILL BY J.B. BROWN & SONS BY H.I. & E.C. JORDAN, SURVEYORS DATED AUGUST 1, 1979.

2. PLAN OF SUBDIVISION IN PORTLAND, MAINE MADE FOR J.B. BROWN & SONS BY H.I. & E.C. JORDAN, SURVEYORS DATED MARCH 27, 1981. RECORDED IN PLAN BOOK 130, PAGE 43.

3. COMPOSITE PLAN OF J.B. BROWN & SONS PARCELS IN PORTLAND, MAINE, MADE BY H.I. & E.C. JORDAN, SURVEYORS DATED SEPT. 14, 1995, RECORDED IN PLAN BOOK 132, PAGE 10.

4. PLAN OF PROPERTY IN PORTLAND, MAINE, MADE FOR FIRST BAPTIST CHURCH OF PORTLAND BY H.I. & E.C. JORDAN, SURVEYORS DATED APRIL 1, 1986.

5. PLAN OF SURVEY FOR SELTZER & RYDHOLM BY E.C. JORDAN DATED 1981.

6. EXISTING CONDITIONS SURVEY ON ALLEN AVE., MAGNOLIA ST., PRINCETON ST. & MORRILL ST. EXTENSION, PORTLAND, MAINE MADE FOR VHB BY OWEN HASKELL, INC. DATED SEPTEMBER 20, 2001 REVISED THROUGH DECEMBER 16, 2003.

7. STANDARD BOUNDARY & TOPOGRAPHIC SURVEY AT 212 CANCO ROAD, PORTLAND, MAINE MADE FOR NELSON & SMALL DATED AUGUST 28, 1996, REV. 05-01-07 BY OWEN HASKELL, INC.

8. ALTA/ACSM LAND TITLE SURVEY 212 & 250 CANCO ROAD PORTLAND, CUMBERLAND COUNTY, MAINE MADE FOR THE CITY OF PORTLAND BY OWEN HASKELL, INC. DATED JANUARY 25, 2016.

9. PLAN OF TRACK AT ROCKY HILL PORTLAND TERMINAL COMPANY DATED JANUARY 14, 1952 RECORDED IN PLAN BOOK 38, PAGES 16 & 17.

GENERAL NOTES

1. OWNER OF RECORD:
   J.B. BROWN & SONS
   TAX MAP 148 BLOCK A LOT 2
   TAX MAP 150 BLOCK A LOTS 2, 3 & 8
   TAX MAP 151A BLOCK A LOTS 14, 15, 16 & 22
   PART OF TAX MAP 151A BLOCK A LOT 23
   C.C.R.D. 3531/151, 4256/60, 4468/226, 4589/152, 4839/13, 12118/16

2. BEARINGS ARE BASED ON TRUE NORTH PER PLAN REFERENCE 2.

APPROVED BY THE CITY OF PORTLAND PLANNING ~~BOARD~~

STUART G. O'BRIEN
CITY PLANNING DIRECTOR
pursuant § 14-496 (c) of
Portland City Code

DATE

THIS PLAN AMENDS
"PLAN OF SUBDIVISION IN PORTLAND, MAINE MADE FOR J.B. BROWN & SONS MARCH 27, 1981"
RECORDED IN
C.C.R.D. PLAN BOOK 130 PAGE 43

LEGEND

- CAPPED 5/8" IRON ROD SET
- MAG NAIL SET
- IRON PIPE OR ROD FOUND
- HYDRANT
- UTILITY POLE
- MANHOLE
- CATCH BASIN
- LIGHT POLE
- SIGN
- EM — ELECTRIC METER
- BOLLARD
- FENCE
- OHW — OVERHEAD WIRES
- W — WATER LINE
- G — GAS LINE
- SS — SANITARY SEWER
- RAILROAD TRACKS
- N/F — NOW OR FORMERLY
- 000/000 — DEED BOOK/PAGE
- TM — TAX MAP
- P/O — PART OF
- SP. — SPACES

UTILITY NOTE

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES. CALL 1-888-DIGSAFE AT LEAST THREE BUSINESS DAYS BEFORE PERFORMING ANY CONSTRUCTION.

CERTIFICATE

OWEN HASKELL, INC. HEREBY CERTIFIES THAT THIS PLAN IS BASED ON, AND THE RESULT OF, AN ON THE GROUND FIELD SURVEY AND THAT TO THE BEST OF OUR KNOWLEDGE, INFORMATION AND BELIEF, IT CONFORMS TO THE BOARD OF LICENSURE FOR PROFESSIONAL LAND SURVEYORS CURRENT STANDARDS OF PRACTICE, WITH THE EXCEPTION OF MARKERS NOT SET AT ALL CORNERS.

3/21/16
DATE

RANDY R. LOUBIER, PLS NO. 2407

STATE OF MAINE
RANDY R. LOUBIER
NO. 2407
PROFESSIONAL LAND SURVEYOR

STATE OF MAINE, CUMBERLAND, ss
REGISTRY OF DEEDS
RECEIVED March 22, 2016
AT 10 hr. 29 min. A m AND RECORDED
IN PLAN BOOK 216 PAGE 83
ATTEST:
REGISTER

SCALE : 1" = 100'
0' 50' 100' 200'

AMENDED SUBDIVISION PLAN

ON
QUARRY ROAD, PORTLAND, MAINE
MADE FOR RECORD OWNER

J.B. BROWN & SONS

10 FREE STREET, PORTLAND, MAINE

OWEN HASKELL, INC.
390 U.S. ROUTE ONE, FALMOUTH, ME 04105 (207) 774-0424
PROFESSIONAL LAND SURVEYORS

Drwn By	RRL	Date		Job No.
Trace By	JLW	FEBRUARY 26, 2016		2016-009 P
Check By	RRL	Scale		Drwg. No.
Book No.	1104	1" = 100'		1

REVOCABLE LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") is made this ____ day of May, 2020 (the "Effective Date"), by and between the **CITY OF PORTLAND**, a Maine municipal corporation with a place of business in Portland, Maine ("Licensor" or "City") and the **J.B. BROWN & SONS**, a Maine corporation with offices in Portland, Maine ("Licensee").

WHEREAS, Licensor is the current owner of that certain portion of an approximately 60-foot wide public right of way identified as Emery Street (the "City Property") as shown on that certain plan entitled "Site Layout Plan – East Side, U.S. Department of Veterans Affairs—Community Based Outpatient Clinic," prepared by Gorrill Palmer and dated Nov. 2019 (the "Plan");

WHEREAS, Licensee is the abutting owner on both sides of the City Property as shown on the Plan ("JBB Property"); and

WHEREAS, subject to approval by the Portland City Council, Licensor intends to discontinue the City Property (i.e., that certain portion of Emery Street as shown on the Plan to be discontinued) and being more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "License Area"), in exchange for certain land owned by Licensee on Quarry Road in Portland, Maine, which land swap will be evidenced by a certain Land Exchange Agreement of near or even date herewith; and

WHEREAS, until License Area is discontinued by Licensor, or until this Agreement is otherwise terminated, Licensor intends to allow Licensee to use License Area for the purposes set forth below in accordance with the terms and conditions of this Agreement; and

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. TERM: This License shall commence on the Effective Date and terminate upon the earlier of (i) the City Council's approval of the discontinuance of the City Property and the recording of a certificate of discontinuance in the Cumberland County Registry of Deeds, or (ii) an Event of Revocation, as that term is defined below.

ARTICLE II. PERMITTED USES: Licensor hereby grants to Licensee, together with its lessees, agents, contractors, subcontractors, visitors and invitees, the right to use the License Area for pedestrian and vehicular access to the JBB Property and all uses depicted on the Plan within the License Area*; provided, however*, that said use by Licensee does not interfere with Licensor's existing use of the License area for (i) pedestrian ingress and egress and (ii) underground and overhead utilities.

ARTICLE III. ASSIGNMENT: This License is assignable to any subsequent owners of the property depicted on the Plan, and in the event of such assignment, Licensee shall notify the City of such assignment no fewer than 10 days prior to the effective date of such assignment.

ARTICLE IV. NOTICES: Any notices required or permitted to be given hereunder will be given in writing, signed by the party giving the same, and will be delivered (a) in person, (b) by a commercial overnight courier that guarantees next business day delivery and provides a receipt, or (c) by electronic mail (with Request a Read Receipt), and such notices will be addressed as follows:

Licensor at: **City of Portland**
389 Congress Street
Portland, Maine 04101

Licensee at: **J.B. Brown & Sons**
10 Free Street, Suite 100
Portland, Maine 04112

ARTICLE V. INDEMNITY: To the fullest extent permitted by law, Licensee shall defend, indemnify and hold the Licensor, its officers, agents and employees, harmless at all times from any claims, liability, losses, costs, expenses (including, without limitation, reasonable attorney's fees) fines, damages or judgments, just or unjust, that arise out of or are caused by the any act or omission of Licensee, its partners or members, agents, invitees, contractors, subcontractors, or employees, which claims arise out of or result from the activities hereunder, said claims to include, without being limited to, claims for personal injury, death, or property damage, including injury or damage to City employees or property; and claims based upon violation of any environmental law or regulation governing hazardous substances. Licensee’s obligations under this paragraph shall survive the termination of this License.

ARTICLE VI. INSURANCE: Prior to the execution of this Agreement, the Licensee will procure and maintain:

- Occurrence based Commercial General Liability Insurance coverage in amounts of not less than One Million Dollars ($1,000,000.00) per occurrence for bodily injury, death and property damage;
- Occurrence-based Automobile Liability Insurance coverage in amounts of not less than One Million Dollars ($1,000,000.00) per occurrence for bodily injury, death and property damage;
- Workers’ Compensation Insurance coverage to the extent required by law, which shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees;

With respect to the Automobile and Commercial General Liability Insurance, the Licensee shall name the Licensor as an additional insured for coverage only in those areas where government immunity has been expressly waived, including, without limitation, as set forth in 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the Licensor under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the Licensor. Prior to execution of this Agreement, the Licensee shall furnish the Licensor and thereafter maintain certificates evidencing all such coverages, which certificates shall guarantee thirty (30) days' notice to the Licensor of termination of insurance from the insurance provider or agent. Licensee shall also provide a copy of any endorsement naming the Licensor as additional insured. The Workers' Compensation insurance shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees. Upon Licensor's request, Licensee shall provide Licensor with a complete copy of any of the above-referenced policies. Licensee shall be responsible for any and all deductibles and/or self-insured retentions (not to exceed $10,000.00 without prior written approval of Corporation Counsel). Licensor's acceptance or lack of acceptance of Licensee's Certificate of Insurance or other evidence of insurance shall not be construed as a waiver of the Licensee's obligation to obtain and maintain such insurance as required by this agreement. If the Licensee maintains broader coverage and/or higher limits than the minimum shown above, the Licensor requires and shall be entitled to the broader coverage and/or higher limits maintained by the Licensee.

ARTICLE VII. RELEASE: Licensee hereby releases the Licensor and its officers, agents and personnel (collectively, the "Releasees") from any and all claims, liabilities, damages, losses, costs, fees and expenses arising out of or resulting, directly or indirectly, from Licensee's use of any City Property, including, without limitation, injuries, losses and damages for bodily injury (including disability or death) and property damage, regardless of cause, including any and all claims, damages and liabilities that arise out of or result from any actions or omissions, including negligence, on the part of any of the Releasees. Licensee promises not to sue any of the Releasees with respect to any such claims or liabilities. This waiver and release is intended to be as broad as the law allows and shall survive termination of this agreement.

ARTICLE VIII. MAINTENANCE, RESTORATION. Licensee shall be responsible for the proper maintenance of any improvements it makes in the Licensed Area. In the event of damage to such improvements and/or the Licensed Area, Licensee shall promptly repair/restore the same. Prior to such repair/restoration, Licensee shall notify the City (in writing and by telephone) at least forty-eight hours before it plans to conduct such repair or restoration and shall work with City staff on the closure, if needed, of any City streets in the vicinity of the property in order to conduct such repair/restoration. All work performed upon and use of the Licensed Area for the purposes set forth herein shall be at Licensee's sole cost and expense (unless otherwise agreed in writing), the parties acknowledging that there may be temporary interruptions in enjoyment of the City's property adjacent to the Licensed Areas related to the conduct of any work related to this License. Licensee agrees at its sole expense to restore any portion of the Licensed Areas and adjacent City property affected by work conducted by Licensee under this License to substantially the same condition that it was in prior to such work or as close to that condition as is reasonably practicable.

ARTICLE IX. CITY UTILITIES. Licensee agrees that City may enter and utilize the Licensed Area at any time for the purpose of installing, repairing, replacing, or maintaining improvements to its public facilities or utilities necessary for the health, safety and welfare of the public or for any other public purpose. City shall bear no responsibility or liability for any damage or disruption or other adverse consequences resulting from any improvements installed by Licensee, but City will make reasonable efforts to minimize such damage. In the event that any installation, reinstallation, relocation or repair of any existing or future utility or improvements owned by, constructed by or on behalf of the public or at public expense is made costlier by virtue of the construction, maintenance or existence of Licensee's improvements and use, Licensee shall pay to City an amount equal to such additional cost as reasonably determined by the Director of Public Works or said Director's duly authorized representatives.

ARTICLE X. REVOCATION. Licensor may revoke this License six (6) months after receipt by the Licensee of written notice that an Event of Revocation (as defined below) has occurred, identifying such Event of Revocation, provided that such Event of Revocation is not cured within six (6) months after Licensee's receipt of such notice, except as set forth in subsection (d) below. "Event of Revocation" shall mean:

a. Licensee's non-compliance with any of the terms of this Agreement;

b. the building shown on the Plan fails to be constructed substantially in accordance with the Plan or any amendments thereto;

c. the building as shown on the Plan is destroyed, removed or otherwise thereafter ceases to exist on Licensee's property and construction to rebuild said building has not begun within twelve (12) months of said destruction or removal, or

d. failure to maintain insurance as required under Section 6 above, and such failure is not remedied within thirty (30) days after written notice thereof.

Notwithstanding any other provision herein, in the event that a notice of an Event of Revocation is delivered to Licensee, any mortgagee of Licensee's property shall be entitled to cure the matter set forth in such notice within the time frames set forth above, and the City agrees to accept such performance by any such mortgagee of Licensee's obligations hereunder.

ARTICLE XI. NO PROPERTY RIGHTS<u>. This instrument is a license only and no provision hereof shall be construed as conveying an easement or other estate in land.</u>

<u>ARTICLE XII. MISCELLANEOUS</u>: This License sets forth the entire agreement of the parties with respect to the subject matter hereof. Any changes to this License shall be approved in writing, signed by all of the parties. No provision of this License shall be deemed to have been waived unless the event giving rise to such waiver has occurred, and unless such waiver is in writing.

No such waiver shall be deemed to be a waiver of any other or further similar or dissimilar obligation or liability of the party or parties in whose favor the waiver was given. This License shall be governed by the laws of the State of Maine.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first above mentioned.

WITNESS: CITY OF PORTLAND

_____________________________ By: ________________________________
Jon P. Jennings
Its City Manager

"Licensor"

WITNESS: J.B. BROWN & SONS

_____________________________ By: ________________________________
Vincent P. Veroneau
Its President

"Licensee"

STATE OF MAINE
CUMBERLAND, ss.

______________________, 2020

Then personally appeared the above-named Jon P. Jennings, City Manager of the City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said City of Portland.

Before me,

____
Notary Public/Attorney at Law

STATE OF MAINE
CUMBERLAND, ss.

______________________, 2020

Then personally appeared the above-named Vincent P. Veroneau, President of J.B. Brown & Sons, as aforesaid, and acknowledged the foregoing to be his free act and deed in his said capacity, and the free act and deed of said corporation.

Before me,

____

Attorney-at-Law/Notary Public

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

TO: Councilor Costa, Chair
Members of the Economic Development Committee

FROM: Victoria Volent, Housing Program Manager
Mary P. Davis, HCD Division Director

DATE: May 15, 2020

SUBJECT: Affordable Housing Tax Increment Financing Request (AHTIF)
(1) 83 Middle Street; (2) 200 Valley Street; (3) 337 Cumberland Avenue; and (4) 577 Washington Avenue (Washington Gardens)

The City of Portland's Division of Housing and Community Development recently received four Affordable Housing Tax Increment Financing (AHTIF) applications. The applications were reviewed by the Housing Committee on May 13; the Housing Committee is supportive of the proposals and will follow the process in the Economic Development Committee.

The Affordable Housing Tax Increment Financing applications received were for projects located at:

(1) 83 Middle Street
(2) 200 Valley Street
(3) 337 Cumberland Avenue
(4) 577 Washington Avenue (Washington Gardens)

Summary spreadsheets highlighting the developments are attached and an overview of each project follows.

Affordable Housing Development Funding Requests				
Project Address	**83 Middle Street**	**200 Valley Street**	**337 Cumberland**	**Washington Gardens**
Project Description	Construction of 50 units of affordable housing	Construction of 60 units of mixed income housing	Construction of 60 units of mixed-income rental housing and increased childcare spots from 58 to 107	Rehabilitation of 100 rental unit property and relocation of senior and disabled population during renovation.
Developer	CHOM	Avesta	YFO & PHA	PHA
Type of Housing	62+	Individuals & Families	Individuals & Families	55+ and disabled
Total Units	50	60	60	100
Affordble Units	50	48	48	100
Market Rate Units	0	12	12	0
% of Affordale/Market rate units	100/0	80/20	80/20	100/0
no. of units affordable to < 50% AMI	20	36	36	0
no. of units affordable to < 60% AMI	30	12	12	100
homeless set aside	10%	10%	10% (6 units)	10%
efficiency	23	11	20	60
one-bedroom	23	25	15	36
two-bedroom	4	14	15	4
three-bedroom	0	10	10	0
New units created	50	60	60	0
Rehabilitated units	0	0	0	100
CURRENT FUNDING REQUEST	$0	**$595,000**	**$500,000**	**$400,000**
Previous funding Received for this project	$530,000	$0	$0	$0
City Subsidy per New Affordable Unit	$10,602/unit	$12,395.83/unit	$10,416.66/unit	$4,000/unit
City Subsidy per New/Renovated Affordable Unit	n/a	n/a	n/a	$4,000/unit
TIF Request	**$2,062,185**	**4,092,269**	**$3,296,995**	**$5,714,987**
LIHTC	Yes 9%	Yes 9% ($945,149)	Yes 9% ($980,000)	Yes 9% (secured) $450,000
Healthy Neighborhood RFP	n/a	tentative $206,921	n/a	n/a
HOME (approved)	$193,266	n/a	n/a	n/a
Housing Trust Fund (approved)	$136,734	n/a	n/a	n/a
CDBG (approved)	n/a	n/a	n/a	$184,150
Other City Funding encumbered by Developer	n/a	*	**	**
Total Development Cost	$10.7 million	$14. million	$13.5 million	$14.7 million
Estimated Construction Start Date	Spring 2021	Aug. 2021	Aug. 2021	Fall 2020
Estimated Lease-up	Summer 2022	Fall 2022	Fall 2022	Fall 2022
*** Encumbered Funds: Avesta's Deering Place project was awarded $500,000 in HOME, and $4,185,757 in AH TIF. This project is under construction.**				
Avesta's 977 Brighton Ave was awarded $300,000 in Housing Trust funds and $1,954,486 in AH TIF.				
**** Encumbered Funds: PHA 's Front Street project has an outstanding comittment of $925,000 in Housing Trust funds, $510,174 in HOME funding,**				
and $6,056,916 AHTIF. PHA's 58 Boyd Street project was awarded $200,000 in HOME, $30,000 in CDBG, and $2,144,566 in AH TIF (under construction)				

Affordable Housing Development Funding Requests

Project Address	**83 Middle Street**	**200 Valley Street**	**337 Cumberland**	**Washington Gardens**
Project Description	Construction of 50 units of affordable housing	Construction of 60 units of mixed income housing	Construction of 60 units of mixed-income rental housing and increased childcare spots from 58 to 107	Rehabilitation of 100 rental unit property and relocation of senior and disabled population during renovation.
Developer	CHOM	Avesta	YFO & PHA	PHA
Affordable Housing Development Funding Requests	$0	$595,000	$500,000	$400,000
HOME (approved)	$193,266	n/a	n/a	n/a
Housing Trust Fund (approved)	$136,734	n/a	n/a	n/a
CDBG (approved)	$200,000	n/a	n/a	$184,150
Healthy Neighborhood RFP	n/a	tentative $206,921	n/a	n/a
TIF Request	$2,062,185	$4,092,269	$3,296,995	$5,714,987
Land Lease	Yes	n/a	n/a	n/a

(1) 83 Middle Street

Community Housing of Maine (CHOM) is proposing to construct a five-story building with 50 units of affordable rental housing for residents age 62 and over. Eleven units will be set aside for Long Term Stayers (LTS). The site will be leased for 99-years from the City of Portland.

CHOM is requesting an AHTIF Credit Enhancement Agreement to assist with the project. If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of $68,740 with an estimated total of $2,062,185 in captured revenue returned to the developer to off-set project operating costs. The proposed building will be taxable on this city-owned property, with an estimated annual assessment of $3,000,000 and estimated annual tax of $69,930 at the current 20FY millage rate. The remaining increased taxable value, currently estimated at a 30-year annual average of $22,913, with an estimated total of $687,395, will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

Other city financial assistance awarded to the project:

(1) Affordable Housing Development funds received: $330,000 0% interest rate loan, deferred for 30 years (HOME $193,266 + Housing Trust Funds$136,734).

(2) CDBG Funds received: $200,000, 0% interest rate loan, deferred for 30 years.

(3) Option to Lease Agreement for the City-owned property at 83 Middle Street. Option expires June 30, 2021; option payment $1.00; ground lease with term of 99 years and aggregate lease payment of $99.00.

City Investment $530,100/unit = $10,602

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt of $825,000 with Maine Housing contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer

Twenty-five (25) units will have project based rental assistance. According to the developer's application:

The development will be one 5-story elevator accessible building containing 50 units of affordable rental housing, a first-floor commercial space, and a below grade parking garage on the .2183 site. The 50 units consist of 23 studios, 24 one-bedroom, and 3 two-bedroom units; 17 units will be accessible, 12 more than required by code. The planned development will include an 11-unit preference for people experiencing homelessness. All of the components of the building will be designed to Passive House Standards, the industry standard for sustainable building construction. The project has been designed to be *affordable for households making 60% or less of the Area Median Income (AMI), with at least 40% of the project to be occupied by households making 50% or less of AMI. The project will further assist lower income populations through the use of 25 Project Based Housing Vouchers, which were awarded through a competitive process through Portland Housing Authority.*

The development will tentatively include:

83 Middle Street		
Studio (23)	at or below 50% area median income	9
	at or below 60% area median income	14
One-bedroom (24)	at or below 50% area median income	10
	at or below 60% area median income	14
two-bedroom (3)	at or below 50% area median income	1
	at or below 60% area median income	2
Total	at or below 50% area median income	20
Total	at or below 60% area median income	30
Total Units		50

FINANCIAL IMPACT

When completed, this project's new building assessed value is estimated at $3 million, which would yield $69,930 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately $2,062,185) will be captured revenue returned to the developer. The remaining 25% (approximately $687,395) will be general fund revenue.

A Credit Enhancement Agreement will return approximately $2,062,185 in captured revenue to the project (averaged at $68,740 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at $10.7 million. Non-captured general fund revenues are estimated at $687,395 (average at $22,913 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $18,879+, or $566,377 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)	Non -Captured General Fund Revenue (Tax Dollars in General Fund)
30 Year TIF Total	$2,062,185	$0	$687,395
30 Year Average	$68,740	$0	$22,913

	1. Sheltered Valuation (same as Captured Valuation	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	$63,000,000	$484,380	$47,212	$34,785	$566,377
30 Year Average	$2,100,000	$16,146	$1,574	$1,160	$18,879

Attachments:
83 Middle Street Tax Increment Financing Application Summary
TIF District Map
TIF Model Spreadsheets
Site Elevation
Project Pro Forma

Project Summary

The Portland City Council voted unanimously to approve a 99-year land lease for the surface parking lot located at 83 Middle Street (CBL: 028 0017001) to Community Housing of Maine (CHOM), in order to develop 50 units of affordable rental housing with eleven units set aside for Long Term Stayers (LTS), people who have stayed in a shelter for more than 180 days. The proposed building will fit into the rigors and complex design structure of the India Street Form Based Code and will not require a zoning change. The project will include a central laundry facility, community space, tenant storage, and a management office.

The development will be one 5-story elevator accessible building containing 50 units of affordable rental housing, a first-floor commercial space, and a below grade parking garage on the .2183 site. The 50 units consist of 23 studios, 24 one-bedroom, and 3 two-bedroom units; 17 units will be accessible, 12 more than required by code. The planned development will include an 11-unit preference for people experiencing homelessness. All of the components of the building will be designed to Passive House Standards, the industry standard for sustainable building construction. As shown in the attached site plan, the project will also make changes to the sidewalk along Middle and Franklin streets, making the intersection safer and more accessible to pedestrians and bicyclists while reconnecting the India Street Neighborhood to the Old Port.

The project has been designed to be affordable for households making 60% or less of the Area Median Income (AMI), with at least 40% of the project to be occupied by households making 50% or less of AMI. The project will further assist lower income populations through the use of 25 Project Based Housing Vouchers, which were awarded through a competitive process through Portland Housing Authority.

TIF funds will be used in partnership with the other financing to assist in the creation of affordable housing in downtown Portland. The TIF will allow for the creation of Affordable Housing through leveraging the reduced tax obligation to generate additional capital in order to fund the construction of the building. 100% of the acreage is within the current Downtown TIF district and is suitable for residential use and redevelopment. The total acerage is less than 1% of the TIF district.

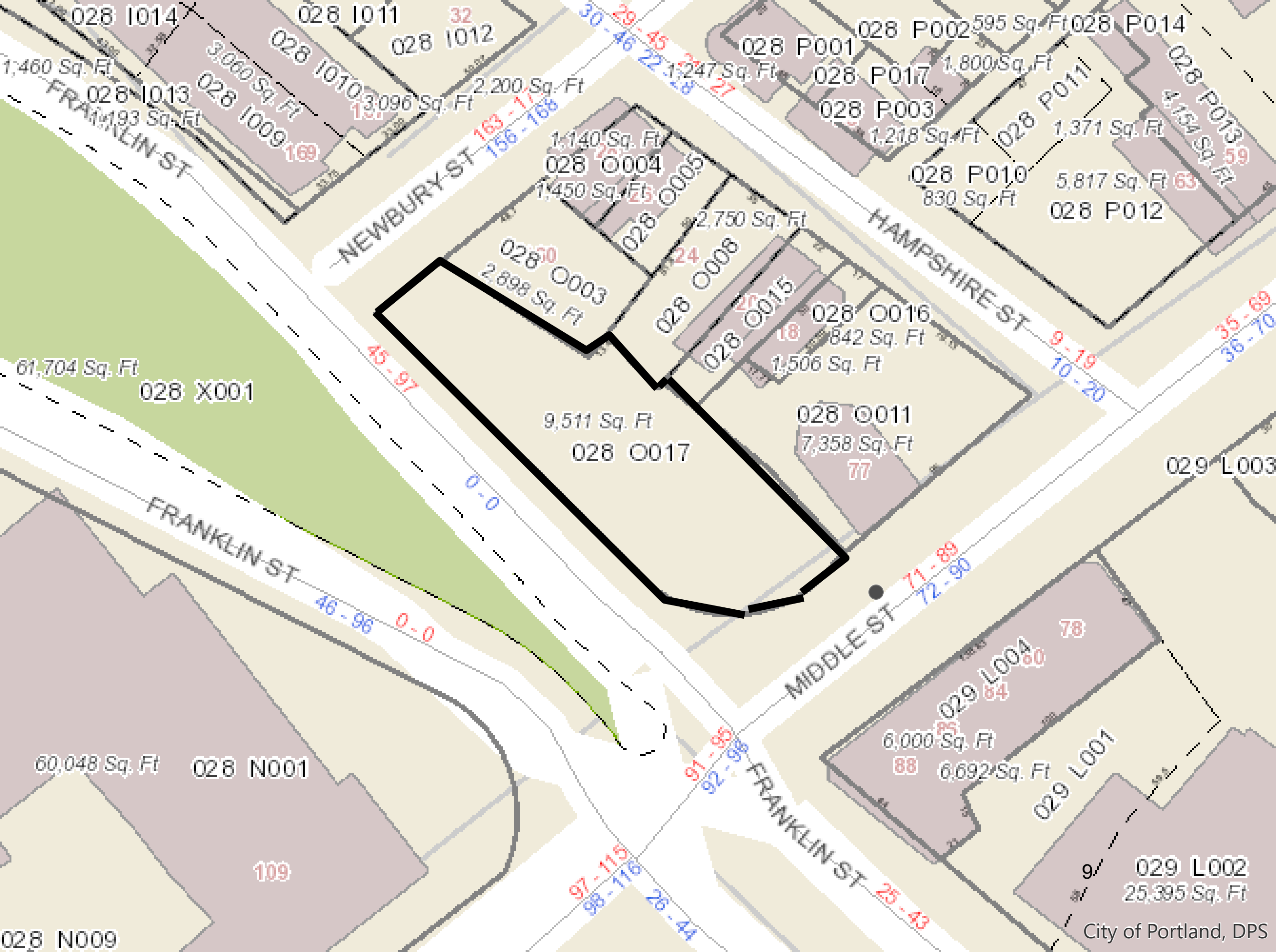
The project has received $330,000 through the City’s Housing Assistance funds. In addition, Middle Street Apartments has requested debt, subsidy and LIHTC equity from MaineHouisng. In total, the project is raising more than $11.5M in capital and has secured Letters of Intent for construction financing from Bangor Savings Bank.

The India Street Neighborhood has seen a dramatic increase in development in recent years. As other parts of the neighborhood have gentrified, many of the long-time residents of the neighborhood have been priced out of their apartments, and homes. Creating a more equitable ratio of affordable housing is paramount to the continued long-term success of the neighborhood. According to the National Low-Income Housing Coalition, Maine currently has a shortage of more than 20,000 rental homes available, and affordable to households with extremely low incomes (ELI). Many of the low-income households that have been able to secure affordable rental housing must sacrifice other necessities in order to maintain their housing. 53% of ELI households are severely rent overburdened, spending more than half of their income on housing costs. According to a Maine Real Estate Managers Association survey, there are 32,649 households on a waitlist for 13,824 units of affordable housing; a ratio of more than 2:1. Middle Street Apartments will target these individuals and provide permanently affordable housing, to reduce the burden that housing costs have levied against these households.

Middle Street Apartments will set aside eleven (11) units for long term shelter stayers. These individuals will be able make use of the twenty-five (25) Project Based Housing Vouchers (PBV) supplied by Portland Housing Authority and dedicated to Middle Street Apartments. The 25 PBV will allow the LTS households, and an additional 14 other households, to pay 30% of their income towards rent, with federal assistance paying for the remainder of their rent. The City of Portland will assist each of these individuals with sustained wraparound support services. Each LTS will have an individual support plan tailored to their induvial needs. This individual support allows LTS to focus on the issues that caused their homelessness and allow them to successfully live independently. The units set aside for LTS will directly and immediately reduce the strain on the city's shelter system, removing more people from the street, and allowing people to access safe, affordable, and service enriched housing.

Furthermore, the need to reconnect the India Street Neighborhood to downtown has been ever-present since the construction of the Franklin Arterial. The corner of Middle and Franklin is an oversized intersection that promotes speed and dangerous traffic conditions. The proposed changes to the corner of the Middle and Franklin would increase the use of walkways and other means of travel while maintaining the current volume of automotive transportation.

CHOM has developed 79 housing sites in 32 communities, creating 776 units of high quality, inclusive, affordable, and service-enriched housing. CHOM currently serves 1,034 people, 337 were homeless at entry, 127 were LTS, 57 were homeless Veterans at entry, 94 were fleeing domestic violence, and 102 are people with intellectual/developmental disabilities. In the City of Portland alone, CHOM has more than 250 units of affordable and supportive housing under its charge. CHOM partnerships have provide low barrier housing to previously underserved populations. CHOM will partner with Preservation Management INC, a national property management company, based in Maine with expertise in the management and compliance of Affordable Housing.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1,460 Sq. Ft
3,060 Sq. Ft
3,096 Sq. Ft
2,200 Sq. Ft
FRANKLIN ST
NEWBURY ST
028 P001
028 P002
595 Sq. Ft
028 P014
028 P017
028 P003
1,247 Sq. Ft
1,800 Sq. Ft
028 P011
1,218 Sq. Ft
1,371 Sq. Ft
028 P013
4,154 Sq. Ft
028 P010
830 Sq. Ft
5,817 Sq. Ft
028 P012
1,140 Sq. Ft
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028 O005
1,450 Sq. Ft
2,750 Sq. Ft
028 O003
2,898 Sq. Ft
028 O008
028 O015
028 O016
842 Sq. Ft
1,506 Sq. Ft
HAMPSHIRE ST
61,704 Sq. Ft
028 X001
9,511 Sq. Ft
028 O017
028 O011
7,358 Sq. Ft
029 L003
FRANKLIN ST
MIDDLE ST
029 L004
6,000 Sq. Ft
6,692 Sq. Ft
029 L001
60,048 Sq. Ft
028 N001
028 N009
029 L002
25,395 Sq. Ft
FRANKLIN ST
City of Portland, DPS

83 Middle Street, Portland ME

City of Portland - Affordable Housing (AH) TIF Model
83 Middle Street, 28-O-17
OAV: $0 ao 3/31/2020
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 83 Middle Street AH TIF

TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	City OAV General Fund Revenues
1	2020	$0	75.00%	$0	23.78	$0	$0	$0	$0	$0
2	2021	$0	75.00%	$0	24.25	$0	$0	$0	$0	$0
3	2022	$3,000,000	75.00%	$2,250,000	24.74	$55,658	$55,658	$0	$18,553	$0
4	2023	$3,000,000	75.00%	$2,250,000	25.23	$56,771	$56,771	$0	$18,924	$0
5	2024	$3,000,000	75.00%	$2,250,000	25.74	$57,906	$57,906	$0	$19,302	$0
6	2025	$3,000,000	75.00%	$2,250,000	26.25	$59,064	$59,064	$0	$19,688	$0
7	2026	$3,000,000	75.00%	$2,250,000	26.78	$60,246	$60,246	$0	$20,082	$0
8	2027	$3,000,000	75.00%	$2,250,000	27.31	$61,451	$61,451	$0	$20,484	$0
9	2028	$3,000,000	75.00%	$2,250,000	27.86	$62,680	$62,680	$0	$20,893	$0
10	2029	$3,000,000	75.00%	$2,250,000	28.41	$63,933	$63,933	$0	$21,311	$0
11	2030	$3,000,000	75.00%	$2,250,000	28.98	$65,212	$65,212	$0	$21,737	$0
12	2031	$3,000,000	75.00%	$2,250,000	29.56	$66,516	$66,516	$0	$22,172	$0
13	2032	$3,000,000	75.00%	$2,250,000	30.15	$67,846	$67,846	$0	$22,615	$0
14	2033	$3,000,000	75.00%	$2,250,000	30.76	$69,203	$69,203	$0	$23,068	$0
15	2034	$3,000,000	75.00%	$2,250,000	31.37	$70,587	$70,587	$0	$23,529	$0
16	2035	$3,000,000	75.00%	$2,250,000	32.00	$71,999	$71,999	$0	$24,000	$0
17	2036	$3,000,000	75.00%	$2,250,000	32.64	$73,439	$73,439	$0	$24,480	$0
18	2037	$3,000,000	75.00%	$2,250,000	33.29	$74,908	$74,908	$0	$24,969	$0
19	2038	$3,000,000	75.00%	$2,250,000	33.96	$76,406	$76,406	$0	$25,469	$0
20	2039	$3,000,000	75.00%	$2,250,000	34.64	$77,934	$77,934	$0	$25,978	$0
21	2040	$3,000,000	75.00%	$2,250,000	35.33	$79,493	$79,493	$0	$26,498	$0
22	2041	$3,000,000	75.00%	$2,250,000	36.04	$81,083	$81,083	$0	$27,028	$0
23	2042	$3,000,000	75.00%	$2,250,000	36.76	$82,704	$82,704	$0	$27,568	$0
24	2043	$3,000,000	75.00%	$2,250,000	37.49	$84,359	$84,359	$0	$28,120	$0
25	2044	$3,000,000	75.00%	$2,250,000	38.24	$86,046	$86,046	$0	$28,682	$0
26	2045	$3,000,000	75.00%	$2,250,000	39.01	$87,767	$87,767	$0	$29,256	$0
27	2046	$3,000,000	75.00%	$2,250,000	39.79	$89,522	$89,522	$0	$29,841	$0
28	2047	$3,000,000	75.00%	$2,250,000	40.58	$91,312	$91,312	$0	$30,437	$0
29	2048	$3,000,000	75.00%	$2,250,000	41.39	$93,139	$93,139	$0	$31,046	$0
30	2049	$3,000,000	75.00%	$2,250,000	42.22	$95,001	$95,001	$0	$31,667	$0
30 Year TIF Total		**$84,000,000**		**$63,000,000**		**$2,062,185**	**$2,062,185**	**$0**	**$687,395**	**$0**
30 Year Average				**$2,100,000**		**$68,740**	**$68,740**		**$22,913**	**$0**

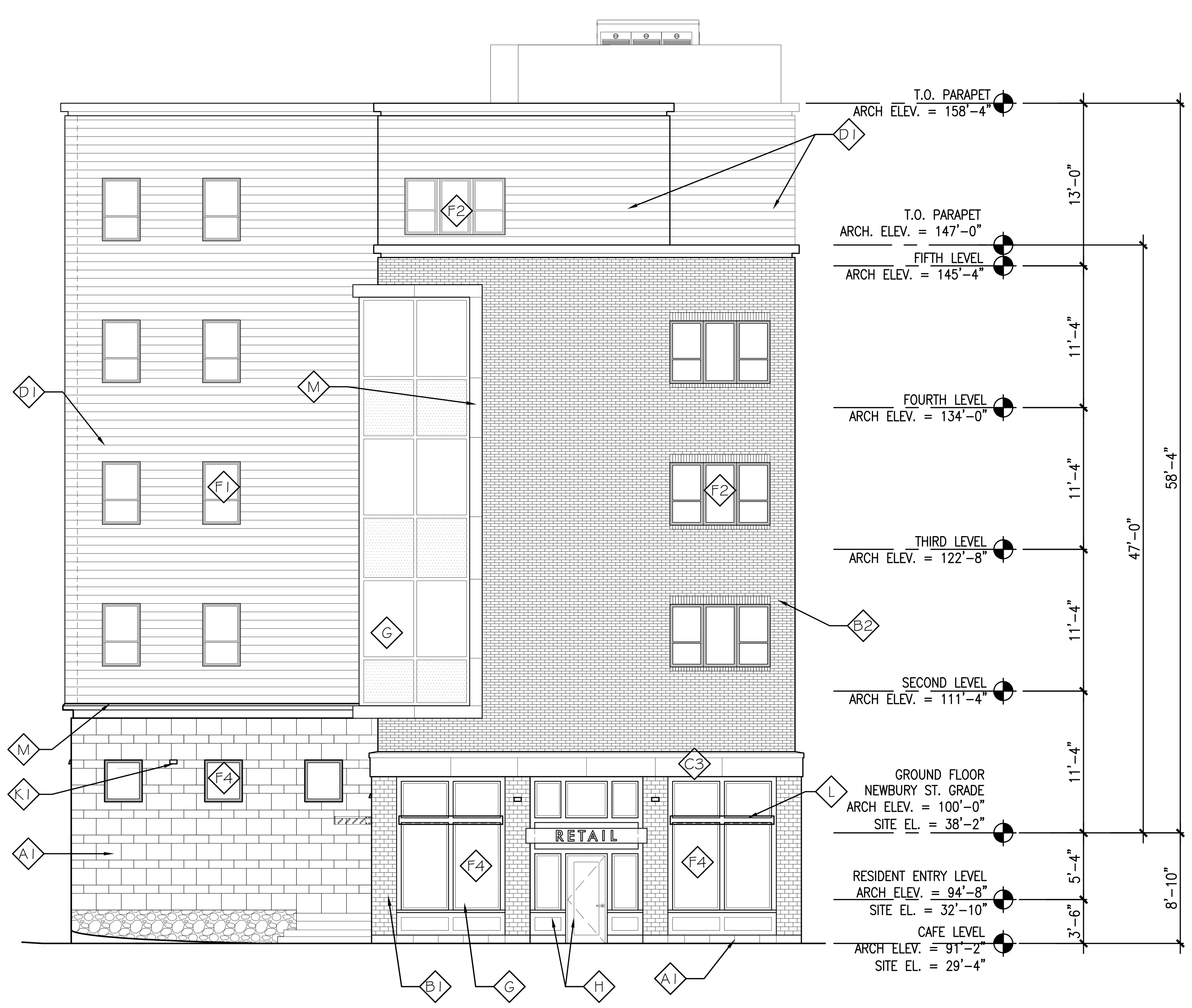
Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 200 Valley Street Affordable Housing TIF

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation: Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	$0	$0	$0	$0	$0	$0
2	2021	$0	$0	$0	$0	$0	$0
3	2022	$3,000,000	$2,250,000	$0	$1,686	$1,242	$2,928
4	2023	$3,000,000	$2,250,000	$6,210	$1,686	$1,242	$9,138
5	2024	$3,000,000	$2,250,000	$12,420	$1,686	$1,242	$15,348
6	2025	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
7	2026	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
8	2027	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
9	2028	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
10	2029	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
11	2030	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
12	2031	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
13	2032	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
14	2033	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
15	2034	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
16	2035	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
17	2036	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
18	2037	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
19	2038	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
20	2039	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
21	2040	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
22	2041	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
23	2042	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
24	2043	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
25	2044	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
26	2045	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
27	2046	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
28	2047	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
29	2048	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
30	2049	$3,000,000	$2,250,000	$18,630	$1,686	$1,242	$21,558
30 Year TIF Total		**$84,000,000**	**$63,000,000**	**$484,380**	**$47,212**	**$34,785**	**$566,377**
30 Year TIF Avg.		**$2,800,000**	**$2,100,000**	**$16,146**	**$1,574**	**$1,160**	**$18,879**

A3 BUILDING ELEVATION

REFERENCED FROM: SCALE: 1/8" = 1'-0"



A5 BUILDING ELEVATION

REFERENCED FROM: SCALE: 1/8" = 1'-0"

EXTERIOR FINISH MATERIAL LEGEND

CODE	MATERIAL	COLOR AND FINISH	PATTERN LEGEND
A1	WESTBROOK CONCRETE BLOCK MANUFACTURE	COLOR: GF-326, GROUND FACE TEXTURE	
B1	ECONO MODULAR SIZE BRICK – 3 5/8" x 3 5/8" x 7-5/8"	COLOR: ACADEMY SMOOTH SERIES NARROW FLASHED RANGE	
B2	MODULAR SIZE THIN BRICK – 5/8" x 2 1/4" x 7-5/8"	COLOR: ACADEMY SMOOTH SERIES, NARROW FLASHED RANGE	
C1	HARDIE REVEAL PANEL SYSTEM – 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FACTORY FINISH.	COLOR: SHERWIN WILLIAMS URBANE BRONZE, FACTORY-FINISH	
C2	HARDIE ARTISAN SHIPLAP VERTICAL SIDING – .625", 10.25" WIDTH WITH 9" EXPOSURE. FACTORY PRIMED AND FIELD FINISH.	COLOR: SHERWIN WILLIAMS CARNELIAN, FIELD PAINT	
C3	HARDIE REVEAL PANEL SYSTEM – 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FACTORY FINISH.	COLOR: SHERWIN WILLIAMS AMAZING GRAY, FACTORY – FINISH	
D1	FIBERCEMENT LAP SIDING – 5/16", 9.25" SMOOTH TEXTURED, 8" EXPOSURE FACTORY PRIMED AND FIELD FINISH	COLOR: SHERWIN WILLIAMS AMAZING GRAY, SATIN FINISH, FIELD PAINT	
E	BREAK METAL TRIM, PAINTED	PAINT: SHERWIN WILLIAMS URBANE BRONZE	
F1	SINGLE HUNG WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
F2	TRIPLE WINDOWS – SINGLE HUNG/ PICTURE WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
F3	DOUBLE WINDOWS – SINGLE HUNG/ PICTURE WINDOWS BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
F4	LARGE PICTURE WINDOWS ON FIRST FLOOR BASED ON PELLA OR EQUAL	COLOR: TERRATONE	
G	ALUMINUM THERMAL STOREFRONT WINDOW SYSTEM BY KAWNEER, TRIFAB VERSAGLAZE 451/451T , PELLA 250 SERIES OR EQUAL	COLOR: TERRATONE	
H	ALUMINUM THERMAL STOREFRONT ENTRANCE DOOR WITH SIDELITES SYSTEM BY KAWNEER, TRIFAB VERSAGLAZE 451/451T, PELLA 250 SERIES OR EQUAL	COLOR: TERRATONE	
I	BREAK METAL TRIM AT FIRST FLOOR, PAINTED	PAINT: SW IN THE NAVY	
J	DECORATIVE GRILLES VENT	COLOR: TERRATONE /OPTIONS TO FOLLOW	
K1	EXTERIOR WALL MOUNT LIGHT FIXTURE	MODEL: BEGA 22-261 COLOR: BLACK	
K2	EXTERIOR WALL MOUNT LIGHT FIXTURE	MODEL: LNC2 LITEPAK BY HUBBELL LIGHTING; COLOR: BLACK	
L	36" SUNSHADE SYSTEM BY CRL ALUMINUM MANUF. – 6" TALL SQUARE OUTRIGGER WITH 1x6" RECTANULAR FASCIA AND INFILL BLADES	COLOR: TBD	
M	HARDIE REVEAL PANEL SYSTEM – 5/16" SMOOTH FACE W/ SURROUNDED TRIM, STACKED LAYOUT. FACTORY PRIMED AND FIELD FINISH.	COLOR: SHERWIN WILLIAMS IN THE NAVY, FACTORY–FINISH	

D5 ELEVATION NOTES

REFERENCED FROM:

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN
434 Cumberland Avenue Portland ME 04101
OFFICE: 207 774 4441 CWSARCH.COM

DESIGNER

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN
264 US ROUTE ONE, SUITE 100-A
SCARBOROUGH, MAINE 04074
207-774-4441
WWW.CWSARCH.COM

OWNER

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

PROJECT

MIDDLE STREET APARTMENTS
MIDDLE STREET
PORTLAND, MAINE 04101

DRAWING

BUILDING ELEVATIONS
CWS PROJECT NUMBER: 19.008

REVISIONS

DRAWING NUMBER
A3.01

SCALE: 1/8" = 1'-0"
DATE: 04/16/2020

PROGRESS - NOT FOR CONSTRUCTION

Middle Street Apartments

Sources & Uses Summary

Sources	
MH Amortizing Loan	2,900,000
MH RLP	5,700,000
CDBG	200,000
City HOME Funds	330,000
Federal HTC Equity	0
State HTC Equity	0
Federal LIHTC Equity	4,587,396
Subsidized Advance	0
Developer Fee Loan	0
	13,717,396
Uses	
Acquisition	99
Direct Construction	11,140,637
Soft Costs	999,391
Financing Costs	308,715
Reserves	518,554
Developer Fee	750,000
	13,717,396

Middle Street Apartments

DEVELOPMENT BUDGET

			Total	LIHTC BASIS REHAB	LIHTC BASIS ACQ	INELIGIBLE
	Acquisition:					
	Acquisition: Land		$ 99			
	Acquisition: Building	$ 99	$ -		$ -	
	Acquired Reserves		$ -			
	Construction:					
	Construction/Rehab		$ 10,610,130	$ 10,610,130		
	Site Improvements		$ -	$ -		
	Environmental		$ -	$ -		
	Contractor Fee	$ 10,610,130	$ -	$ -		
	P&P Bonds		$ -	$ -		
	FF&E		$ -	$ -		
5.0%	Contingency		$ 530,507	$ 530,507		
	Soft Costs:					
1.50%	Permits & Fees		$ 95,000	$ 95,000		
	Architect - Design		$ 360,000	$ 360,000		
	Architect - Supervision		$ 120,000	$ 120,000		
	Environmental Engineering		$ 60,000	$ 60,000		
	Engineering & Survey		$ 70,000	$ 70,000		
	Pre-construction services		$ 5,000	$ 5,000		
	Relocation					
	Third Party Reports		$ 55,866	$ 55,866		
	Accounting & Audit		$ 10,500	$ 10,500		
	Developer Legal		$ 80,000	$ 70,000	$ 10,000	
	Taxes + Insurance		$ 74,025	$ 74,025		
	Soft Cost Contingency		$ 50,000	$ 50,000		
	Appraisal		$ 5,000	$ 5,000		
	Title and Recording		$ 14,000		$ 13,300	$ 700
	Transfer Tax		$ 0		$ 0	
	Financing:					
	Construction Loan Fee	0.35%	$ 30,000	$ 30,000		
	Construction loan interest		$ 91,705	$ 91,705		
	Construction lender legal		$ 20,000	$ 20,000		
	MH Commitment fee		$ 2,000			$ 2,000
	Bank Inspections		$ 7,500	$ 7,500		
	Syndication Fees		$ 5,000			$ 5,000
	MH Loan Fee	2%	$ 58,000			$ 58,000
	MH application fees		$ 4,500			$ 4,500
	Allocation Fee	7.50%	$ 40,010			$ 40,010
	Monitoring Fee	$1,000	$ 50,000			$ 50,000
	Other:					
	Lease Up + Marketing					$ -
	Misc:		$ -			$ -
	Startup & Organization		$ -			$ -
	Developer Fees		$ 750,000	$ 725,000	$ 25,000	$ -
	Reserves:					
	Supportive Services Reserve		$ -			$ -
	Replacement Reserves		$ 106,101			$ 106,101
	Operating Reserves		$ 273,855			$ 273,855
	Tax and Insurance Reserve		$ 77,500			$ 77,500
	Lease Up Reserve		$ 61,098			$ 61,098
	$ 13,165,429.94	TOTAL	$ 13,717,396	$ 12,990,233	$ 48,300	$ 678,765

Middle Street Apartments

15 -YEAR PRO FORMA	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Income															
Potential Gross Income	553,680	564,754	576,049	587,570	599,321	611,307	623,534	636,004	648,724	661,699	674,933	688,431	702,200	716,244	730,569
Vacancy Loss	(27,684)	(28,238)	(28,802)	(29,378)	(29,966)	(30,565)	(31,177)	(31,800)	(32,436)	(33,085)	(33,747)	(34,422)	(35,110)	(35,812)	(36,528)
Commercial Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	525,996	536,516	547,246	558,191	569,355	580,742	592,357	604,204	616,288	628,614	641,186	654,010	667,090	680,432	694,041
Expenses															
real estate taxes	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629
insurance	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067
utilities	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794	103,818	106,932	110,140	113,444
management fee	31,560	32,507	33,482	34,486	35,521	36,586	37,684	38,815	39,979	41,178	42,414	43,686	44,997	46,347	47,737
parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
administrative	56,400	58,092	59,835	61,630	63,479	65,383	67,345	69,365	71,446	73,589	75,797	78,071	80,413	82,825	85,310
audit	8,750	9,013	9,283	9,561	9,848	10,144	10,448	10,761	11,084	11,417	11,759	12,112	12,475	12,850	13,235
repairs + maintenance	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	89,975	92,674	95,455	98,318
resident services	14,500	14,935	15,383	15,845	16,320	16,809	17,314	17,833	18,368	18,919	19,487	20,071	20,674	21,294	21,933
other	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
replacement reserve	22,500	22,950	23,409	23,877	24,355	24,842	25,339	25,845	26,362	26,890	27,427	27,976	28,535	29,106	29,688
Operating Expenses	(373,710)	(384,696)	(396,007)	(407,654)	(419,644)	(431,990)	(444,701)	(457,789)	(471,264)	(485,139)	(499,424)	(514,132)	(529,277)	(544,870)	(560,925)
Net Operating Income	152,286	151,820	151,239	150,538	149,711	148,752	147,655	146,415	145,024	143,475	141,762	139,878	137,814	135,562	133,116
TIF Reimbursement	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929	50,397	51,909	53,466	55,070	56,722
Financing Expenses															
MH Amortizing Loan	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)
LP Mgmt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Mgmt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DF Loan															
	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)	(174,000)
Net Cash Flow	**15,786**	**16,445**	**17,023**	**17,515**	**17,917**	**18,225**	**18,432**	**18,535**	**18,528**	**18,404**	**18,159**	**17,786**	**17,280**	**16,632**	**15,838**
DSCR	**1.09**	**1.09**	**1.10**	**1.10**	**1.10**	**1.10**	**1.11**	**1.11**	**1.11**	**1.11**	**1.10**	**1.10**	**1.10**	**1.10**	**1.09**
NOI/Unit	**$316**	**$329**	**$340**	**$350**	**$358**	**$364**	**$369**	**$371**	**$371**	**$368**	**$363**	**$356**	**$346**	**$333**	**$317**

Middle Street Apartments

EXPENSE INFORMATION

		Escalation	2006 audit	2007 audit	2008 audit	2009 budget	Pro Forma Expenses	Per Unit
real estate taxes		3.0%					$ 50,000	1,000
insurance		3.0%					$ 45,000	900
utilities		3.0%					$ 75,000	1,500
management fee	6.0%	3.0%					$ 31,560	631
parking		3.0%					$ -	0
administrative		3.0%					$ 56,400	1,128
audit		3.0%					$ 8,750	175
repairs + maintenance		3.0%					$ 65,000	1,300
resident services		3.0%					$ 14,500	290
other		3.0%					$ 5,000	100
replacement reserve		2.0%					$ 22,500	450
	TOTAL	3.0%	$ -	$ -	$ -	$ -	$ 373,710	7,474
		PER UNIT	0	0	0	0	$ 7,474	

Interest on Reserves	1.5%

(2) <u>200 Valley Street</u>

Avesta Housing Development Corporation (AHDC) is proposing to construct 60 apartment units on a site they own located at 200 Valley Street. 48 units will have income restrictions.

AHDC has requested two forms of financial assistance.

(1) Affordable Housing Development (AHD) fund request: $595,000, 0% interest rate loan, deferred for 30 years.

City AHD request of $595,000/unit = $9,916.66
City AHD request of $595,000/affordable unit = $12,395.83

AHDC plans to apply for $206,921 in City of Portland and Maine Medical Center's Healthy Neighborhoods Funding. If successful, these funds could be used in lieu of an equal amount of HOME/HTF subsidy.

Final Affordable Housing Development funding recommendations from the Housing Committee are scheduled for the June 10th meeting. The final loan terms will be determined based on the results of the city's financial underwriting.

(2) Tax Increment Financing request: AHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) Credit Enhancement Agreement to assist with the project. Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30-year annual average of $136,409 with an estimated total of $4,092,269 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of $6,200,000 and estimated annual tax of $144,500 at the current 20FY millage rate. The remaining increased taxable value, currently estimated at a 30-year annual average of $45,470, with an estimated total of $1,364,090, will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

According to the developer's application:

Valley Street Apartments will create 60 homes in the St. John/Valley Street Neighborhood of Portland. Of the 60 units, 48 will have income restrictions: 36 will be reserved for households at or below 50% AMI and 12 will be reserved for households at or below 60% AMI. The remaining 12 apartments will be unrestricted market rate.

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt of $945,149 with Maine Housing contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

The development will include:

200 Valley Street		
Studio (11)	at or below 50% area median income	7
	at or below 60% area median income	4
One-bedroom (25)	at or below 50% area median income	10
	at or below 60% area median income	3
	Market Rate	12
Two-bedroom (14)	at or below 50% area median income	11
	at or below 60% area median income	3
Three-bedroom (10)	at or below 50% area median income	8
	at or below 60% area median income	2
Total Units	at or below 50% area median income	36
Total Units	at or below 60% area median income	12
Total Units	Market Rate	12
Total Units		60

FINANCIAL IMPACT

When completed, this project's new total assessed value is estimated at $6.2 million, which would yield $144,500 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately $4,092,269) will be captured revenue returned to the developer. The remaining 25% (approximately $1,364,090) will be general fund revenue.

A Credit Enhancement Agreement will return approximately $4,092,269 in captured revenue to the project (averaged at $136,409 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at $14 Million. Non-captured general fund revenues are estimated at $1,364,090 (average at $45,470 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $37,464+, or $1,123,934 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	**Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)**	**Non -Captured General Fund Revenue (Tax Dollars in General Fund)**
30 Year TIF Total	$4,092,269	$0	$1,364,090
30 Year Average	$136,409	$0	$45,470

	1. Sheltered Valuation (same as Captured Valuation	2. Avoided Loss of State Aid for Education	3. Avoided Loss of State Municipal Revenue Sharing	4. Avoided Increase in County Tax	5. Total Avoided Impacts (2+3+4)
30 Year TIF Total	$125,019,300	$961,220	$93,689	$69,026	$1,123,934
30 Year Average	$4,167,310	$32,041	$3,123	$2,301	$37,464

Attachments:
200 Valley Street Tax Increment Financing Application Summary
TIF District Map
TIF Model Spreadsheets
Site Elevations
Project Pro Forma

200 Valley Street

City of Portland 2020 AHTIF Application
Valley Street Apartments | A – Project Summary
April 27, 2020

Avesta Housing is proposing a 60-unit mixed-income family housing development at 200 Valley Street in Portland, ME. Avesta Housing is requesting a 30-year Affordable Housing TIF at 75% of the increased taxable value. The TIF will be utilized to pay operational expenses, is required to meet the minimum debt coverage ratio requirements, and is a critical component of receiving the federal Low Income Housing Tax Credits (LIHTC) needed to finance the project.

Property address	200 Valley Street, Portland, ME *Includes parcels addressed as 204 & 210 Valley St and 6 C St*
Tax chart, block and lot number	064 F015, 064 F007, 064 F008, 064 F009
Total district acreage	.34 acres (14,964sf)
Zoning designation where district is located, including allowed uses in that zone	**Zone**: B-2 **Allowed Uses**: Multifamily housing, among others. See attached for complete list. This project is currently undergoing the site plan approval process with the City of Portland, and we look forward to a project that is compatible with and complementary of the surrounding neighborhood and architecture.
Municipal housing need addressed by the creation of the district and how the district addresses that need	Valley Street Apartments will create 60 homes in the St. John/Valley Street Neighborhood of Portland. This neighborhood has traditionally been home to Portland's workforce, and the recent MaineMed expansion has strengthened the neighborhood's dedication to preserving its identity as a home for people of all income levels who live and work in Portland. Portland is in desperate need of housing for individuals and families living at all income levels. Of the 60 units at Valley Street Apartments, 48 will have income restrictions: 36 will be reserved for households at or below 50% AMI and 12 will be reserved for households at or below 60% AMI. The remaining 12 apartments will be unrestricted market rate units. All units will have the same design features and characteristics, thus promoting economic integration and destigmatizing affordable housing.

	There is significant, proven need for the sixty homes that would be created at Valley Street Apartments. There are 1093 income-eligible households on the waitlist for the 778 income-restricted apartments Avesta manages in the Greater Portland area, with additional households on preference lists for these properties. Because of the average tenancy length at Avesta's properties, the current households on the waitlist would not secure an apartment through Avesta until 2028. In 2019, over 3,380 households applied for housing and only 359 were able to move in.
Percentage of district acreage that is suitable for residential use, blighted, or in need of rehabilitation/ redevelopment	100% of the parcel is suitable for residential use. 204 Valley Street is currently vacant and suitable for redevelopment. A two-story residential building with the address 210 Valley Street is located at the corner of Valley and C Streets and will be demolished prior to redevelopment. 6 C Street is vacant and used as unpaved surface parking.

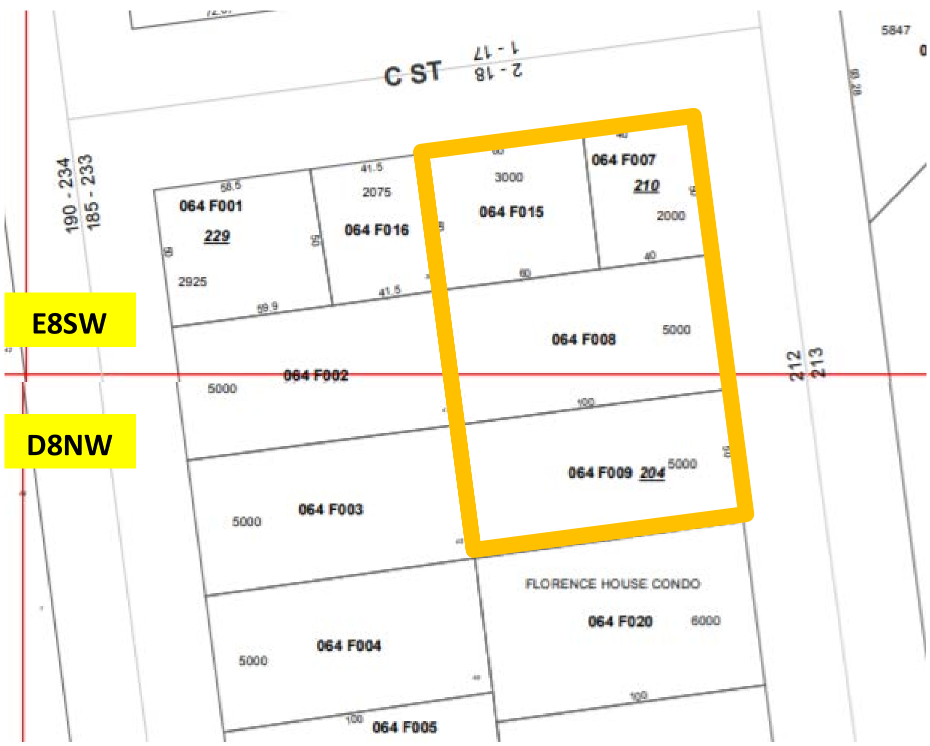
Number and type of units to be constructed or rehabilitated	A total of 60 rental units:
	• 11 efficiency, of which 3 are Type A ADA/ADAAG units
	    o 7 at 50% AMI
	    o 4 at 60% AMI
	• 25 one-bedroom, of which 4 are Type A/ADAAG units
	    o 10 at 50% AMI
	    o 3 at 60% AMI
	    o 12 market
	• 14 two-bedroom, of which 4 are Type A/ADAAG units
	    o 11 at 50% AMI
	    o 3 at 60% AMI
	• 10 three-bedroom, of which 3 are Type A ADA/ADAAG units
	    o 8 at 50% AMI
	    o 2 at 60% AMI

Residential and non-residential uses in the district and acreage of each	The proposed development designates the entire parcel for residential use. Valley Street Apartments will have a footprint of approx. 12,300 square feet, including the construction of up to 40 parking spots.
Accessory uses relating to residential use, if any	None.
How housing and facilities in the district will be operated after completion	Avesta Housing Management Corporation (AHMC) will provide property management services for Valley Street Apartments. AHMC is a non-profit affordable housing management company that currently manages over 2700 units in more than 100 different properties.
Description of planned uses of tax increment revenues from the district	Tax increment revenue leverages millions of dollars from federal, state, and private sources to fund the construction of Valley Street Apartments and is critical to a successful LIHTC application and acceptable debt coverage ratios for the building operations. TIF revenue allows the project to carry over $1.8 million in debt, which is a critical piece of funding for the project to move forward. Current annual property tax: $5,750.58 Estimated annual property tax after redevelopment: $132,000

City of Portland 2020 AHTIF Application
Valley Street Apartments | B6 – Tax Map with District Boundaries
April 8, 2020

Note: The parcels in question appear on two tax maps.

- **E8SW:** 064 F015, 064 F007, portion of 064 F008
- **D8NW:** portion of 064 F008, 064 F009



City of Portland - Affordable Housing (AH) TIF Model
200 Valley Street, 064-F-7-8-9-15
OAV: $$246,700 ao 3/31/2020
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

City of Portland- TIF Projection Table for 200 Valley Street AH TIF											
TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	City OAV General Fund Revenues
1	2020	$0	75.00%	$0	23.78	$0	$0	$0	$0	$5,866
2	2021	$0	75.00%	$0	24.25	$0	$0	$0	$0	$5,983
3	2022	$5,953,300	75.00%	$4,464,975	24.74	$110,449	$110,449	$0	$36,816	$6,103
4	2023	$5,953,300	75.00%	$4,464,975	25.23	$112,658	$112,658	$0	$37,553	$6,225
5	2024	$5,953,300	75.00%	$4,464,975	25.74	$114,911	$114,911	$0	$38,304	$6,349
6	2025	$5,953,300	75.00%	$4,464,975	26.25	$117,209	$117,209	$0	$39,070	$6,476
7	2026	$5,953,300	75.00%	$4,464,975	26.78	$119,554	$119,554	$0	$39,851	$6,606
8	2027	$5,953,300	75.00%	$4,464,975	27.31	$121,945	$121,945	$0	$40,648	$6,738
9	2028	$5,953,300	75.00%	$4,464,975	27.86	$124,384	$124,384	$0	$41,461	$6,872
10	2029	$5,953,300	75.00%	$4,464,975	28.41	$126,871	$126,871	$0	$42,290	$7,010
11	2030	$5,953,300	75.00%	$4,464,975	28.98	$129,409	$129,409	$0	$43,136	$7,150
12	2031	$5,953,300	75.00%	$4,464,975	29.56	$131,997	$131,997	$0	$43,999	$7,293
13	2032	$5,953,300	75.00%	$4,464,975	30.15	$134,637	$134,637	$0	$44,879	$7,439
14	2033	$5,953,300	75.00%	$4,464,975	30.76	$137,329	$137,329	$0	$45,776	$7,588
15	2034	$5,953,300	75.00%	$4,464,975	31.37	$140,076	$140,076	$0	$46,692	$7,740
16	2035	$5,953,300	75.00%	$4,464,975	32.00	$142,878	$142,878	$0	$47,626	$7,894
17	2036	$5,953,300	75.00%	$4,464,975	32.64	$145,735	$145,735	$0	$48,578	$8,052
18	2037	$5,953,300	75.00%	$4,464,975	33.29	$148,650	$148,650	$0	$49,550	$8,213
19	2038	$5,953,300	75.00%	$4,464,975	33.96	$151,623	$151,623	$0	$50,541	$8,378
20	2039	$5,953,300	75.00%	$4,464,975	34.64	$154,655	$154,655	$0	$51,552	$8,545
21	2040	$5,953,300	75.00%	$4,464,975	35.33	$157,748	$157,748	$0	$52,583	$8,716
22	2041	$5,953,300	75.00%	$4,464,975	36.04	$160,903	$160,903	$0	$53,634	$8,890
23	2042	$5,953,300	75.00%	$4,464,975	36.76	$164,121	$164,121	$0	$54,707	$9,068
24	2043	$5,953,300	75.00%	$4,464,975	37.49	$167,404	$167,404	$0	$55,801	$9,249
25	2044	$5,953,300	75.00%	$4,464,975	38.24	$170,752	$170,752	$0	$56,917	$9,434
26	2045	$5,953,300	75.00%	$4,464,975	39.01	$174,167	$174,167	$0	$58,056	$9,623
27	2046	$5,953,300	75.00%	$4,464,975	39.79	$177,650	$177,650	$0	$59,217	$9,816
28	2047	$5,953,300	75.00%	$4,464,975	40.58	$181,203	$181,203	$0	$60,401	$10,012
29	2048	$5,953,300	75.00%	$4,464,975	41.39	$184,827	$184,827	$0	$61,609	$10,212
30	2049	$5,953,300	75.00%	$4,464,975	42.22	$188,524	$188,524	$0	$62,841	$10,416
30 Year TIF Total		**$166,692,400**		**$125,019,300**		**$4,092,269**	**$4,092,269**	**$0**	**$1,364,090**	**$237,956**
30 Year Average				**$4,167,310**		**$136,409**	**$136,409**		**$45,470**	**$7,932**

200 Valley St TIF Model at 75% for 30 Years 5-11-2020.xls

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 200 Valley Street Affordable Housing TIF

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	$0	$0	$0	$0	$0	$0
2	2021	$0	$0	$0	$0	$0	$0
3	2022	$5,953,300	$4,464,975	$0	$3,346	$2,465	$5,811
4	2023	$5,953,300	$4,464,975	$12,323	$3,346	$2,465	$18,135
5	2024	$5,953,300	$4,464,975	$24,647	$3,346	$2,465	$30,458
6	2025	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
7	2026	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
8	2027	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
9	2028	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
10	2029	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
11	2030	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
12	2031	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
13	2032	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
14	2033	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
15	2034	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
16	2035	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
17	2036	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
18	2037	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
19	2038	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
20	2039	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
21	2040	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
22	2041	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
23	2042	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
24	2043	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
25	2044	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
26	2045	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
27	2046	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
28	2047	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
29	2048	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
30	2049	$5,953,300	$4,464,975	$36,970	$3,346	$2,465	$42,781
30 Year TIF Total		**$166,692,400**	**$125,019,300**	**$961,220**	**$93,689**	**$69,026**	**$1,123,934**
30 Year TIF Avg.		**$5,556,413**	**$4,167,310**	**$32,041**	**$3,123**	**$2,301**	**$37,464**

APARTMENTS

200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020

1 PERSPECTIVE 1
NTS

PROGRESS PRINT ONLY
Not for Construction

AVESTA HOUSING

RYAN SENATORE **ARCHITECTURE**

APARTMENTS

200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020

1 PERSPECTIVE 3
NTS

PROGRESS PRINT ONLY
Not for Construction

AVESTA HOUSING

RYAN SENATORE **ARCHITECTURE**

PROJECT NAME: **Valley Street Apartments** Date: 04/27/20
LOCATION: 200-210 Valley St, Portland, ME

DEVELOPMENT ASSUMPTIONS						
Total Units		60	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 30% AMI (Low HOME)	0.0%	0	Rent	2.00%	2.00%	2.00%
# @ 50% AMI (Low HOME)	0.0%	0	Operating Expense	3.00%	3.00%	3.00%
# @ 50% AMI (LIHTC)	60.0%	36	Other Income	2.00%	2.00%	2.00%
# @ 60% AMI (LIHTC)	20.0%	12	Debt Coverage Ratio	1.15		
# @ Market	20.0%	12	Vacancy	5.0%		

LIHTC Alloc.	945,149
Equity yield	0.86
Synd. %	99.99%
Equity Raise	8,128,281

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

Total Equity:	8,128,281

PRO FORMA DEVELOPMENT BUDGET		Residential	Per Unit	Commercial	Total
Site Improvements		0	0		0
Construction		12,271,000	204,517		12,271,000
General Requirements		0	0		0
Solar		0	0		0
Builder Profit		0	0		0
Bond Premium		0	0		0
Construction Contingency	5.0%	613,550	10,226		613,550
Subtotal Construction Costs		**12,884,550**	**214,743**	**0**	**12,884,550**
Building Permits and Fees		377,000	6,283		377,000
Off-Site Improvements		0	0		0
On-Site Improvements		0	0		0
Survey & Engineering		36,000	600		36,000
Design & Permitting		520,000	8,667		520,000
Legal		68,000	1,133		68,000
Title & Recording		18,885	315		18,885
Accounting		10,000	167		10,000
Construction Period Tax		15,000	250		15,000
Construction Period Insurance		30,000	500		30,000
Other: FF&E, Security, Soft Contingency		80,000	1,333		80,000
Subtotal Soft Costs		**1,154,885**	**19,248**	**0**	**1,154,885**
Construction Loan Origination Fees		28,750	479		28,750
Construction Loan Interest		425,000	7,083		425,000
Equity Bridge Loan Costs		0			
Lender Inspection Fees		12,000	200		12,000
Letter of Credit Fee		5,000	83		5,000
Permanent Loan Fees		10,000	167		10,000
Other: Constrct Lender Legal; Constrct Close Fee; P		15,000	250		15,000
Subtotal Finance Costs		**495,750**	**8,263**	**0**	**495,750**
Market Survey		5,000	83		5,000
Appraisal		6,500	108		6,500
Environmental Study		4,000	67		4,000
LIHTC Fees - prepaid monitoring		124,386	2,073		124,386
Other: Testing & Special Inspections		25,000	417		25,000
Other:		0	0		0
Subtotal Miscellaneous		**164,886**	**2,748**	**0**	**164,886**
Acquisition: Buildings		0	0		0
Acquisition: Land		629,500	10,492		629,500
Acquisition: Legal		0	0		0
Subtotal Acquisition		**629,500**	**10,492**	**0**	**629,500**
Operating Deficit Escrow		409,000	6,817		409,000
Pre-funded Replacements		122,710	2,045		122,710
Tax & Insurance Escrow		87,000	1,450		87,000
Total Syndication Expenses		0	0		0
Consultant Fee		0	0		0
Developer Overhead		750,000	12,500		750,000
Developer Profit		0	0		0
Rent-Up Reserve & Marketing		50,000	833		50,000
Subtotal Fee and Reserves		**1,418,710**	**23,645**	**0**	**1,418,710**
Total Development Costs		**16,748,281**	**279,138**	**0**	**16,748,281**
		16,214,895	237,665 QAP TDC Index		

Total Dev Costs	16,748,281
Less Commercial Construction:	0
Less: Equity Bridge Interest	
Less: Prepaid Monitoring Fees	124,386
Less: ODE	409,000
Scored TDC	**16,214,895**
Per Unit	**270,248**

New TDC calculation
[(2 x TDC/unit) + (TDC/bedroom)] / 3
TDC Per Unit **$237,665**

Notes

1. Proposed funding reflects a 75% TIF for 30 years.

2. This application contemplates $595,000 in City HOME/HTF and/or Healthy Neighborhoods Funding. Avesta intends to respond to the Healthy Neighborhoods RFP issued in April and any funds awarded through that process could be used in lieu of an equal amount of City HOME/HTF funds for a total funding level of $595,000.

MAXIMUM DEVELOPER FEE AVAILABLE	750,000
ACTUAL DEVELOPER FEE	750,000
% OF MAXIMUM DEVELOPER FEE	100.0%
NET DEVELOPER FEE COLLECTED	**750,000**
% OF MAXIMUM DEVELOPER FEE	100.0%

FLOW OF FUNDS

Sources	**CLC 8/15/2021**	**11/13/21**	**During Construction 2/11/22**	**4/12/22**	**8/10/22**	**PLC 10/14/2022**	**2023**	**2024**	**Total**
Beginning Cash	0	331,106	0	0	0	0	0	0	0
Construction Loan	0	2,404,253	3,385,359	5,024,913	726,562				11,541,087
Capital Contribution	1,219,242	0	0	0	1,019,242	5,689,797	150,000	50,000	8,128,281
									0
--									0
MSHA Subsidy	480,000	0				480,000			960,000
MSHA Debt	0	0				5,390,000			5,390,000
City HOME/Healthy Neighborhoods	595,000					0			595,000
FHLBBoston Loan	0	0	0			1,025,000			1,025,000
FHLBBoston Subsidy		650,000				0			650,000
Conventional loan									0
Healthy Neighborhoods	0					0			0
Other	0	0				0			0
Development Fee Loan						0			0
TOTAL SOURCES	2,294,242	3,385,359	3,385,359	5,024,913	1,745,804	12,584,797	150,000	50,000	28,289,368
Uses									
Acquisition	629,500								629,500
Construction		3,221,138	3,221,138	4,831,706	1,610,569				12,884,550
Soft Costs	923,000	57,971	57,971	86,957	28,986	0			1,154,885
Financing Costs	70,750	106,250	106,250	106,250	106,250				495,750
Miscellaneous	139,886					75,000			214,886
Dev Fee	200,000					350,000	150,000	50,000	750,000
Reserves						618,710			618,710
TOTAL DEV. COSTS	1,963,136	3,385,359	3,385,359	5,024,913	1,745,804	1,043,710	150,000	50,000	16,748,281
Repay Equity Bridge Loan						0			0
Repay Construction Loan						11,541,087			11,541,087
Other Syndication Costs	0					0			0
SUBTOTAL OTHER ITEMS	0	0	0	0	0	11,541,087	0	0	11,541,087
TOTAL USES OF FUNDS	1,963,136	3,385,359	3,385,359	5,024,913	1,745,804	12,584,797	150,000	50,000	28,289,368
Ending Cash	331,106	0	0	0	0	0	0	0	0

PROJECT FINANCING								
Source		Amount	Rate	Term	Lien	Annual D/S		
						Yr. 1-5	Yr. 6-15	Yr. 16-30
Source 1:	MSHA Subsidy	960,000	0.00%	30	First	0	0	0
Source 2:	MSHA Debt	5,390,000	6.00%	30	First	323,400	323,400	323,400
Source 3	City HOME/Healthy Neighborhoo	595,000	0.00%	0	First		0	0
Source 4	FHLBBoston Loan	1,025,000	2.50%	30	Second	48,600	48,600	48,600
Source 5	FHLBBoston Subsidy	650,000	0.00%	0	Second		0	0
Source 6	Conventional loan	0	5.50%	30	Second	0	0	0
Source 7	Healthy Neighborhoods	0			Third		0	0
Source 8	Other	0	0.00%	30	Unsecured	0	0	0
Source 9	Development Fee Loan	0			Unsecured			
Source 10	Net Syndication	8,128,281	$0.86					
	Capitalization Gap (Surplus)	(0)						
	Total Development Costs	16,748,281						

PROPOSED RENT SCHEDULE								
Type	AMI	# Units	Contract Rent	LIHTC Max Rents	Total Gross Rent*	Market Rent	Utility Allow.	Total Rent
Efficiency	50% LowHOME				0	$1,300	33	0
	50% - PBV				0	$1,300	33	0
	50% LIHTC	7	878	878	878	$1,300	33	70,980
	60% LIHTC	4	1,054	1,054	1,054	$1,300	33	49,008
11	Market	0			1,100	$1,300		0
1BR	50% LowHOME		0	0	0	$1,600	43	0
	50% - PBV				0	$1,600	43	0
	50% LIHTC	10	941	941	941	$1,600	43	107,760
	60% LIHTC	3	1,129	1,129	1,129	$1,600	43	39,096
25	Market	12			1,400	$1,600		201,600
2BR	50% LowHOME		0	0	0	$1,800	56	0
	50% - PBV				0	$1,800	56	0
	50% LIHTC	11	1,128	1,128	1,128	$1,800	56	141,504
	60% LIHTC	3	1,354	1,354	1,354	$1,800	56	46,728
14	Market	0			1,600	$1,800		0
3BR	50% LowHOME				0	$2,000	70	0
	50% - PBV				0	$2,000	70	0
	50% LIHTC	8	1,304	1,209	1,304	$2,000	70	118,464
	60% LIHTC	2	1,565	1,451	1,565	$2,000	70	35,880
10	Market				1,700	$2,000		0
4BR	50% LowHOME							0
	50% - PBV						0	0
	50% LIHTC						0	0
	60% LIHTC						0	0
0	Market							0
Other:								0
								0
Subtotals		60						811,020
Total Bedrooms		94						
			Vacancy Rate		5.00%			(40,551)
			Other Income		TIF	75%		99,000
			Other Income		Laundry			2,880
			Effective Gross Income					872,349

OPERATING EXPENSES			
Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	50,907	848	71
Management Charges	50,907	848	71
Marketing Expenses	500	8	1
Legal Expenses	500	8	1
Auditing Expenses	7,500	125	10
Other Administrative Expenses	0	0	0
Administrative Expenses	110,313	1,839	153
Operating Expenses:		0	0
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	10,000	167	14
Natural Gas	30,000	500	42
Electricity	15,000	250	21
Water and Sewer	12,500	208	17
Garbage and Trash Removal	6,500	108	9
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
Operating Expenses	74,000	1,233	103
Maintenance Expenses:			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	10,000	167	14
Miscellaneous Ground Maintenance	0	0	0
Tenant Damage Charges - Grounds	0	0	0
Building Maintenance Payroll	0	0	0
Building Tools and Supplies		0	0
Building Contractual Services	20,000	333	28
Building Systems Maintenance	30,000	500	42
Miscellaneous Building Maintenance	0	0	0
Tenant Damage Charges - Building	0	0	0
Maintenance Expenses	60,000	1,000	83
General Expenses:			
Property Taxes	132,000	2,200	183
Property and Liability Insurance	21,000	350	29
Investor Fees		0	0
Tenant Service Expenses	21,528	359	30
General Expenses	174,528	2,909	242
Replacement Reserve Funding	27,000	450	38
Parking Lease		0	0
Commercial Expenses (if applicable)		0	0
Total	**445,841**	**7,431**	**619**

AFFORDABLE MORTGAGE CALCULATION		
Effective Gross Income		872,349
Annual Operating Expense		445,841
Stabilized NOI		426,508
DSC	**1.15**	
$ Avail for D/S		
Other DS		372,000
DCR		1.15
Affordable Mortgage		

BREAKEVEN ANALYSIS:	RENT SENSITIVITY	OCCUPANCY	
	Total		Annual
Operating Expense	445,841	Gross Revenues	912,900
Debt Service	372,000		
Breakeven Rent	1,136	Breakeven Occupancy	90%

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT

		3 Months	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	9/1/2022	12/31/2022	12/31/2023	12/30/2024	12/31/2025	12/31/2026	12/31/2027	12/30/2028	12/31/2029	12/31/2030	12/31/2031	12/30/2032
Effective Gross Income		218,087	872,349	889,796	907,592	925,744	944,259	963,144	982,407	1,002,055	1,022,096	1,042,538
Less Operating Expense		111,460	445,841	459,217	472,993	487,183	501,798	516,852	532,358	548,329	564,779	581,722
Net Operating Income		106,627	426,508	430,579	434,599	438,561	442,460	446,291	450,049	453,726	457,317	460,816
Less RLP Repay		80,850	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400
Less Other Repay		12,150	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Cash Flow		13,627	54,508	58,579	62,599	66,561	70,460	74,292	78,049	81,726	85,317	88,816
Cash Flow per Unit		908	908	976	1,043	1,109	1,174	1,238	1,301	1,362	1,422	1,480
Debt Coverage Ratio(RLP)		1.15	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24
Operating Reserve Balance	409,000	429,450	450,923	473,469	497,142	521,999	548,099	575,504	604,279	634,493	666,218	699,529

Total Cash Flow
Projected over 12 Years
922,257

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued

		Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
		12/31/2033	12/31/2034	12/31/2035	12/30/2036	12/31/2037	12/31/2038	12/31/2039	12/30/2040	12/31/2041	12/31/2042
Effective Gross Income		1,063,389	1,084,656	1,106,349	1,128,476	1,151,046	1,174,067	1,197,548	1,221,499	1,245,929	1,270,848
Less Operating Expense		599,174	617,149	635,663	654,733	674,375	694,606	715,445	736,908	759,015	781,786
Net Operating Income		464,215	467,508	470,686	473,743	476,671	479,461	482,104	484,591	486,914	489,062
Less RLP Repay		323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400	323,400
Less Other Repay		48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Cash Flow		92,215	95,508	98,686	101,743	104,671	107,461	110,104	112,591	114,914	117,062
Cash Flow per Unit		1,537	1,592	1,645	1,696	1,745	1,791	1,835	1,877	1,915	1,951
Debt Coverage Ratio(RLP)		1.25	1.26	1.27	1.27	1.28	1.29	1.30	1.30	1.31	1.31
Operating Reserve Balance	699,529	734,505	771,230	809,792	850,282	892,796	937,435	984,307	1,033,523	1,085,199	1,139,459

(3) 337 Cumberland Avenue

Portland Housing Development Corporation (PHDC) is proposing to construct 60 rental units on a site located at 337 Cumberland Avenue. PHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) to assist with the project. If approved, the AHTIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at an average $109,900 annually over 30 years.

The developer has requested two forms of financial assistance.

(1) Affordable Housing Development (AHD) request: $500,000, 0% interest rate loan, deferred for 30 years.

City AHD request of $500,000/unit = $8,333.33
City AHD request of $500,000/affordable unit = $10,416.66

Final Affordable Housing Development funding recommendations from the Housing Committee are scheduled for the June 10th meeting. The final loan terms will be determined based on the results of the city's financial underwriting.

(2) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of $109,900, with an estimated total of $3,296,995 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of $4,900,000 and estimated annual tax of $114,219 at the current 20FY millage rate. The remaining increased taxable value, currently estimated at a 30 year annual average of $36,633, with an estimated total of $1,098,998, will be general fund revenue. TIF projections and proposed district map are included in the backup to this memo.

Portland Housing Development Corporation is proposing the redevelopment of 337 Cumberland Avenue by providing a newly constructed six-story structure containing 60 mixed-income units in a mixed-use building. The site is currently owned by Youth and Family Outreach (YFO), who will lease it for 90 years to 337 Cumberland Avenue, LP who will be the development owner. The site consists of an existing building containing a restaurant and a chapel that provides space for YFO to offer early childhood education and other supportive services for 58 children. The chapel will be updated and the building will be demolished. The first floor of the new building will provide expansion space for YFP that will allow for an increase in childcare spots from 58 to 107, floors two through five will be residential housing. 337 Cumberland would attempt to secure Project Based Housing Choice Vouchers from PHA for some of the 50% AMI units.

As stated in the developer's application:

The 337 Cumberland Ave development is an opportunity for the City to create 60 new, long-term affordable apartments and increase childcare spots from 58 to 107 in a highly-walkable neighborhood in an energy-efficient, resilient, and beautiful building.

Youth and Family Outreach and Portland Housing Development Corporation acknowledge the importance of residing in an affordable, stable home, particularly for our most vulnerable families. In alignment with the sponsors' missions to ensure children have stability and a good foundation, 10% of the homes (6 units) will be set-aside for families residing in a Portland shelter.

Additional building amenities include a laundry room, easily accessible storage for bicycles, strollers, and items that support human-powered mobility, onsite handicap parking, a community room, free wireless internet throughout the building, and access of YFO's playground spaces.

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt of $980,000 with Maine Housing contingent upon a reduction in operating costs through a tax increment financing program that provides for a minimum of 75% of the projects annual property tax revenue to be returned to the developer.

337 Cumberland Avenue will contain sixty (60) units with a mix of nineteen (19) studio units, sixteen (16) one-bedroom units, fifteen (15) two-bedroom units, and ten (10) three-bedroom units. Forty-eight (48) units will have income restrictions: thirty-six (36) will be reserved for households at or below 50% AMI and twelve (12) will be reserved for households at or below 60% AMI. The remaining 12 apartments will be unrestricted market rate.

337 Cumberland Street		
Studio (19)	at or below 50% area median income	10
	at or below 60% area median income	4
	Market Rate	5
One bedroom (16)	at or below 50% area median income	7
	at or below 60% area median income	3
	Market Rate	6
Two bedroom (15)	at or below 50% area median income	11
	at or below 60% area median income	3
	Market Rate	1
Three bedroom (10)	at or below 50% area median income	8
	at or below 60% area median income	2
Total Units	at or below 50% area median income	36
Total Units	at or below 60% area median income	12
Total Units	Market Rate	12
Total Units		60

FINANCIAL IMPACT

When completed, this project's new total assessed value is estimated at $4.9 million, which would yield $146,533 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately $3,296,995) will be captured revenue returned to the developer. The remaining 25% (approximately $1,098,998) will be general fund revenue.

A Credit Enhancement Agreement will return approximately $3,296,995 in captured revenue to the project (averaged at $109,900 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at $13.5 million. Non-captured general fund revenues are estimated at $1,098,998 (average at $36,633 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $30,184+, or $905,515 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	**Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)**	**Non -Captured General Fund Revenue (Tax Dollars in General Fund)**
30 Year TIF Total	$3,296,995	$0	$1,098,998
30 Year Average	$109,900	$0	$36,633

	1. Sheltered Valuation (same as Captured Valuation	**2. Avoided Loss of State Aid for Education**	**3. Avoided Loss of State Municipal Revenue Sharing**	**4. Avoided Increase in County Tax**	**5. Total Avoided Impacts (2+3+4)**
30 Year TIF Total	$100,723,560	$774,420	$75,482	$55,612	$905,515
30 Year Average	$3,357,452	$25,814	$2,516	$1,854	$30,184

Attachments:

337 Cumberland Street Tax Increment Financing Application Summary
TIF District Map
TIF Model Spreadsheets
Project Pro Forma

Project Summary – 337 Cumberland Ave
Affordable Housing Tax Increment Financing Application

Youth and Family Outreach creates opportunities that support learning and enhance the quality of life for children, teens, and families in Greater Portland. Together with its community partners, the Portland Housing Development Corporation provides and expands affordable housing and services that improve quality of life, build community, enhance safety and promote personal success for the people we serve and the neighborhoods in which they reside. Youth and Family Outreach and Portland Housing Development Corporation acknowledge the importance of residing in an affordable, stable home, particularly for our most vulnerable families. Combining the foundations of home and high-quality education increase the opportunity to grow with a sense of purpose, well-being, and stability. By increasing the availability of affordable homes and childcare opportunities within Portland's downtown core, YFO and PHA will provide even more opportunity for residents of Portland to engage and prosper.

The proposed redevelopment of 337 Cumberland Ave supports the common goals of the sponsor organizations and the City of Portland by providing a newly constructed structure containing 60 mixed-income apartments and space for YFO to increase the number of families they support through early childhood education and other support services. Active and lively street frontages, families living steps from job and educational opportunities, and two community partners working together to provide a community hub are just some of the benefits from building 337 Cumberland Ave, a model sustainable building designed to embrace beauty, equity, and a stable climate for now and future generations.

The existing restaurant located at 337 Cumberland Ave will be demolished, and in its place a new 6 story building will be constructed. On the first floor will be expansion space for Youth and Family Outreach; the new space will allow the long-time neighborhood organization to support 49 additional children. The neighboring Chapel building, currently used by YFO for childcare, will be renovated to contain community space and childcare classrooms. The upper five floors will contain 60 apartments with a mix of apartment types and a blend of income targets. There will be twelve market rate units, and all apartments will be comparable in size and furnishings. Market rate units, combined with a variety of lower-targeted apartments, supports the City's goal of promoting economic diversity in the neighborhood. A non-smoking policy will be building-wide and will extend to within 25 feet of entrances. In alignment with the sponsors' missions to ensure children have stability and a good foundation, 10% of the homes (6 units) will be set-aside for families residing in a Portland shelter.

The building is located on an underdeveloped site in the urban core and will be a mixed-use building with uses that are fully appropriate for the site. This will provide apartments in a location within easy walking distance of the largest concentration of employment in the state, a transit hub with direct connections across Greater Portland, and on the edge of the residential neighborhood of West Bayside. Along both Portland Street and Cumberland Street the building will have appropriately designed entries and enhancements along the sidewalk edges. The YFO childcare playground areas at the street level will be improved. The team is planning for the building to meet the Core Green Building and Passive House standards, in addition to meeting the City's Green Building Ordinance. Accessibility requirements will be met, and careful attention will be made to compartmentalization of the apartments in order to provide optimal levels of visual, acoustical, and odor privacy. The following amenities will be available to all residents: secure entrance lobby containing a site manager's office, ADA bathroom, mailbox and package area, and gathering space for working or visiting. Additional building amenities include a laundry room, easily accessible storage for bicycles, strollers, and items that support human-powered mobility, onsite handicap parking, a community room, free wireless internet throughout the building, and access of YFO's playground spaces.

The development conforms to City of Portland and MaineHousing underwriting criteria. The developer requests $500,000 in HOME funds, roughly $8,333 per unit. PHDC understands and is prepared to meet all the requirements set forth by the City and HUD related to using these funds. Additionally, it is understood that the affordability period will be for at least 90 years. Below is a breakdown of the proposed unit affordability mix. The project will attempt to secure Project Based Housing Choice Vouchers from Portland Housing Authority for some of 50% AMI apartments.

Portland Housing Development Corporation has a strong organizational and financial background and has organized a development team with experience and capacity to complete the project. Matthew Peters, of Elysian Enterprises LLC, will lead the development project management. Kaplan Thompson Architects and Atlantic Resource Consultants will lead the design and permitting. Portland Housing Authority will provide ongoing property management. Their background in facilities, financial compliance, and the needs of Portland residents will ensure that the building is an asset to the neighborhood and broader community.

The site is currently owned by YFO, who will lease it for 90 years to 337 Cumberland Avenue, LP, who will be the development owner. Development can be completed using current zoning and will not require a contract, conditional zone, or zoning amendment. The current timeline allows for planning board related approvals to be completed prior to City Council approval of this application. A ESA Phase I and II have been competed through Brownfields support funds through the City. Soil contamination on the site was identified that is typical for this location. A plan for containment and proper removal, as recommended by the report, is included in the project budget. The project timeline is to complete all local planning approvals by August 2020, obtain all financing commitments by the end of 2020, begin design development in January 2021, with construction starting August 2021 and lasting 16 months.

Percentage of Acreage Blighted
59%

Percentage in Need of Rehabilitation / Redevelopment
100%

Number and type of units to be constructed or rehabilitated (level of affordability, rental, homeownership, single-family home, condominium unit; number of bedrooms in each unit, etc.)
337 Cumberland will contain the following range of apartment sizes and affordability targets as detailed in the table below. All the apartments will be located within an elevatored, assessible building.

Unit Size	Income Targeting (% of AMI or less)	# of Units
Studio	50% AMI	10
	60% AMI	4
	Market Rate	6
1-Bedroom	50% AMI	7
	60% AMI	3
	Market Rate	5
2-Bedroom	50% AMI	11
	60% AMI	3
	Market Rate	1
3-Bedroom	50% AMI	8
	60% AMI	2
Total		**60**

Description of Residential and non-residential uses in District and Acreage of Each
337 Cumberland will consist of a new building connecting to the existing chapel at the corner of Cumberland Avenue and Preble Street. This mixed-use building will contain apartments, accessory residential uses, and a early childhood education center run by Youth and Family Outreach. 100% of the site acreage (0.452 acres) will be used to residential or accessory uses to residential.

Description of Accessory Uses Related to Residential Use
337 Cumberland Ave will contain several uses related to the residential use. The building will contain a parking garage, laundry facilities, storage related to biking and other human powered uses, a community room, a community meeting area, a site office, and maintenance support areas.

Description of How Housing and Facilities in the District will be Operated After Completion
The apartments will be operated by Portland Housing Authority. Ongoing rental restrictions and program requirements by MaineHousing will last a minimum of 45 years, City of Portland will last 90 years, and Federal Home Loan Bank of Boston (FHLBB) will last 15 years. There will be continued oversight and involvement by City of Portland, MaineHousing, FHLBB, and a to-be-determined LIHTC equity investment partner.

Development Details

Property Address
337 Cumberland Ave, Portland, ME 04101

Tax Chart, Block, and Lot Number
337 Cumberland is comprised of five parcels:

- Tax Map #033-K-005 – surface parking lot
- Tax Map #033-K-006 – surface parking lot
- Tax Map #033-K-007 – surface parking lot
- Tax Map #033-K-009 – existing building containing a restaurant
- Tax Map #033-K-010 – chapel containing early childhood education center
- Tax Map #033-K-013 – surface parking lot

Total District Acreage
0.4520 acres

Zoning Designation Where District is Located
The property is currently located in the B-3 zone within the Bayside Height Overlay and Downtown Entertainment District Overlay Zones. This zone allows for a variety of uses with expectations and limitations to support a vibrant downtown experience.

Description of Housing Need in Municipality and How it is Met by Development
The housing need in Portland, Maine significant. As one of the largest job centers and economic hubs in Maine, opportunities to find a safe, quality, and affordable home is challenging. Over the past several years vacancy rates have been much lower than the long-term average, which limits housing mobility, choice, and resulting in increasing rents. Additionally, residents in the Bayside neighborhood where 337 Cumberland is located make an average of $45,000 per family, which is roughly half of the Greater Portland MSA. This income disparity for the neighborhood makes the families who live there highly susceptible to displacement from their community.

This development will bring 60 new homes online in a highly walkable neighborhood conveniently located near transit connecting to Greater Portland. It will provide affordable homes so that residents can choose to stay in the community or that so other households in the Greater Portland region can lower their housing and transportation costs.

In addition, Portland Housing Authority (PHA) may support this development with Project Based Housing Choice Vouchers (HCV). The housing market in Portland has been so competitive that a significant portion of voucher holders struggle to find a home where they can use a portable HCV. This development will alleviate that challenge by having several vouchers attached to apartments.

Percentage of Acreage Suitable For Residential Use
100%

Portland Housing Authority will be the Management Agent at 337 Cumberland. PHA has over 75 years of property management experience and currently manages a portfolio of over 1,000 affordable units within Portland. Additionally, PHA manages the administration of ±1,900 Section 8 housing vouchers. Overall, PHA houses ±6,500 residents, close to 10% of the City's population. As a long-term owner in affordable homes, the mission of PHA and its affiliates is to expand and preserve Portland's stock of affordable housing.

PHA's experienced and professional Property Management team will ensure maintenance and repairs are performed in a timely and satisfactory manner that sustain this asset for decades to come. They have the requisite training and knowledge of funding programs and regulations to ensure ongoing compliance with all funder requirements. Additionally, our Resident Services staff is skilled at assessing community and resident needs and organizing to address those needs. Resident Services staff process referrals and connect Washington Gardens residents with services and resources. They develop and operate programs that enable residents to gain educational, financial and self-sufficiency skills, as well as build collaborative relationships with area providers and solicit resources.

The Community Service Facility will be operated by Youth and Family Outreach (YFO). YFO offers services to Greater Portland families with children 6 weeks to five years of age. The organization has been in existence since 1844 and started the early care and education portion of its work in 1986. YFO is a 501(c)3 non-profit organization and currently operates a state licensed childcare facility within the existing chapel on the site. The facility is accredited by the National Association for Education of Young Children and achieves a level 4 on Maine's Quality Rating System.

Description of Planned Uses of Tax Increment Revenues from the District
Revenue from the Affordable Housing Tax Increment District (AHTIF) will be used to reduce operating costs at 337 Cumberland, such as maintenance and utilities. The funds received over the lifetime of the AHTIF will support the project in providing new, high quality, affordable apartments to the Bayside neighborhood. Without these funds, the development of 60 apartments serving a broad cross-section of Portland residents will not move forward.

April 1 2012 fy 2013

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

Index Number - F9SE

City of Portland - Affordable Housing (AH) TIF Model
337 Cumberland Avenue, 33-K-5-6-7-9-13
OAV: $103,640 ao 3/31/2020
2% Mil Rate Escalation
75% Capture to AH TIF Project; 25% to City General Fund

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

TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues	City OAV General Fund Revenues
1	2020	$0	75.00%	$0	23.78	$0	$0	$0	$0	$2,464
2	2021	$0	75.00%	$0	24.25	$0	$0	$0	$0	$2,513
3	2022	$4,796,360	75.00%	$3,597,270	24.74	$88,985	$88,985	$0	$29,662	$2,564
4	2023	$4,796,360	75.00%	$3,597,270	25.23	$90,764	$90,764	$0	$30,255	$2,615
5	2024	$4,796,360	75.00%	$3,597,270	25.74	$92,580	$92,580	$0	$30,860	$2,667
6	2025	$4,796,360	75.00%	$3,597,270	26.25	$94,431	$94,431	$0	$31,477	$2,721
7	2026	$4,796,360	75.00%	$3,597,270	26.78	$96,320	$96,320	$0	$32,107	$2,775
8	2027	$4,796,360	75.00%	$3,597,270	27.31	$98,246	$98,246	$0	$32,749	$2,831
9	2028	$4,796,360	75.00%	$3,597,270	27.86	$100,211	$100,211	$0	$33,404	$2,887
10	2029	$4,796,360	75.00%	$3,597,270	28.41	$102,216	$102,216	$0	$34,072	$2,945
11	2030	$4,796,360	75.00%	$3,597,270	28.98	$104,260	$104,260	$0	$34,753	$3,004
12	2031	$4,796,360	75.00%	$3,597,270	29.56	$106,345	$106,345	$0	$35,448	$3,064
13	2032	$4,796,360	75.00%	$3,597,270	30.15	$108,472	$108,472	$0	$36,157	$3,125
14	2033	$4,796,360	75.00%	$3,597,270	30.76	$110,641	$110,641	$0	$36,880	$3,188
15	2034	$4,796,360	75.00%	$3,597,270	31.37	$112,854	$112,854	$0	$37,618	$3,251
16	2035	$4,796,360	75.00%	$3,597,270	32.00	$115,111	$115,111	$0	$38,370	$3,316
17	2036	$4,796,360	75.00%	$3,597,270	32.64	$117,414	$117,414	$0	$39,138	$3,383
18	2037	$4,796,360	75.00%	$3,597,270	33.29	$119,762	$119,762	$0	$39,921	$3,450
19	2038	$4,796,360	75.00%	$3,597,270	33.96	$122,157	$122,157	$0	$40,719	$3,519
20	2039	$4,796,360	75.00%	$3,597,270	34.64	$124,600	$124,600	$0	$41,533	$3,590
21	2040	$4,796,360	75.00%	$3,597,270	35.33	$127,092	$127,092	$0	$42,364	$3,662
22	2041	$4,796,360	75.00%	$3,597,270	36.04	$129,634	$129,634	$0	$43,211	$3,735
23	2042	$4,796,360	75.00%	$3,597,270	36.76	$132,227	$132,227	$0	$44,076	$3,810
24	2043	$4,796,360	75.00%	$3,597,270	37.49	$134,871	$134,871	$0	$44,957	$3,886
25	2044	$4,796,360	75.00%	$3,597,270	38.24	$137,569	$137,569	$0	$45,856	$3,963
26	2045	$4,796,360	75.00%	$3,597,270	39.01	$140,320	$140,320	$0	$46,773	$4,043
27	2046	$4,796,360	75.00%	$3,597,270	39.79	$143,126	$143,126	$0	$47,709	$4,124
28	2047	$4,796,360	75.00%	$3,597,270	40.58	$145,989	$145,989	$0	$48,663	$4,206
29	2048	$4,796,360	75.00%	$3,597,270	41.39	$148,909	$148,909	$0	$49,636	$4,290
30	2049	$4,796,360	75.00%	$3,597,270	42.22	$151,887	$151,887	$0	$50,629	$4,376
30 Year TIF Total		**$134,298,080**		**$100,723,560**		**$3,296,995**	**$3,296,995**	**$0**	**$1,098,998**	**$99,966**
30 Year Average				**$3,357,452**		**$109,900**	**$109,900**		**$36,633**	**$3,332**

337 Cumb Ave TIF Model at 75% for 30 Years 5-7-2020.xls

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

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

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	$0	$0	$0	$0	$0	$0
2	2021	$0	$0	$0	$0	$0	$0
3	2022	$4,796,360	$3,597,270	$0	$2,696	$1,986	$4,682
4	2023	$4,796,360	$3,597,270	$9,928	$2,696	$1,986	$14,610
5	2024	$4,796,360	$3,597,270	$19,857	$2,696	$1,986	$24,539
6	2025	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
7	2026	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
8	2027	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
9	2028	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
10	2029	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
11	2030	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
12	2031	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
13	2032	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
14	2033	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
15	2034	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
16	2035	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
17	2036	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
18	2037	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
19	2038	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
20	2039	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
21	2040	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
22	2041	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
23	2042	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
24	2043	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
25	2044	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
26	2045	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
27	2046	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
28	2047	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
29	2048	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
30	2049	$4,796,360	$3,597,270	$29,785	$2,696	$1,986	$34,467
30 Year TIF Total		**$134,298,080**	**$100,723,560**	**$774,420**	**$75,482**	**$55,612**	**$905,515**
30 Year TIF Avg.		**$4,476,603**	**$3,357,452**	**$25,814**	**$2,516**	**$1,854**	**$30,184**

PROJECT NAME:	**337 Cumberland**
LOCATION:	337 Cumberland Ave Portland, ME 04101
Date:	4/22/2020
Proforma:	

DEVELOPMENT ASSUMPTIONS						
Total Units		60	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 50% AMI (low HOME)	25.0%	15	Rent	2.00%	2.00%	3.00%
# @ 50% AMI (LIHTC)	35.0%	21	Operating Expense	3.00%	3.00%	3.00%
# @ 60% AMI (High HOME)	0.0%	0	Other Income	2.00%	2.50%	3.00%
# @ 60% AMI (LIHTC)	20.0%	12	Debt Coverage Ratio	1.15		
# @ Market Rate	20.0%	12	Vacancy	5%		
Appraised Market Value		3,866,041	Market Value/Unit	$64,434		

PRO FORMA DEVELOPMENT BUDGET		Residential	Per Unit	Commercial	Total
Site Improvements		0	0		0
Construction		13,550,628	225,844		13,550,628
Childcare		0	0		0
Builder Overhead		0	0		0
Builder Profit		0	0		0
Bond Premium		0	0		0
Construction Contingency	5.2%	708,531	11,809		708,531
Subtotal Construction Costs		**14,259,159**	**237,653**	**0**	**14,259,159**
Building Permits and Fees		383,068	6,384		383,068
Survey & Engineering		60,500	1,008		60,500
Design & Permitting		944,649	15,744		944,649
Legal		70,000	1,167		70,000
Title & Recording		11,000	183		11,000
Accounting		10,000	167		10,000
Construction Period Tax		30,000	500		30,000
Construction Period Insurance		20,000	333		20,000
Other: FF&E, Security		145,000	2,417		145,000
Subtotal Soft Costs		**1,674,217**	**27,904**	**0**	**1,674,217**
Construction Loan Origination Fees		52,000	867		52,000
Construction Loan Interest		273,000	4,550		273,000
Lender Inspection Fees		5,400	90		5,400
Letter of Credit Fee		250	4		250
Permanent Loan Fees		50,410	840		50,410
Other: Construction Lender Legal		15,000	250		15,000
Subtotal Finance Costs		**396,060**	**6,601**	**0**	**396,060**
Market Survey		6,000	100		6,000
Appraisal		7,000	117		7,000
Environmental Study		7,200	120		7,200
LIHTC Fees - prepaid monitoring		123,375	2,056		123,375
Other: Commissioning		30,000	500		30,000
Relocation Costs		0			
Soft Cost Contingency		50,000	833		50,000
Subtotal Miscellaneous		**223,575**	**3,726**	**0**	**223,575**
Acquisition: Buildings		0	0		0
Acquisition: Land		0	0		0
Acquisition: Legal		0	0		0
Subtotal Acquisition		**0**	**0**	**0**	**0**
Operating Deficit Escrow		447,108	7,452		447,108
Pre-funded Replacements		135,506	2,258		135,506
Tax & Insurance Escrow		69,110	1,152		69,110
Reserve for Golden Rents		0	0		0
Consultant		0	0		0
Developer Overhead		750,000	12,500		750,000
Developer Profit		0	0		0
Rent-Up Reserve & Marketing		50,000	833		50,000
Subtotal Fee and Reserves		**1,451,724**	**24,195**	**0**	**1,451,724**
Total Development Costs		**18,004,735**	**300,079**	**0**	**18,004,735**
		$17,434,252	$290,571	max allowed	
			254,887	Bedroom Calculation	

LIHTC Alloc.	945,000
Equity yield	**0.81**
Synd. %	99.99%
Equity Raise	7,653,735

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

Number of Tax-payers	1
Historic Credit STATE	0
Equity yield	0.89
Synd. %	99.99%
Equity Raise	0

Total Equity:	7,653,735

Gross Square Footage	69,170
Construction Cost/Sq ft.	**$206**

MAXIMUM DEVELOPER FEE AVAILABLE	750,000
ACTUAL DEVELOPER FEE	750,000
% OF MAXIMUM DEVELOPER FEE	100.0%
NET DEVELOPER FEE COLLECTED	**750,000**
% OF MAXIMUM DEVELOPER FEE	100.0%

FLOW OF FUNDS

Sources	CLC 7/1/2021	During Construction 10/1/2021	1/1/2022	4/1/2022	7/1/2022	PLC 9/1/2022	2023	2024	Total
Beginning Cash	0	0	0	0	0	0	0	0	0
Capital Contribution	382,687		50,000			6,915,048	153,000	153,000	7,653,735
Construction Loan	1,163	2,606,688	2,376,688	4,006,688	4,006,688				12,997,914
--									
--									
MSHA Subsidy	0		480,000			480,000			960,000
MSHA Interest Only Mortgage						5,041,000			5,041,000
--						0			0
City of Portland Funds	0		450,000			50,000			500,000
AHP Loan						1,600,000			1,600,000
AHP Subsidy	0		650,000						650,000
YFO Subsidy	100,000	1,400,000				100,000			1,600,000
Reserves	0	0							0
Development Fee Loan						0			0
TOTAL SOURCES	483,850	4,006,688	4,006,688	4,006,688	4,006,688	14,186,048	153,000	153,000	31,002,649
Uses									
Acquisition	0					0			0
Construction		3,564,790	3,564,790	3,564,790	3,564,790	0			14,259,159
Soft Costs	300,000	340,554	340,554	340,554	340,554	12,000			1,674,217
Financing Costs	67,250	69,600	69,600	69,600	69,600	50,410			396,060
Miscellaneous	16,600	31,744	31,744	31,744	31,744	80,000			223,575
Dev Fee	100,000					344,000	153,000	153,000	750,000
Reserves	0					701,724			701,724
TOTAL DEV. COSTS	483,850	4,006,688	4,006,688	4,006,688	4,006,688	1,188,134	153,000	153,000	18,004,735
Repay GP Bridge Loan						0			0
Repay Construction Loan						12,997,914			12,997,914
Reserve for Golden Rents						0			
SUBTOTAL OTHER ITEMS	0	0	0	0	0	12,997,914	0	0	12,997,914
TOTAL USES OF FUNDS	483,850	4,006,688	4,006,688	4,006,688	4,006,688	14,186,048	153,000	153,000	31,002,649
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING

Source		Amount	Rate	Term	Lien	Annual D/S Yr. 1-5	Yr. 6-15	Yr. 16-30	Debt Constants
Source 1:	MSHA Subsidy	960,000	0.00%	30	First	0	0	0	
Source 2:	MSHA Interest Only Mortgage	5,041,000	6.00%	40	First	302,460	302,460	302,460	$0.06000
Source 3	--	0	5.00%	30	--	0	0	0	$0.06442
Source 4	City of Portland Funds	500,000	0.00%	30	Second	0	0	0	
Source 5	AHP Loan	1,600,000	3.35%	30	--	84,617	84,617	84,617	$0.05289
Source 6	AHP Subsidy	650,000	0.00%	30	Second	0	0	0	
Source 7	YFO Subsidy	1,600,000	0.00%	30	--				
Source 8	Reserves	0	0.00%	30	Third		Cash Flow		
Source 9	Development Fee Loan	0	0.00%	0	Unsecured		Cash Flow		
Source 10	Net Syndication	7,653,735	$0.81						
	Capitalization Gap (Surplus)	0							
	Total	18,004,735							

PROPOSED RENT SCHEDULE

Type	AMI	# Units	HAP Rents	LIHTC Max Rents	Gross Rent	Market Rent	Utility Allow.	Total Rent
Efficiency	50% HOME	0			1,017	$1,165		0
	50% LIHTC	10		878	878	$1,165		105,360
	60% HighHOME	0				$1,165		0
	60% LIHTC	4		1054	1,054	$1,165		50,592
20	Market	6			1,165	$1,165		83,880
1BR	50% HOME				1,109	$1,445	0	0
	50% LIHTC	7		941	941	$1,445	0	79,044
	60% HighHOME				984	$1,445	0	0
	60% LIHTC	3		1129	1,129	$1,445	0	40,644
	Market	5			1,445	$1,445	0	86,700
							0	0
15							0	0
2BR	PBV Section 8	7			1,440	$1,725	0	120,960
	50% LIHTC	4		1128	1,128	$1,725	0	54,144
	60% HighHOME				1,450	$1,725	0	0
	60% LIHTC	3		1354	1,354	$1,725	0	48,744
	Market	1			1,725	$1,725	0	20,700
29.2%		0					0	0
15		0					0	0
3BR	PBV Section 8	8			1,882	$1,882		180,672
	50% LIHTC	0		1304	1,304	$1,882	0	0
50.0%	HighHOME	0				$1,882		0
20.8%	60% LIHTC	2		1565	1,565	$1,882	0	37,560
10	Market	0			1,882	$1,882		0
4BR	50% HOME	0			1,882	$2,000	0	0
	50% LIHTC	0			1,209	$2,000	0	0
	60% HOME					$2,000	0	0
	60% LIHTC	0			1,451	$2,000	0	0
0	Market				2,000	$2,000		0
Other:								0
								0
Subtotals		60						909,000
			Vacancy Rate		5%			(45,450)
			Other Income		Tax Relief	75%		85,664
			Other Income		Laundry			3,000
			Effective Gross Income					952,214

OPERATING EXPENSES

Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	50,599	843	70
Management Charges	50,599	843	70
Marketing Expenses	0	0	0
Legal Expenses	2,000	33	3
Auditing Expenses	6,000	100	8
Other Administrative Expenses		0	0
Administrative Expenses	109,198	1,820	152
Operating Expenses:			
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	15,000	250	21
Natural Gas	6,000	100	8
Electricity	41,000	683	57
Water and Sewer	14,000	233	19
Garbage and Trash Removal	4,500	75	6
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
Operating Expenses	80,500	1,342	112
Maintenance Expenses:			
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	15,000	250	21
Miscellaneous Ground Maintenance		0	0
Tenant Damage Charges - Grounds		0	0
Building Maintenance Payroll	70,000	1,167	97
Building Tools and Supplies	10,000	167	14
Building Contractual Services	25,000	417	35
Building Systems Maintenance	15,000	250	21
Miscellaneous Building Maintenance		0	0
Tenant Damage Charges - Building	0	0	0
Maintenance Expenses	135,000	2,250	188
General Expenses:			
Property Taxes	114,219	1,904	159
Property and Liability Insurance	24,000	400	33
		0	0
Tenant Service Expenses	17,222	287	24
General Expenses	155,441	2,591	216
Replacement Reserve Funding	27,000	450	38
		0	0
Total	**507,139**	**8,452**	704

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12
	12/31/2022	12/31/2023	12/30/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033
Effective Gross Income	952,214	971,259	990,684	1,010,497	1,030,707	1,051,321	1,072,348	1,115,671	1,137,984	1,160,744	1,183,959	1,207,638
Less Operating Expense	507,139	522,353	538,024	554,165	570,790	587,913	605,551	623,717	642,429	661,702	681,553	701,999
Net Operating Income	445,075	448,905	452,660	456,333	459,918	463,408	466,797	491,954	495,555	499,042	502,406	505,639
Less RLP Repay	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460
Other Loans	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617
Cash Flow	57,998	61,828	65,583	69,256	72,841	76,331	79,720	104,877	108,478	111,965	115,329	118,562
Cash Flow per Unit	967	1,030	1,093	1,154	1,214	1,272	1,329	1,748	1,808	1,866	1,922	1,976
Debt Coverage Ratio(RLP)	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.27	1.28	1.29	1.30	1.31

Total Cash Flow
Projected over 12 Years

1,042,768

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued

	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23
	12/31/2034	12/31/2035	12/31/2036	12/31/2037	12/31/2038	12/31/2039	12/31/2040	12/31/2041	12/31/2042	12/31/2043	12/31/2044
Effective Gross Income	1,231,791	1,256,426	1,281,555	1,307,186	1,346,402	1,386,794	1,428,398	1,471,249	1,515,387	1,560,849	1,607,674
Less Operating Expense	723,059	744,751	767,094	790,106	813,810	838,224	863,371	889,272	915,950	943,428	971,731
Net Operating Income	508,731	511,675	514,461	517,080	532,592	548,570	565,027	581,978	599,437	617,420	635,943
Less RLP Repay	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460	302,460
Other Loans	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617	84,617
Cash Flow	121,654	124,598	127,384	130,003	145,515	161,493	177,950	194,901	212,360	230,343	248,866
Cash Flow per Unit	2,028	2,077	2,123	2,167	2,425	2,692	2,966	3,248	3,539	3,839	4,148
Debt Coverage Ratio(RLP)	1.31	1.32	1.33	1.34	1.38	1.42	1.46	1.50	1.55	1.60	1.64

(4) 577 Washington Avenue (Washington Gardens)

Portland Housing Development Corporation (PHDC) is proposing to rehabilitate 100 affordable units of public housing serving seniors and person with disabilities at 577 Washington Avenue (Washington Gardens) to a project-based voucher funding platform. PHDC is requesting financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) to assist with the project. If approved, the AHTIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at an average $190,500 annually over 30 years.

The developer has requested three forms of financial assistance.

(1) Affordable Housing Development request: $400,000, 0% interest rate loan, deferred for 30 years.

(2) CDBG Funds received: $184,150, 0% interest rate loan, deferred for 30 years.

City Investment $584,150/unit = $58,415

The developer secured a 9% Low Income Housing Tax Credit and tax-exempt debt subsidy for $450,000 from MaineHousing in December 2019.

Final Affordable Housing Development funding recommendations from the Housing Committee are scheduled for the June 10th meeting. The final loan terms will be determined based on the results of the underwriting.

(3) Tax Increment Financing request: If approved, the Affordable Housing TIF financing will be provided through a Credit Enhancement Agreement at 75% of the increased taxable value, currently estimated at a 30 year annual average of $190,500, with an estimated total of $5,714,987 in captured revenue returned to the developer to off-set project operating costs. The proposed project will be taxable, with an estimated annual assessment of $7,900,000 and estimated annual tax of $184,149 at the current FY20 millage rate. TIF projections and proposed district map are included in the backup to this memo backup to this memo.

Washington Gardens contains 100 rental units within 15 two-story residential buildings. There are currently 60 studios, 36 one-bedroom units, and 4 two-bedroom units. No change in unit mix is proposed for rehabilitation and Washington Gardens will remain a rental property. Sixty (60) units will be affordable to households earning up to 50% of the area median income, the remaining forty (40) units will be affordable to households earning up to 60% of the area median income. The project has applied for 100 project-based vouchers. Vouchers will guarantee that households will pay no more than 30% of their income towards housing costs.

As stated in the developer's application:

The TIF district and rehabilitation of Washington Gardens will help alleviate housing demand and preserve affordability:

•100 units of affordable housing for seniors and persons with disabilities will be preserved.
•All Washington Gardens units will remain affordable for low-income families for at least 45 years, as required by MaineHousing for an award of Low Income Housing Tax Credits, and potentially up to 90 years, as required by the City of Portland.
•100 Project Based Vouchers will guarantee that all households continue to pay no more than 30% of their income towards housing costs.
•17 units (17% of units) will be reconfigured to be fully accessible. Proposed site work to sidewalks, ramps and parking lots will improve accessible routes throughout the property.
•The property will be in like-new condition following rehabilitation: all units will enjoy new finishes and fixtures; envelope and structural systems will be upgraded; plumbing and ventilation issues will be resolved; accessible units and accessible routes will improve livability and visit ability for persons with disabilities; and landscaping will improve property aesthetics and marketability.
•Washington Gardens is next to a METRO route (9A and 9B), thereby promoting smart growth and transit oriented development.

After nearly fifty years without a significant renovation, the property is in fair-to-poor condition and most major systems are nearing the end of their useful life. The proposed scope of work will include but is not limited to upgrading building envelopes and insulation, upgrading mechanical systems, adding new accessible units, improving site work and ramps, renovating unit interiors and finishes, installing new energy- and water-efficient fixtures and appliances, and installing rooftop solar photovoltaic panels.

Washington Gardens		
Studio (60)	at or below 50% area median income	37
	at or below 60% area median income	23
One bedroom (36)	at or below 50% area median income	22
	at or below 60% area median income	14
Two bedroom (4)	at or below 50% area median income	1
	at or below 60% area median income	3
Total Units	at or below 50% area median income	60
Total Units	at or below 60% area median income	40
Total Units		100

FINANCIAL IMPACT

Washington Gardens is currently under a Payment In Lieu of Taxes (PILOT) agreement with the City of Portland due to PHA's tax-exempt status. The PILOT is a voluntary payment made annually as a substitute for property taxes. The current PILOT amount is small in comparison to its taxable potential. Rehabilitation and the creation of AHTIF district would negate this property's PILOT and bring it onto the City Assessor's books. When completed, this project's new assessed value is estimated at $7.9 million, which would yield $184,149 in annual assessed property value at the current FY20 millage rate. Seventy-Five (75%) percent of the increased tax revenue (approximately $5,714,987) will be captured revenue returned to the developer. The remaining 25% (approximately $1,904,996) will be general fund revenue.

A Credit Enhancement Agreement will return approximately $5,714,987 in captured revenue to the project (averaged at $190,500 annually over thirty years) to off-set project operating costs.

Total development costs are estimated at $14.7 million. Non-captured general fund revenues are estimated at $1,904,996 (averaged at $63,500 annually over thirty years).

With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of $50,229+, or $1,506,875 + over the life of the district.

	Captured Revenue to Developer (assumes 2% increase/year to mill rate) (Tax Dollars returned to the Developer's District Account)	**Captured Revenue Returned to City (assumes 2% increase/year to mill rate) (Tax Dollars returned to the City's District Account)**	**Non -Captured General Fund Revenue (Tax Dollars in General Fund)**
30 Year TIF Total	$5,714,987	$0	$1,904,996
30 Year Average	$190,500	$0	$63,500

	1. Sheltered Valuation (same as Captured Valuation	**2. Avoided Loss of State Aid for Education**	**3. Avoided Loss of State Municipal Revenue Sharing**	**4. Avoided Increase in County Tax**	**5. Total Avoided Impacts (2+3+4)**
30 Year TIF Total	$177,750,000	$1,275,534	$133,205	$98,136	$1,506,875
30 Year Average	$5,925,000	$42,518	$4,440	$3,271	$50,229

Attachments:

577 Washington Ave (Washington Gardens) Tax Increment Financing Application Summary
TIF District Map
TIF Model Spreadsheets
Site Elevation
Project Pro Forma

Project Summary
Affordable Housing Tax Increment Financing Application
Washington Gardens

Property Address
577 Washington Avenue, Portland, ME 04103

Tax Chart, Block and Lot Number
Washington Gardens is comprised of four parcels:
- Tax Map #428-B-022 – includes 12 Residential Buildings and Community Center
- Tax Map #428-C-009 – includes 3 Residential Buildings
- Tax Map #428-B-018 – includes Property Management Office
- Tax Map #428-B-019 – vacant land with small maintenance shed

Total District Acreage
±3.61 acres

Zoning Designation Where District Is Located
The property is currently zoned as R-5. This project is eligible for the affordable housing incentives, including density bonuses, in Division 30 of the Zoning Code. No change in zoning is proposed.

The R-5 zone allows for:
- Multiplex development with three (3) or more horizontally or vertically attached dwelling units or a series of such attached dwelling units.
- Planned residential unit development (PRUD) consisting of horizontally or vertically attached dwelling units, or a series of such dwelling units.
- Parks, and other active and passive noncommercial recreation spaces;
- Accessory uses customarily incidental and subordinate to the location, function, and operation of principal uses

Description Of Housing Need in Municipality And How It Is Met By Development
Washington Gardens is currently under a Payment In Lieu of Taxes (PILOT) agreement with the City of Portland due to PHA's tax-exempt status. The PILOT is a voluntary payment made annually as a substitute for property taxes. The current PILOT amount is small in comparison to its taxable potential. Rehabilitation and the creation of AHTIF district would negate this property's PILOT and bring it onto the City Assessor's books. A 75% AHTIF would significantly increase the amount Washington Gardens pays to the City as compared to the PILOT.

In terms of market conditions, high occupancy rates and long waitlists indicate significant pent-up demand for rental housing in Portland. Portland Housing's whole portfolio of 1,004 rental units has a current occupancy rate of 98%, and is often 99%. Our waitlist for rental apartments is ±1,400 households. This is especially true for Very Low Income (VLI) and Extremely Low Income (ELI) households. Currently, 91% of Washington Gardens residents are ELI, earning less than 30% of AMI, and 7% are VLI, earning between 30% and 50% of AMI.

PHA also manages the local Section 8 program of ±1,900 vouchers. There are currently ±3,800 households on our voucher waitlist. After applying, it takes 5 years on average before a household will be assigned a voucher. Moreover, many voucher-holders experience significant difficulty locating an available dwelling unit because of Portland's tight, competitive and expensive rental market.

The City of Portland has a very low vacancy rate. Between 2010 and 2015, rents increased 40%, according to the landmark report by the Portland Press Herald, *Welcome to Portland: No Vacancy*. Since then, rents have continued to rise annually. The report noted a majority of Portland's renters cannot afford the median rent in Portland, and the new supply of market-rate rental housing is not doing enough to reduce the affordability crisis in the City.

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

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

Additionally, the Housing section of the 2017 Comprehensive Plan notes:

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

The City of Portland's 2018 Rental Market Survey states "there are very few units renting for less than $500/month," which would be an affordable rent for VLI and ELI households. Washington Gardens serves an overwhelmingly low-income population – 91% of households are ELI and 7% are VLI. Following rehabilitation, households will continue to pay 30% of their income towards housing costs, ensuring that Washington Gardens remains a valuable pocket of deep affordability for low-income families in an increasingly unaffordable region.

The City of Portland's 2019 Housing Report states that "affordable housing impedes the City's goals for future growth." The Report also notes that "in 2018, Maine had 59 affordable and available homes for every 100 extremely low income renter households," according to the National Low Income Housing Coalition (NLIHC) data. ELI renters are the group experiencing the highest rates of severe cost burden, defined as paying more than 50% of income towards rent - the precise group which this property serves.

The TIF district and rehabilitation of Washington Gardens will help alleviate housing demand and preserve affordability:

- 100 units of affordable housing for seniors and persons with disabilities will be preserved.
- All Washington Gardens units will remain affordable for low-income families for at least 45 years, as required by MaineHousing for an award of Low Income Housing Tax Credits, and potentially up to 90 years, as required by the City of Portland.
- 100 PBVs will guarantee that all households continue to pay no more than 30% of their income towards housing costs.
- 17 units (17% of units) will be reconfigured to be fully accessible. Proposed sitework to sidewalks, ramps and parking lots will improve accessible routes throughout the property.
- The property will be in like-new condition following rehabilitation: all units will enjoy new finishes and fixtures; envelope and structural systems will be upgraded; plumbing and ventilation issues will be resolved; accessible units and accessible routes will improve livability and visitability for persons with disabilities; and landscaping will improve property aesthetics and marketability.
- Washington Gardens is next to a METRO route (9A and 9B), thereby promoting smart growth and transit oriented development.

Percentage Of Acreage Suitable For Residential Use

100%

Percentage Of Acreage Blighted

0%

Percentage In Need Of Rehabilitation/Redevelopment

100%

Number and type of units to be constructed or rehabilitated (level of affordability, rental, homeownership, single-family home, condominium unit; number of bedrooms in each unit, etc.)

Washington Gardens contains 100 rental units within 15 two-story residential buildings. There are currently 60 studios, 36 one-bedroom units, and 4 two-bedroom units. All apartments are garden-style units served by shared stairwells. No change in unit mix is proposed for rehabilitation and Washington Gardens will remain a rental property.

Below is the affordability targeting table for Washington Gardens following rehabilitation. All units at Washington Gardens will remain affordable to households earning at or below 60% of AMI. Washington Gardens will meet the City's Inclusionary Zoning ordinance as all units meet the Workforce Rental Unit definition.

UNIT SIZE	INCOME TARGETING (% of AMI)	# OF UNITS
Studio	50% AMI	37
	60% AMI	23
1-Bedroom	50% AMI	22
	60% AMI	14
2-Bedroom	50% AMI	1
	60% AMI	3
TOTAL		**100**

All data and experience points to the need to create and preserve more safe, affordable, sustainable and quality homes in Portland. The rehabilitation of 100 affordable units at Washington Gardens will help alleviate housing demand, preserve deeply affordable homes for seniors and persons with disabilities, and have significant public benefits to Portland.

Description Of Residential And Non-Residential Uses In District And Acreage Of Each

100% of the uses (±3.61 acres) will be residential or accessory uses to residential.

Description Of Accessory Uses Relating To Residential Use

Washington Gardens currently contains an on-site Management Office (577 Washington Ave), a Community Center (66 Pembroke Street), and two small maintenance sheds.

Description Of How Housing And Facilities In The District Will Be Operated After Completion

Washington Gardens will remain restricted as an affordable apartment community for at least 45 years following rehabilitation, per MaineHousing LIHTC requirements, and potentially up to 90 years, as required by the City of Portland. The project will be regulated by MaineHousing, HUD, and a to-be-determined LIHTC equity investment partner, among others.

Portland Housing Authority (PHA) will continue to be the Management Agent at Washington Gardens. PHA has over 75 years of property management experience and currently manages a portfolio of over 1,000 affordable units within Portland. Additionally, PHA manages the administration of ±1,900 Section 8 housing vouchers. Overall, PHA houses ±6,500 residents, close to 10% of the City's population. As a long-term owner in affordable homes, the mission of PHA and its affiliates is to expand and preserve Portland's stock of affordable housing.

PHA's experienced and professional Property Management team will ensure maintenance and repairs are performed in a timely and satisfactory manner that sustain this asset for decades to come. They have the requisite training and knowledge of funding programs and regulations to ensure ongoing compliance with all funder requirements. Additionally, our Resident Services staff is skilled at assessing community and resident needs, and organizing to address those needs. Resident Services staff process referrals and connect Washington Gardens residents with services and resources. They develop and operate programs that enable residents to gain educational, financial and self-sufficiency skills, as well as build collaborative relationships with area providers and solicit resources.

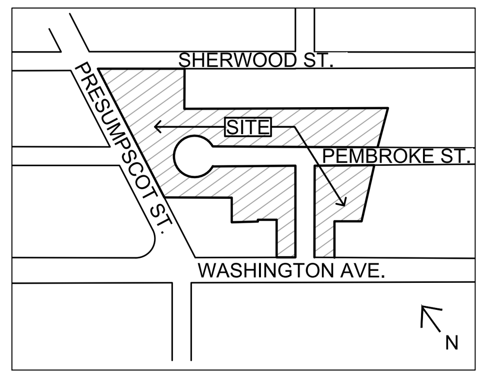
Description Of Planned Uses of Tax Increment Revenues from the District

We request a 75% rebate of taxes for a period of 30 years under an Affordable Housing TIF district to reduce the operations cost burden on Washington Gardens. Without this, rehabilitation of this affordable project serving low-income seniors and persons with disabilities could not proceed. The proposed AHTIF District would return 75% of the captured value to the project, thereby reducing operating expenses and allowing the project to carry the necessary debt to finance rehabilitation and maintain affordable rents. All AHTIF revenue will go towards the improvements, facilities, programs and other activities inside the district.

April 1 2012 fy 2013

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

Index Number - J9NE



LOCATION MAP
SCALE: NTS

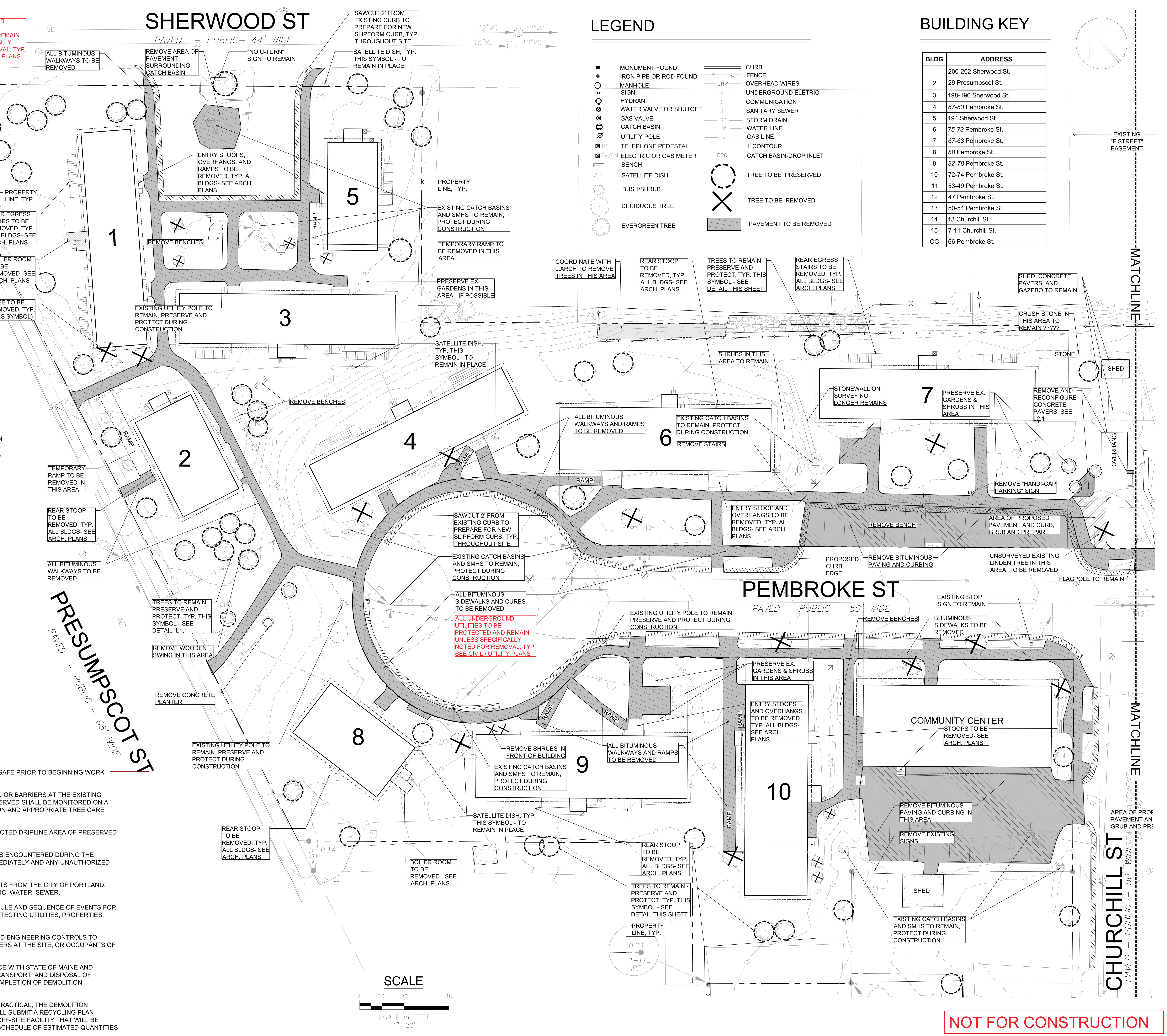
GENERAL NOTES

1. TOTAL SITE AREA: TM 428-B-18, 19 & 22 AREA= 133,073± S.F. 3.05± ACRES; TM 428-C-9 AREA= 24,178± S.F. 0.56 ACRES
2. ZONING DISTRICT: RESIDENTIAL ZONE (R-5)
3. OWNER: PORTLAND HOUSING AUTHORITY, 14 BAXTER BLVD., PORTLAND, ME 04101, (207) 773.4753

   APPLICANT: WASHINGTON GARDENS, LP, 14 BAXTER BLVD., PORTLAND, ME 04101, (207) 773.4753
4. TAX MAP: TAX MAP 428, BLOCK B, LOT 018,019,022; TAX MAP 428, BLOCK C, LOT 009
5. BOOK AND PAGE: C.C.R.D. BOOK 3459, PAGE 186; C.C.R.D. BOOK 25235, PAGE 339
6. PROJECT ADDRESS: 577 WASHINGTON AVE.
7. BOUNDARY, TOPOGRAPHY, AND EXISTING CONDITIONS INFORMATION TAKEN FROM A PLAN TITLED: "WASHINGTON GARDENS PORTLAND, CUMBERLAND COUNTY, MAINE 14 CHURCHILL STREET MADE FOR PORTLAND HOUSING AUTHORITY14 BAXTER BOULEVARD, PORTLAND, MAINE" DATED JUNE 29, 2019. PREPARED BY OWEN HASKELL, INC. 390 US ROUTE ONE, FALMOUTH, ME 04105, TELEPHONE 207.774.0424
8. BEARINGS ARE BASED ON MAINE STATE PLANE COORDINATE SYSTEM MAINE WEST NAD83. CITY COORDINATES FOR 3 FOOT OFFSET MONUMENTS ON VERANDA STREET AT DALTON STREET AND SHERWOOD STREET PER PLAN REFERENCE 3.
9. ELEVATIONS ARE BASED ON NGVD 1929. BENCHMARK: CITY POINT MDOT-PO-295 ELEVATION 12.00'.

LOCUS IS SHOWN ON CITY OF PORTLAND'S ASSESSORS MAP:

428-B-18 575-577 WASHINGTON AVE 2-8 CHURCHILL ST	428-B-22 14-20 CHURCHILL ST
428-B-19 10-12 CHURCHILL ST	428-C-9 1-19 PEMBROKE ST 46-56 PEMBROKE ST



LEGEND

BUILDING KEY

BLDG	ADDRESS
1	200-202 Sherwood St.
2	29 Presumpscot St.
3	198-196 Sherwood St.
4	87-83 Pembroke St.
5	194 Sherwood St.
6	75-73 Pembroke St.
7	67-63 Pembroke St.
8	88 Pembroke St.
9	82-78 Pembroke St.
10	72-74 Pembroke St.
11	53-49 Pembroke St.
12	47 Pembroke St.
13	50-54 Pembroke St.
14	13 Churchill St.
15	7-11 Churchill St.
CC	66 Pembroke St.

DEMO & SITE PREP NOTES

1. EXISTING UNDERGROUND UTILITIES SHOWN ARE APPROXIMATE ONLY. CALL DIG-SAFE PRIOR TO BEGINNING WORK (1-800-225-4977)
2. ALL TREES TO BE PRESERVED SHALL BE PROTECTED WITHIN APPROVED FENCING OR BARRIERS AT THE EXISTING DRIPLINE, SEE TREE PROTECTION DETAIL ON SHEET L1.1. ALL TREES TO BE PRESERVED SHALL BE MONITORED ON A REGULAR BASIS FOR SIGNS OF STRESS OR OTHER IMPACT DUE TO CONSTRUCTION AND APPROPRIATE TREE CARE SHALL BE INITIATED IMMEDIATELY.
3. NO EQUIPMENT OR MATERIALS SHALL BE PLACED OR STORED WITHIN THE PROTECTED DRIPLINE AREA OF PRESERVED TREES
4. THE CONTRACTOR IS ADVISED THAT ANY UNFORESEEN SUBSURFACE CONDITIONS ENCOUNTERED DURING THE COURSE OF WORK SHALL BE REPORTED TO THE OWNER'S REPRESENTATIVE IMMEDIATELY AND ANY UNAUTHORIZED REMOVALS SHALL BE DONE SO AT NO EXTRA EXPENSE TO THE OWNER.
5. THE CONTRACTOR SHALL OBTAIN NECESSARY DEMOLITION AND REMOVAL PERMITS FROM THE CITY OF PORTLAND, MAINE AND COORDINATE WITH NECESSARY UTILITIES, INCLUDING CABLE, ELECTRIC, WATER, SEWER.
6. THE CONTRACTOR SHALL PREPARE A DEMOLITION PLAN IDENTIFYING THE SCHEDULE AND SEQUENCE OF EVENTS FOR THE PROJECT, INCLUDING A DESCRIPTION OF EVENTS AND STRATEGIES FOR PROTECTING UTILITIES, PROPERTIES, AND RIGHT OF WAYS ADJACENT TO THE SITE BUILDINGS.
7. THE CONTRACTOR SHALL PROVIDE AND SET UP NECESSARY ENVIRONMENTAL AND ENGINEERING CONTROLS TO CONTAIN POTENTIALLY HAZARDOUS DUSTS FROM IMPACTING THE PUBLIC, WORKERS AT THE SITE, OR OCCUPANTS OF ADJACENT PROPERTIES.
8. PROPERLY TRANSPORT AND DISPOSE OF ALL DEMOLITION DEBRIS IN ACCORDANCE WITH STATE OF MAINE AND FEDERAL GUIDELINES, AND PROVIDE DOCUMENTATION OF PROPER HANDLING, TRANSPORT, AND DISPOSAL OF CONSTRUCTION AND DEMOLITION DEBRIS TO THE ENGINEER FOLLOWING THE COMPLETION OF DEMOLITION ACTIVITIES.
9. IT IS THE INTENT OF THE CITY TO RECYCLE OR SALVAGE, TO GREATEST EXTENT PRACTICAL, THE DEMOLITION MATERIAL PRODUCED DURING THIS PROJECT. THE SELECTED CONTRACTOR SHALL SUBMIT A RECYCLING PLAN IDENTIFYING MATERIALS THAT THE CONTRACTOR WILL BE RECYCLING, AND THE OFF-SITE FACILITY THAT WILL BE ACCEPTING THE RECYCLED MATERIAL. THE RECYCLING PLAN SHALL INCLUDE A SCHEDULE OF ESTIMATED QUANTITIES OF MATERIALS AND DISPOSAL/RECYCLING MEANS.

NOT FOR CONSTRUCTION

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN
434 Cumberland Avenue Portland ME 04101
OFFICE: 207 774 4441 CWSARCH.COM

DESIGNER
CARROLL ASSOCIATES
LANDSCAPE ARCHITECTS
217 COMMERCIAL STREET, STE 200
PORTLAND, MAINE 04101
207.772.1552 V. F. 207.772.0712

OWNER
WASHINGTON GARDENS, LP
PORTLAND HOUSING AUTHORITY
14 BAXTER BLVD.
PORTLAND, MAINE 04101

PROJECT
WASHINGTON GARDENS
577 WASHINGTON AVENUE
PORTLAND, ME 04101

DRAWING
SITE PREPARATION PLAN
CWS PROJECT NUMBER: 19015

REVISIONS

DRAWING NUMBER
L-1.0

SCALE: 1" = 20'
DATE: 02/01/2020
ISSUED FOR: 50% MSHA SUBMISSION

City of Portland - TIF Model
PHA 577 Washington Ave. Garden Affordable Housing Project
OAV as of 3/31/2019: $0

Tax Map References:	428-B-022	428-C-009	429-B-018	428-B-019

City of Portland- TIF Projection Table for 577 Washington Avenue Gardens

TIF Year	Tax Year-April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non-Captured General Fund Revenues
1	2020	$7,900,000	75.00%	$5,925,000	23.78	$140,874	$140,874	$0	$46,958
2	2021	$7,900,000	75.00%	$5,925,000	24.25	$143,691	$143,691	$0	$47,897
3	2022	$7,900,000	75.00%	$5,925,000	24.74	$146,565	$146,565	$0	$48,855
4	2023	$7,900,000	75.00%	$5,925,000	25.23	$149,497	$149,497	$0	$49,832
5	2024	$7,900,000	75.00%	$5,925,000	25.74	$152,487	$152,487	$0	$50,829
6	2025	$7,900,000	75.00%	$5,925,000	26.25	$155,536	$155,536	$0	$51,845
7	2026	$7,900,000	75.00%	$5,925,000	26.78	$158,647	$158,647	$0	$52,882
8	2027	$7,900,000	75.00%	$5,925,000	27.31	$161,820	$161,820	$0	$53,940
9	2028	$7,900,000	75.00%	$5,925,000	27.86	$165,056	$165,056	$0	$55,019
10	2029	$7,900,000	75.00%	$5,925,000	28.41	$168,357	$168,357	$0	$56,119
11	2030	$7,900,000	75.00%	$5,925,000	28.98	$171,725	$171,725	$0	$57,242
12	2031	$7,900,000	75.00%	$5,925,000	29.56	$175,159	$175,159	$0	$58,386
13	2032	$7,900,000	75.00%	$5,925,000	30.15	$178,662	$178,662	$0	$59,554
14	2033	$7,900,000	75.00%	$5,925,000	30.76	$182,236	$182,236	$0	$60,745
15	2034	$7,900,000	75.00%	$5,925,000	31.37	$185,880	$185,880	$0	$61,960
16	2035	$7,900,000	75.00%	$5,925,000	32.00	$189,598	$189,598	$0	$63,199
17	2036	$7,900,000	75.00%	$5,925,000	32.64	$193,390	$193,390	$0	$64,463
18	2037	$7,900,000	75.00%	$5,925,000	33.29	$197,258	$197,258	$0	$65,753
19	2038	$7,900,000	75.00%	$5,925,000	33.96	$201,203	$201,203	$0	$67,068
20	2039	$7,900,000	75.00%	$5,925,000	34.64	$205,227	$205,227	$0	$68,409
21	2040	$7,900,000	75.00%	$5,925,000	35.33	$209,331	$209,331	$0	$69,777
22	2041	$7,900,000	75.00%	$5,925,000	36.04	$213,518	$213,518	$0	$71,173
23	2042	$7,900,000	75.00%	$5,925,000	36.76	$217,788	$217,788	$0	$72,596
24	2043	$7,900,000	75.00%	$5,925,000	37.49	$222,144	$222,144	$0	$74,048
25	2044	$7,900,000	75.00%	$5,925,000	38.24	$226,587	$226,587	$0	$75,529
26	2045	$7,900,000	75.00%	$5,925,000	39.01	$231,119	$231,119	$0	$77,040
27	2046	$7,900,000	75.00%	$5,925,000	39.79	$235,741	$235,741	$0	$78,580
28	2047	$7,900,000	75.00%	$5,925,000	40.58	$240,456	$240,456	$0	$80,152
29	2048	$7,900,000	75.00%	$5,925,000	41.39	$245,265	$245,265	$0	$81,755
30	2049	$7,900,000	75.00%	$5,925,000	42.22	$250,170	$250,170	$0	$83,390
30 Year TIF Total		**$237,000,000**		**$177,750,000**		**$5,714,987**	**$5,714,987**	**$0**	**$1,904,996**
30 Year Average							$190,500		$63,500

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model for 577 Washington Avenue Gardens

75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund

				Avoided Formula Impacts from Sheltering of Valuation			
TIF Year	Tax Year-April 1	Total Added Valuation	Sheltered Valuation	Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	$7,900,000	$5,925,000	$0	$4,440	$3,271	$7,711
2	2021	$7,900,000	$5,925,000	$0	$4,440	$3,271	$7,711
3	2022	$7,900,000	$5,925,000	$0	$4,440	$3,271	$7,711
4	2023	$7,900,000	$5,925,000	$16,353	$4,440	$3,271	$24,064
5	2024	$7,900,000	$5,925,000	$32,706	$4,440	$3,271	$40,417
6	2025	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
7	2026	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
8	2027	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
9	2028	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
10	2029	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
11	2030	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
12	2031	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
13	2032	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
14	2033	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
15	2034	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
16	2035	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
17	2036	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
18	2037	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
19	2038	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
20	2039	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
21	2040	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
22	2041	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
23	2042	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
24	2043	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
25	2044	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
26	2045	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
27	2046	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
28	2047	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
29	2048	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
30	2049	$7,900,000	$5,925,000	$49,059	$4,440	$3,271	$56,770
30 Year TIF Total		**$237,000,000**	**$177,750,000**	**$1,275,534**	**$133,205**	**$98,136**	**$1,506,875**
30 Year Average		**$7,900,000**	**$5,925,000**	**$42,518**	**$4,440**	**$3,271**	**$50,229**

WASHINGTON GARDENS RENOVATIONS

PROJECT TEAM:

BUILDING OWNER:

Washington Garden, LP
14 Baxter Blvd
Portland, Maine 04101
Tel: (207) 773-4753

DEVELOPER:

PORTLAND HOUSING DEVELOPMENT CORPORATION

Portland Housing Authority
14 Baxter Blvd
Portland, Maine 04101
Tel: (207) 773-4753

ARCHITECT:

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN

264 US ROUTE ONE, SUITE 100-2A
SCARBOROUGH, ME 04074
Tel: (207) 744-4441
www.cwsarch.com

LANDSCAPE ARCHITECT:

CARROLL ASSOCIATES
LANDSCAPE ARCHITECTS

217 Commercial Street
Portland, ME 04101
Tel: (207) 772-1552
FAX: (207) 772-0712

MORTGAGEE:

TBD

CONSTRUCTION MANAGER:

TPD CONSTRUCTION CO., INC.
P.O. Box V, Sanford, ME 04073
Tel: (207)490-5900

STRUCTURAL ENGINEERING:

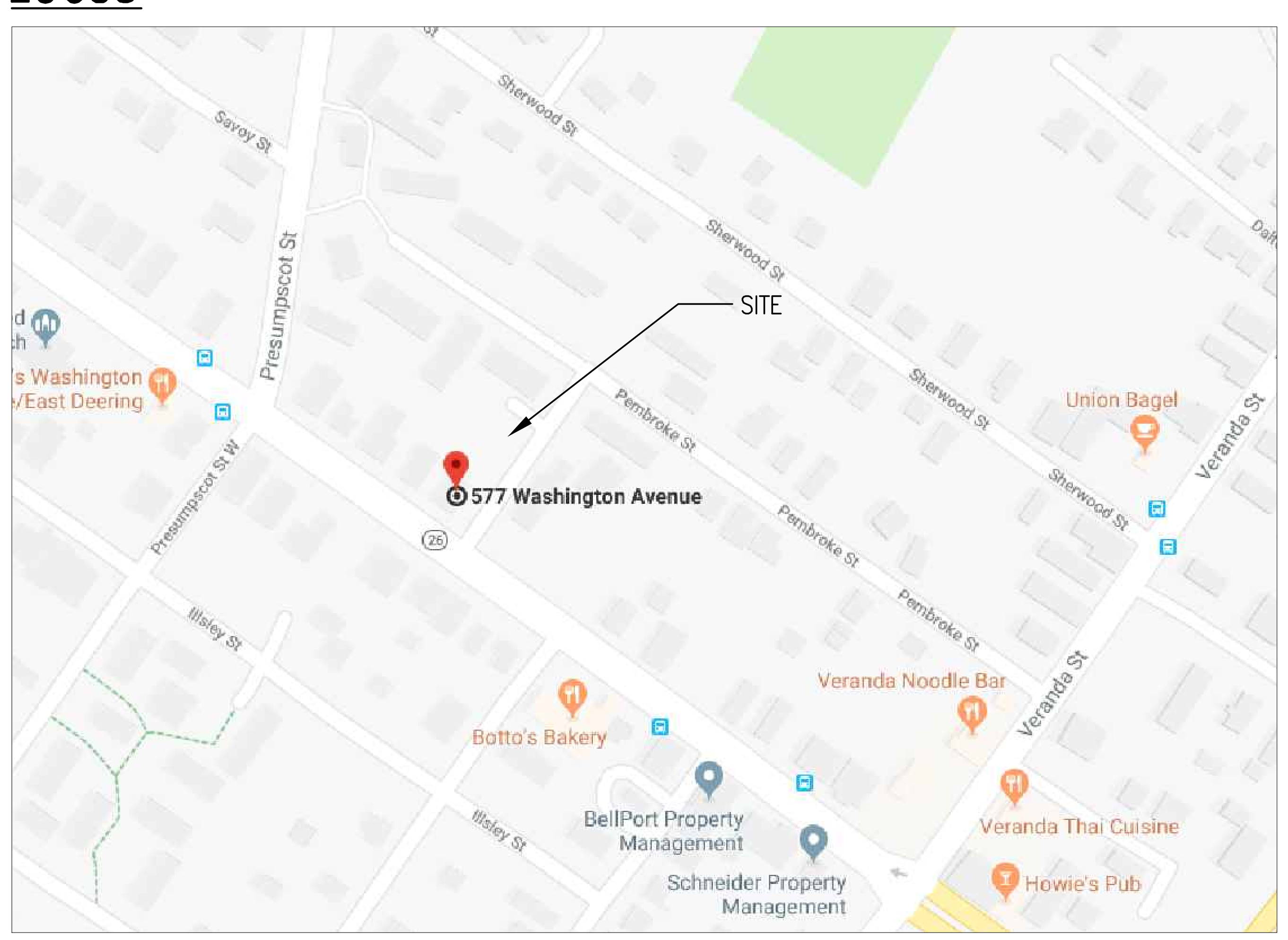
L & L STRUCTURAL
ENGINEERING SERVICES, INC.

MECHANICAL/ELECTRICAL ENGINEERS:

BENNETT ENGINEERING

7 Bennett Road, P.O. Box 297
Freeport, ME 04032
Tel: (207) 865-9475
Email: office@bennettengineering.net

LOCUS



SIGNATURE BLOCK

BUILDING OWNER:

DATE ____________________ PORTLAND HOUSING AUTHORITY

ARCHITECT:

DATE ____________________ CWS ARCHITECTS

CONSTRUCTION MANAGER:

DATE ____________________ TPD CONSTRUCTION CO.

MORTGAGEE:

DATE ____________________ MAINE STATE HOUSING AUTHORITY

CONSTRUCTION FINANCING:

DATE ____________________ -

ISSUED FOR: 50% PRICING FEBRUARY 03, 2020

PORTLAND, MAINE

CWS ARCHITECTS
ARCHITECTURE | INTERIOR DESIGN
434 Cumberland Avenue Portland ME 04101
OFFICE: 207 774 4441 CWSARCH.COM

DESIGNER	CWS ARCHITECTS, ARCHITECTURE | INTERIOR DESIGN	434 CUMBERLAND AVENUE, PORTLAND, MAINE 04101, T: 207-774-4441, F: 207-774-4016, WWW.CWSARCH.COM
OWNER	WASHINGTON GARDENS, LP	14 BAXTER BLVD, PORTLAND, MAINE 04101
PROJECT	WASHINGTON GARDENS RENOVATIONS	577 WASHINGTON AVENUE, PORTLAND, MAINE 04101
DRAWING	TITLE AND SIGNATURE PAGE	CWS PROJECT NUMBER: 19015
REVISIONS		

DRAWING NUMBER
CP

SCALE:
DATE: 02/03/2020

ISSUED FOR: 50% PRICING

	UNIT INFORMATION						RENTAL INCOME				
Unit Type	# of BR	# of Units	Unit Sq. Ft.	LIHTC Unit	PBV Unit Sect_18	Income Limit (% AMI)	Max Gross LIHTC Rent	Less Utility Allowance	Max Contract LIHTC Rent	Proposed Contract Rent	Annual Rental Income
0BR @ 50% AMI - PBV	0	37		Y	Y	50%	813	0	813	813	360,972
0BR @ 60% AMI - PBV	0	23		Y	Y	60%	976	0	976	976	269,376
1BR @ 50% AMI - PBV	1	22		Y	Y	50%	871	0	871	871	229,944
1BR @ 60% AMI - PBV	1	14		Y	Y	60%	1,046	0	1,046	1,046	175,728
2BR @ 50% AMI - PBV	2	1		Y	Y	50%	1,046	0	1,046	1,046	12,552
2BR @ 60% AMI - PBV	2	3		Y	Y	60%	1,255	0	1,255	1,255	45,180
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
TOTAL	**104**	**100**	**0**	**100**	**100**						**1,093,752**

OPERATING SUBSIDY INCOME			
Voucher Rent	Monthly Voucher Diff. PUPM	Annual Voucher Diff. Total	Total Annual Rent. + Vouch. Income
1,018	205	91,020	451,992
1,018	42	11,592	280,968
1,109	238	62,832	292,776
1,109	63	10,584	186,312
1,440	394	4,728	17,280
1,440	185	6,660	51,840
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
		187,416	**1,281,168**

OTHER INCOME

Description	Yr 1
Laundry	9,063
TOTAL OTHER INCOME	**9,063**

TAX INCREMENT FINANCING

75% TIF for 30 years	138,750

COMMERCIAL RENTAL INCOME

Commercial Rent	0

UNIT INFO

BR Size	UA	Mrkt. Study	PBV Rent
0 BR	0	1,165	1,018
1 BR	0	1,445	1,109
2 BR	0	1,900	1,440
3 BR	0	2,263	1,882
4 BR	0	2,526	2,291
5 BR	0	2,735	2,635
6 BR	0	0	2,978

UTILITIES

Utility	Responsible	Type
Electricity	Owner	CMP
Heat	Owner	Gas/Unitil
Hot Water	Owner	Gas/Unitil
Cooking	Owner	Electric/CMP
Water/Sewer	Owner	City
Trash	Owner	Private

EFFECTIVE GROSS INCOME

Line Item	Yr 1
Gross Rental Income	1,093,752
Operating Subsidy Income	187,416
Other Income	9,063
Vacancy Loss @ 5.0%	(64,512)
Tax Increment Financing	138,750
Commercial Income	0
EFFECTIVE GROSS INCOME	**1,364,469**

SQUARE FOOTAGE AND APPLICABLE FRACTION

Description	Units	Sq. Ft.
LIHTC Units	100	56,306
Non-LIHTC Units	0	0
TOTAL UNITS	**100**	**56,306**

Applicable Fraction	By Units	By Sq.Ft.
by Calculation Method:	100%	100%
APPLICABLE FRACTION		**100%**

Residential Units Sq. Ft.	56,306
Residential Common Areas Sq. Ft.	3,370
Commercial Rental Sq. Ft.	0
Other Sq. Ft.	0
TOTAL PROJECT SQUARE FOOTAGE	**59,676**

Operating Expenses - Washington Gardens

3/9/2020

Line Item	Total	Per Unit
ADMINISTRATIVE EXPENSES		
Management Fees	52,726	527
Management Charges	51,568	516
Marketing	906	9
Legal	2,768	28
Background Checks		0
Property Postage/Copier		0
Interpreting		0
Bank Charges		0
Rent Comp Study		0
Software and Maintenance of Computers		0
Auditing	6,500	65
Other Admin.	41,578	416
Subtotal Administrative Expenses	**156,046**	1,560
UTILITY EXPENSES		
Heating Fuel	52,398	524
Electricity	34,000	340
Water/Sewer	38,206	382
Property Internet/Phone for Tenant Use	784	8
Other Utility		0
Subtotal Utility Expenses	**125,388**	1,254
MAINTENANCE EXPENSES		
Janitorial Payroll	9,877	99
Janitorial Supplies and Equipment	348	3
Janitorial Contractual Services	4,694	47
Garbage and Trash Removal	34,455	345
Vehicle and Equipment	2,944	29
Grounds Maintenance Payroll	0	0
Grounds Tools and Supplies	0	0
Grounds Contractual Services	23,179	232
Miscellaneous Ground Maintenance	0	0
Building Maintenance Payroll	112,359	1,124
Building Tools and Supplies	29,562	296
Building Contractual Services	25,473	255
Building Systems Maintenance	13,895	139
Miscellaneous Building Maintenance	3,511	35
Other Maint.		0
Subtotal Maintenance Expenses	**260,297**	2,603

Line Item	Total	Per Unit
GENERAL EXPENSES		
Property Taxes	185,000	1,850
Property and Liability Insurance	19,174	192
Other Financial Expenses		0
Resident Services	49,708	497
Other General		0
Subtotal General Expenses	**253,882**	2,539
HOUSING OPEX	**795,613**	7,956
COMMERCIAL EXPENSES		
Admin Expenses	0	0
Operating Expenses	0	0
Maintenance Expenses	0	0
General Expenses	0	0
Other Comm.	0	0
Subtotal Commercial Expenses	**0**	0
TOTAL OPEX	**795,613**	7,956
RESERVE CONTRIBUTIONS		
Replacement Reserve	45,000	450
Other Reserve	0	0
TOTAL OPEX + RESERVES	**840,613**	8,406

			LIHTC Basis			T-E Bonds	HTC Basis		
Line Item	**Total**	**Per Unit**	**NC/R Basis**	**Acq Basis**	**Ineligible**	**50% Test**	**QRE**	**Non-QRE**	**Allocable**
CONSTRUCTION COSTS									
On-Site Improvements	1,633,828	16,338	1,633,828	0	0	1,633,828	1,633,828	0	0
Construction: Residential	6,148,838	61,488	6,148,838	0	0	6,148,838	6,148,838	0	0
Construction: Commercial	0	0	0	0	0	0	0	0	0
Demolition	0	0	0	0	0	0	0	0	0
General Requirements	998,640	9,986	998,640	0	0	998,640	998,640	0	0
Builder Overhead	0	0	0	0	0	0	0	0	0
Builder Profit	342,645	3,426	342,645	0	0	342,645	342,645	0	0
Bond Premium	84,813	848	84,813	0	0	84,813	84,813	0	0
Other Construction Costs	280,000	2,800	280,000	0	0	280,000	280,000	0	0
Construction Contingency	1,000,000	10,000	1,000,000	0	0	1,000,000	1,000,000	0	0
Subtotal Construction Costs	**10,488,764**	**104,888**	**10,488,764**	**0**	**0**	**10,488,764**	**10,488,764**	**0**	**0**
SOFT COSTS									
Permits & Impact Fees	133,234	1,332	133,234	0	0	133,234	133,234	0	0
Survey & Engineering	67,125	671	67,125	0	0	67,125	67,125	0	0
Architectural & Design	525,000	5,250	525,000	0	0	525,000	525,000	0	0
Legal	112,000	1,120	112,000	0	0	112,000	112,000	0	0
Title & Recording	22,000	220	22,000	0	0	22,000	22,000	0	0
Accounting	8,500	85	8,500	0	0	8,500	8,500	0	0
Construction Period Tax	20,000	200	20,000	0	0	20,000	20,000	0	0
Insurance	40,000	400	40,000	0	0	40,000	40,000	0	0
Soft Cost Contingency	90,000	900	90,000	0	0	0	90,000	0	0
Subtotal Soft Costs	**1,017,859**	**10,179**	**1,017,859**	**0**	**0**	**927,859**	**1,017,859**	**0**	**0**
FINANCING COSTS									
Construction Loan Costs	450,000	4,500	450,000	0	0	450,000	450,000	0	0
Permanent Loan Costs	3,000	30	3,000	0	0	3,000	0	3,000	0
Subtotal Financing Costs	**453,000**	**4,530**	**453,000**	**0**	**0**	**453,000**	**450,000**	**3,000**	**0**
MISCELLANEOUS COSTS									
Market Study	6,000	60	0	0	6,000	0	6,000	0	0
Appraisal	4,000	40	0	0	4,000	0	4,000	0	0
Environmental	35,650	357	35,650	0	0	35,650	0	35,650	0
LIHTC Process & Monitoring Fees	138,250	1,383	0	0	138,250	0	0	138,250	0
Relocation	300,000	3,000	0	0	0	0	0	0	0
FF&E	113,000	1,130	113,000	0	0	113,000	0	113,000	0
Other Misc Costs	85,000	850	85,000	0	0	85,000	20,000	65,000	0
Subtotal Miscellaneous Costs	**681,900**	**6,819**	**233,650**	**0**	**148,250**	**233,650**	**30,000**	**351,900**	**0**

Line Item	Total	Per Unit	LIHTC Basis: NC/R Basis	LIHTC Basis: Acq Basis	LIHTC Basis: Ineligible	T-E Bonds: 50% Test	HTC Basis: QRE	HTC Basis: Non-QRE	HTC Basis: Allocable
ACQUISITION COSTS									
Structure	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0
Existing Reserve Account Balance	0	0	0	0	0	0	0	0	0
Repay Existing Mortgage Balance	410,376	4,104	0	0	410,376	0	0	410,376	0
Other	0	0	0	0	0	0	0	0	0
Subtotal Acquisition Costs	**410,376**	**4,104**	**0**	**0**	**410,376**	**0**	**0**	**410,376**	**0**
RESERVES									
Operating Deficit Escrow (ODE)	330,000	3,300	0	0	330,000	0	0	330,000	0
Replacement Reserve (IDRR)	100,000	1,000	0	0	100,000	0	0	100,000	0
Tax & Insurance Reserve (T&I)	120,000	1,200	0	0	120,000	0	0	120,000	0
Rent Up & Marketing/Working Capital	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Subtotal Reserves	**550,000**	**5,500**	**0**	**0**	**550,000**	**0**	**0**	**550,000**	**0**
DEVELOPMENT FEES									
Subtotal Development Overhead & Fees	**750,000**	**7,500**	750,000	**0**	**0**	750,000	750,000	**0**	**0**
TOTAL DEVELOPMENT COSTS	**14,351,899**	**143,519**	12,943,273	**0**	**1,108,626**	12,853,273	12,736,623	**1,315,276**	**0**
MAINEHOUSING TDC INDEX		**137,057**							

FINANCING

Source	Amount	Rate	Term	Amort.	Lien	Loan Type	Repayment Type	Annual Payment
MH Subsidy	1,199,999	0.00%	30	0		No Interest	CF Contingent	0
MH Interest-Only Loan	0	6.00%	40	0		Interest-Only	Must-Pay	0
Conventional Mortgage	0	5.15%	20	30		Amortizing	Must-Pay	0
City - FedHOME/HTF	425,000	0.00%	30	30		No Interest	CF Contingent	0
City - CDBG	184,150	0.00%	30	30		No Interest	CF Contingent	0
AHP Advance Loan (GSB)	7,071,700	5.00%	30	30	1st	Amortizing	Must-Pay	455,549
AHP Direct Subsidy	650,000	0.00%	30	30		No Interest	CF Contingent	0
Seller Note	0	0.00%	40	40		Amortizing	CF Contingent	0
Sponsor Loan	0	0.00%	30	30		Amortizing	CF Contingent	0
Deferred Developer Fee	0	0.00%	15	0		No Interest	CF Contingent	0
								0
								0
Total Financing	**9,530,849**							**455,549**

EQUITY

Source	Amount	Yield
LIHTC Equity	3,959,604	0.88
Fed HTC Equity	0	0.00
State HTC Equity	0	0.00
State LIHTC Equity	0	0.00
Capital Funds	0	
Existing Operating Reserves	284,396	
Interim Income	577,050	
Total Equity	**4,821,050**	

SOURCES & USES

	Total	Per Unit
Total Sources	14,351,899	143,519
Total Uses	14,351,899	143,519
CAPITALIZATION GAP (SURPLUS)	**0**	**0**

	% Infl.	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052
INCOME																
Gross Rental Income	(Below)	1,599,997	1,647,997	1,697,437	1,748,360	1,800,811	1,854,836	1,910,481	1,967,795	2,026,829	2,087,634	2,150,263	2,214,771	2,281,214	2,349,650	2,420,140
Operating Subsidy Income	(Below)	274,162	282,387	290,858	299,584	308,572	317,829	327,364	337,185	347,300	357,719	368,451	379,504	390,889	402,616	414,694
Other Income	(Below)	13,258	13,656	14,065	14,487	14,922	15,369	15,831	16,305	16,795	17,298	17,817	18,352	18,902	19,470	20,054
Less Vacancy Loss	5.0%	(94,371)	(97,202)	(100,118)	(103,122)	(106,215)	(109,402)	(112,684)	(116,064)	(119,546)	(123,133)	(126,827)	(130,631)	(134,550)	(138,587)	(142,744)
Tax Increment Financing	(Below)	202,971	209,060	215,332	221,792	228,445	235,299	242,358	249,628	257,117	264,831	272,776	280,959	289,388	298,069	307,011
Commercial Income	(Below)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME		**1,996,017**	**2,055,898**	**2,117,574**	**2,181,102**	**2,246,535**	**2,313,931**	**2,383,349**	**2,454,849**	**2,528,495**	**2,604,350**	**2,682,480**	**2,762,954**	**2,845,843**	**2,931,218**	**3,019,155**
OPERATING EXPENSES																
Administrative Expenses	3.0%	250,408	257,920	265,658	273,628	281,836	290,292	299,000	307,970	317,209	326,726	336,527	346,623	357,022	367,733	378,765
Utility Expenses	3.0%	201,211	207,247	213,465	219,869	226,465	233,259	240,256	247,464	254,888	262,535	270,411	278,523	286,879	295,485	304,350
Maintenance Expenses	3.0%	417,700	430,231	443,138	456,432	470,125	484,229	498,756	513,719	529,130	545,004	561,354	578,195	595,541	613,407	631,809
General Expenses	3.0%	407,406	419,628	432,217	445,184	458,539	472,295	486,464	501,058	516,090	531,573	547,520	563,945	580,864	598,290	616,238
Commercial Expenses	3.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPEX	3.0%	**1,276,725**	**1,315,027**	**1,354,478**	**1,395,112**	**1,436,966**	**1,480,075**	**1,524,477**	**1,570,211**	**1,617,317**	**1,665,837**	**1,715,812**	**1,767,286**	**1,820,305**	**1,874,914**	**1,931,162**
NET OPERATING INCOME		**719,292**	**740,871**	**763,097**	**785,990**	**809,569**	**833,856**	**858,872**	**884,638**	**911,177**	**938,513**	**966,668**	**995,668**	**1,025,538**	**1,056,304**	**1,087,993**
RESERVE DEPOSITS																
Deposit to Replacement Reserve	3.0%	72,212	74,378	76,609	78,908	81,275	83,713	86,225	88,811	91,476	94,220	97,047	99,958	102,957	106,045	109,227
Deposit to Other Reserve	3.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPEX + RESERVES		**1,348,937**	**1,389,405**	**1,431,087**	**1,474,020**	**1,518,241**	**1,563,788**	**1,610,701**	**1,659,022**	**1,708,793**	**1,760,057**	**1,812,859**	**1,867,244**	**1,923,262**	**1,980,960**	**2,040,388**
NOI AFTER RESERVES		**647,080**	**666,492**	**686,487**	**707,082**	**728,294**	**750,143**	**772,647**	**795,827**	**819,702**	**844,293**	**869,621**	**895,710**	**922,581**	**950,259**	**978,766**
DEBT SERVICE																
MH Subsidy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MH Interest-Only Loan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conventional Mortgage		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City - FedHOME/HTF		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City - CDBG		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AHP Advance Loan (GSB)		455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549	455,549
AHP Direct Subsidy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seller Note		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sponsor Loan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE		**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**	**455,549**
DSCR		**1.42**	**1.46**	**1.51**	**1.55**	**1.60**	**1.65**	**1.70**	**1.75**	**1.80**	**1.85**	**1.91**	**1.97**	**2.03**	**2.09**	**2.15**
NET CASH FLOW		191,531	210,943	230,938	251,533	272,745	294,594	317,098	340,278	364,153	388,744	414,072	440,161	467,032	494,710	523,218
CASH FLOW PER UNIT		1,915	2,109	2,309	2,515	2,727	2,946	3,171	3,403	3,642	3,887	4,141	4,402	4,670	4,947	5,232

Rent & Income Inflation
Yr 1-5: 2.0%
Yr 6-15: 2.5%
Yr 16-30: 3.0%