



## HOUSING COMMITTEE

**DATE: Wednesday, May 13, 2020**

**TIME: 5:30 PM**

**LOCATION: Remote Meeting**

**ZOOM MEETING INSTRUCTIONS:**

The Housing Committee will hold a remote meeting on Wednesday, May 13, 2020 at 5:30 pm. This meeting will take place remotely using Zoom.

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403-A, that authorizes cities and towns to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to [portlandmaine.gov/livestream](http://portlandmaine.gov/livestream) the next day.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/85347606001>

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

To join via Telephone dial:

US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799

iPhone one-tap for mobile:

US: +16465588656,,85347606001# or +13017158592,,85347606001#

Webinar ID: 853 4760 6001

### AGENDA

1. Review and accept Minutes of previous meeting held on 4-22-20
  - a. Review and Accept Minutes of Previous Meeting Held on 4-22-20
2. Executive Session

*Possible disposition of City-owned property at 431 Commercial Street and City-owned property in Falmouth. Pursuant to 1 M.R.S.A. section 405 (6) (C) and (E) the Committee may go into executive session to discuss the City's legal rights.*

- a. 0 Gray Road, Falmouth and 622 Auburn Street Overview
3. Review and Recommendation to City Council  
*This is an actionable item and public comment will be taken*
  - a. Rental Housing Advisory Committee Policy
4. Review of CDBG-CV and ESG-CV Supplemental Funding Recommendation  
*This is an actionable item and public comment will be taken*
  - a. CDBG-CV and ESG-CV Supplemental Funding Recommendations
5. Review and Funding Request
  - a. Affordable Housing Development Applications:  
Avesta (200 Valley Street); PHA (337 Cumberland Ave and Washington Gardens)
6. Review and possible Recommendation to Economic Development Committee and/or City Council  
*This is an actionable item and public comment will be taken*
  - a. AHTIF Applications:  
CHOM (83 Middle Street); Avesta (200 Valley Street); PHA (337 Cumberland and Washington Gardens)
7. Review and Recommendation to City Council  
*This is an actionable item and public comment will be taken.*
  - a. Disposition of City-owned property at:  
157 Brackett Street and 176 Clark Street
8. 2020 Work Plan Discussion
  - a. 2020 Work Plan

**Councilor Jill C. Duson, Chair**

**Next Meeting Date:**  
**(Wednesday) June 10, 2020 at 5:30**

---

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

## **Housing Committee Minutes of April 22, 2020 Meeting**

A meeting of the Portland City Council’s Housing Committee (HC) was held on Wednesday, April 22, 2020 at 5:30 P.M. via ZOOM. Councilors present at the meeting included Committee members Councilor Pious Ali, Councilor Kim Cook, and Councilor Jill Duson, Chair of the Committee, and Mayor Kate Snyder. City staff present included Heather Brown Assistant City Manager, Christine Grimando Planning & Urban Development Director, Mary Davis Division Director Housing and Community Development, Victoria Volent Housing Program Manager, and Jessica Hanscombe Licensing and Housing Safety Manager.

### **Item 1: Review and accept Minutes of previous meetings held on February 12, 2020 and March 4, 2020**

Motion by Councilor Cook to accept the minutes from February 12, 2020. Motion was seconded by Councilor Duson and minutes approved 3-0. Motion by Councilor Ali to accept the minutes from March 4, 2020. Motion was seconded by Councilor Cook and minutes approved 3-0.

### **Item 2: COVID-19: Federal Update from Evan Johnston; State Update from Dan Brannan; and Local Update from Permitting and Inspections and Housing and Community Development**

Evan Johnston, the Legislative Director at the U.S. House of Representatives for Representative Pingree thanked the Committee for asking her to join the meeting and provided an overview of the CARES ACT. The Coronavirus Aid, Relief, and Economic Security (CARES) Act is the “phase three” legislative response to the COVID-19 crisis. The stimulus package contains a number of important provisions for those in the residential real estate sector. For landlords, the most notable relief comes for multifamily borrowers. Borrowers with federally backed, multifamily mortgage loans that are experiencing financial hardship related to the COVID-19 emergency may be immediately eligible for up to 90 days of loan forbearance. Regardless of a borrower’s participation in a forbearance plan, the CARES Act imposes a 120-day moratorium on eviction filings and charging of late fees to tenants where the landlord’s mortgage on the property is backed by the government.

Dan Brennan, the Director of the Maine State Housing Authority (MSH) also thanked the Committee for asking him to join the meeting; he updated the Committee on the work of Maine State Housing during the coronavirus. Eighty-five percent of MSH staff is working remotely. MSH is working

with shelters situated through-out the state and in Portland to provide assistance (homeless shelters are not designed for pandemic social distancing protocols). Additional ESG funding from the federal government will be used to fund homeless shelters with staffing, supplies, and social distancing. MSH is collaborating with Portland, Preble and Oxford Street, the Department of Health and Human Services, and USM (a wellness shelter is available at the USM Sullivan Gymnasium, which allows fifty people to distance themselves from each other). MSH is securing hotel and motel rooms for isolation and guaranteeing. Daily calls are conducted with the Center for Disease Control and Maine Emergency Management. As the state emerges from the crisis, MSH would like to work on ideas for future preparedness and long-term needs. Governor Mills is proposing a one-time rental assistance bridge of \$500 with the federal government CARES Act funding. Over 100,000 people have access information regarding rental assistance and over 3,400 applications were received. The first checks are currently going out the door. Maine is the first state in the nation to buy bond mortgages. LIHTC investors are out there and residential development projects continue to move forward.

Councilor Duson thanked Evan and Dan for their comprehensive reports.

Councilor Cook reminded everyone that forty percent of shelter beds are located in Portland. She inquired into addressing the needs for victims of domestic violence.

Dan Brennan noted domestic violence victims are considered homeless and are included within the homeless population for discussion.

Councilor Ali inquired into housing homeless people in hotels.

Dan Brennan indicated homeless shelters currently do use hotels and motels for people who cannot be served in homeless shelters. The entire system does need to be enhanced. The current focus is to quarantine and isolate to stop the spread of the virus.

Jessica Hanscombe the Licensing and Housing Safety Manager prepared a memo for the Committee in which she noted the Housing Safety Division is not currently performing any in person inspections at this time for the Health and Safety of both inspectors and the public. All scheduled Long Term inspections from March 16 thru the end of April have been postponed. Staff will be reaching out to reschedule those as soon as we are inspecting again. The property owners have been very appreciative of the City of Portland making the health risks a priority.

Inspectors are working on follow-ups that can be dealt with via email or through phone calls such as helping landlords with both Building Code and Fire Code issues, responding to See Click Fix Issues, and working with property owners on trash complaints and broken windows. Inspectors are also responding to properties that have visible outside code violations. Inspectors are also working closely with General Assistance in regards to placements. Permitting & Inspection has received 49 requests in the first three weeks, which requires us to research registration, property owner, and property manager and inspection history. P & I have created a follow up list of all the properties that have been approved

or denied, for when inspections resume. They are also working with Community Policing on issues that are reported through dispatch or by Police Officers (such as disorderly houses, code violations and land use violations to name a few).

Housing Safety Inspector are taking online courses and taking tests for credits towards maintaining certification as a State of Maine Code Enforcement Officer and a Certified Fire Inspector.

The Permitting and Inspections staff is currently still registering Long Term Rentals or applying payments to accounts, and short term rental owners have been informed of the rules imposed by the City Council.

The Committee asked clarifying questions regarding inspections.

Mary Davis provided an update on the CARES Act. Portland received supplemental CDBG funding in the amount of \$1,137,154 and Emergency Solutions Grant funding of \$573,734. These funds must be used to mitigate the impacts of COVID-19. CARES-Act funding may not be used to pay costs if another source of financial assistance is available to pay that cost. The City Manager asked staff from the HCD office to work with other City Departments to assess the best use of the funds as it relates to the City's response to COVID-19. A report will be prepared for the City Manager.

Councilor Duson recommended creating a city supplement of \$250 to the state rental housing emergency assistance of \$500 for people (tenants and homeowners) who have completed an application with MSH and qualify for state rental assistance.

Councilor Ali suggested including utility assistance with any rental assistance program.

The Committee discussed creating a program that combines rental and utility assistance to be administered by the General Assistance staff for three months of assistance for tenants and homeowners at or below 80% AMI income levels (in accordance with the CARES Act guidelines).

The Committee would like to review and make recommendations during the next Housing Committee meeting scheduled for May 13 on the report from the City Manager regarding proposed use of the supplemental CDBG funding and supplemental ESG funding.

### **Item 3: 2020 Work Plan Discussion Session**

The Committee inquired into holding a future Housing Policy Forum. Mary noted Jack Kartez (Faculty Emeriti of Muskie) offered to help facilitate a meeting and draft ideas on what the forum would look like and how it would work. Councilor Ali suggested other community stakeholders (such as YIMBY) be involved in the planning process.

The Committee held a discussion regarding the May and June Work Plan Agenda. Staff will draft an agenda for May that will include a review of CDBG and ESG COVID-19 supplemental funding, a review and recommendation to the City Council of the disposition of City-Owned property at 157 Brackett Street and 176 Clark Street, and refresh notes on a Housing Policy forum. The June agenda will include the review and recommendation regarding the Rental Housing Advisory Committee policy recommendation.

The Committee discussed their involvement in the anticipated AH TIF applications discussions. The Economic Development Committee will conduct two meetings in May (the 5<sup>th</sup> and 19<sup>th</sup>) to discuss and vote on a recommendation to the City Council. The Committee agreed to defer Housing Committee action and allow the AH TIF applications to go directly to the Economic Development Committee. Staff will confirm which May meeting the ECD will discuss the AH TIF so Committee members can attend the meeting and provide feedback.

#### **Item 4: Communication Item**

The RFPs for 43 and 91 Douglass Street, 165 Lambert Street, and 21 Randall Street were issued on April 16 in the Portland Press Herald. RFPs are due no later than June 16 at 3:00 P.M. A staff committee will review the proposals; the final recommendation will be conducted by the Economic Development Committee but the Housing Committee will have the opportunity to weigh-in as well. Both Committees will be provided with a RFP matrix for their review.

Councilor Duson opened the meeting for public comment on items not on the agenda.

Karen Snyder (Munjoy Hill) - based on the number of applications received for rent relief (approximately 3,400) times \$500, the projected payout is anticipated to be less than the current funding pool. Mr. Brennan may wish to earmark the unused funds for a possible second or third wave of rent relief requests. In regards to the proposal by Councilor Cook regarding short-term rentals, Karen agrees with the proposal but does not think it will work because STR owners earn far more money in the short run with STR than with traditional twelve-month long-term rentals. Karen is concerned with the trend of housing developers requesting AH TIFs. She would like to know which developers are expected to submit an AH TIF request and if AH TIF use taxpayer money, or if AH TIFs use federal subsidy programs such as HOME or CDBG. In addition, Karen inquired into the status of the Portland's foodbanks.

Mary Davis responded that regarding food banks, she does not have information available to answer the question. In regards to TIFs, the City is not spending taxpayer money as a subsidy. The development of a property will increase its value, thus generating additional tax revenue that did not previously exist. The developer pays the taxes due on the new (and larger) tax bill. A percentage of the increased tax revenue is returned to the developer to help pay the cost of constructing affordable housing. HOME, CDBG and/or Housing Trust funds are not used in an AH TIF.

Councilor Cook directed staff to provide Karen Snyder with the annual TIF report or a link to the report online. Councilor Duson requested to be cced on the correspondence.

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

Motion to adjourn by Councilor Cook, seconded by Councilor Ali, (approved 3-0), the meeting adjourned at 7:49 P.M.

Respectively submitted

Victoria Volent

**City of Portland owned property located at 622 Auburn Street  
and in Falmouth**

**OVERVIEW As of March 3, 2020**

**PROPERTY SIZE AND ENVIRONMENTAL LIMITATIONS**

**0 Gray Road, Falmouth**

*Property Size:* 13 +/- acres

*Road Access:* Ray and Eugene are paper streets which have not been vacated by the Town.

*Falmouth Zoning:* Mixed Use Cluster District (MUC), which includes residential uses.

*Falmouth Municipal Assessment:* \$52,600

*Environmental Limitations:* 8.29 acres of wetlands.

*Density:* Upwards of 28 units based upon 100% developable property. Confirming if this density can be achieved because of the amount of wetlands.

See attached map.

**622 Auburn Street**

*Property Size:* 4.84 acres

*Road Access:* Ray and Eugene are paper streets which have not been vacated by the Town.

*Portland Zoning:* R2

*Portland Municipal Assessment:* \$128,900

*Environmental Limitations:* Vernal pool is mapped on this property but not inspected. To determine if this is a significant vernal pool, this would need a more in-depth assessment, and the optimal timing for an assessment would be needed during the breeding season to conduct egg mass surveys which would be between April and May. If significant, MDEP may influence the extent of potential development on the property.

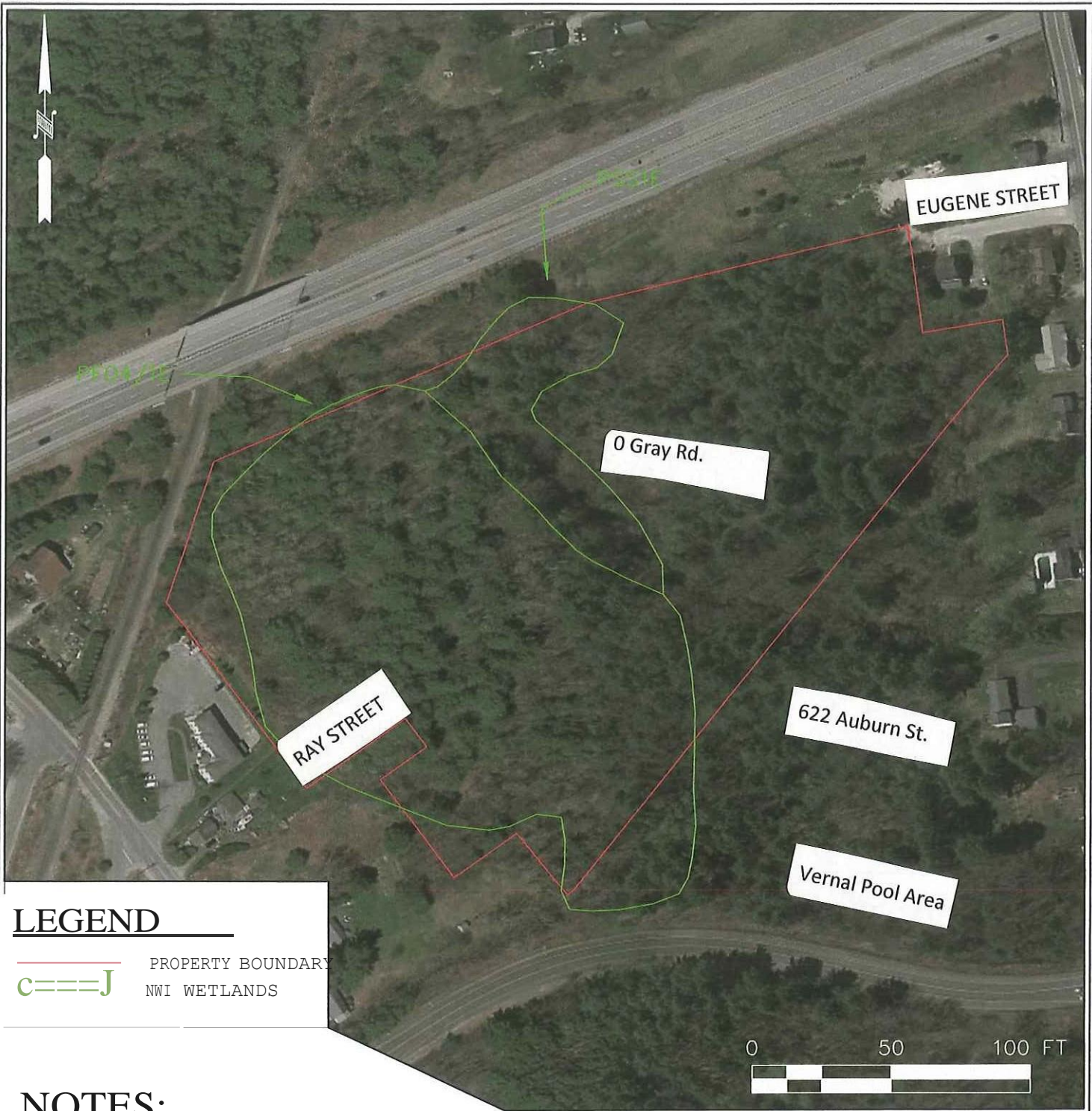
*Density:* Development opportunity for one or two homes on the northerly 4.17 acres of upland with potential access from Auburn Street through the right of way if the vernal pool is not significant.

See attached map.



## **SUMMARY AND NEXT STEPS**

A consultant has been hired to conduct wetlands delineation and vernal pool assessments during the Spring of 2020.

Staff will report the results of these environmental reports after completion and will advance staff recommendations for property disposition at that time.



**LEGEND**

-  PROPERTY BOUNDARY
-  NWI WETLANDS

**NOTES:**

1. PROPERTY BOUNDARY OBTAINED FROM MAINE OFFICE OF GIS.
2. WETLAND BOUNDARIES OBTAINED FROM NATIONAL WETLAND INVENTORY.
3. AERIAL IMAGERY OBTAINED FROM GOOGLE EARTH.

**WETLAND SKETCH PLAN**  
 CITY OF PORTLAND  
 GRAY ROAD  
 (048-27)  
 FAIMOUTH, MAINE

PREPARED BY:

**TONES**  
**iSSOCIATES INC.**  
 Foresters, Surveyors And  
 Environmental Consultants



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

PLAN

OCTOBER 24, 2019

FIELD WORK DATE:

N/A

SCALE: 1"=100'

PROJ.#: 19-079FA



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

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

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

**DATE:** May 8, 2020

**SUBJECT:** Rental Advisory Housing Committee

**Introduction**

During the February 12, 2020 meeting of the Housing Committee, the Rental Housing Advisory Committee recommended the City enact an ordinance to ban application fees for rental housing units. The Housing Committee decided to postpone action on this item to a future meeting.

**Attachments**

Attached is the memorandum submitted by the Rental Housing Advisory Committee to the Housing Committee for the Committee's February meeting. Also attached is public comment received by the Committee that arrived after the Housing Committee packet was published.

## MEMORANDUM

**FROM:** Rental Housing Advisory Committee  
**DATE:** February 5, 2020  
**SUBJECT:** Rental Application Fees

### **I. SUMMARY**

The Rental Housing Advisory Committee recommends that the City enact an ordinance to ban application fees for rental housing units.

### **II. BACKGROUND**

The Rental Housing Advisory Committee (RHAC) is charged with providing the Housing Committee with recommendations or proposals for improvements, modifications, or changes regarding landlord and tenant policy issues and identifying education opportunities, seminars, and materials that would be useful to landlords and tenants.

At the RHAC's first meeting on September 24, 2019, group members brainstormed issues of concern to landlords and tenants. Several members expressed concern that rental housing application fees are a significant barrier preventing low and moderate income residents from securing housing in Portland. City staff informed the committee that staff in the Housing and Community Development Division had heard concerns about application fee fraud and abuse and had made the Housing Committee aware of that issue. City staff informed the group that the Housing Committee suggested that application fees might be a topic the RHAC could take up.

The RHAC discussed the fact that there is no state law or city ordinance limiting application fees. There is no requirement that a fee charged be linked to the landlord's cost in running a background check. Tenants are generally not in a position to know whether they have actually been considered for an apartment for which they have paid an application fee. Mindful that RHAC's charge includes education, members of the group discussed whether there are education solutions to these issues.

At the October 28, 2019 meeting of the RHAC members of committee articulated several areas of concern: landlords who collect application fees with no intention of renting to the applicant, landlords who collect application fees from multiple applicant and do not conduct background checks, and landlord who do not supply copies of reports to applicants who are not selected as tenants. The group discussed the concern that application fees price low and moderate income tenants out of Portland at multiple meetings.

The RHAC discussed several ways to address application fees. Proposals included a limitation on the amount that could be charged, a requirement that fees collected be refunded to tenants, a requirement that landlords provide copies of background checks to tenants, a prohibition on charging application fees when a tenant provides a landlord with a copy of a recent background check, and a ban on application fees.

Members of the Committee expressed concern that landlords could continue charging application fees by giving those fees another name and the proposed language banning fees is phrased to allow only a security deposit and first month's rent to be charged at the beginning of a tenancy.

On December 16, 2019 the RHAC voted 5-3 to recommend to the Housing Committee that the City prohibit landlords from charging application fees. (the committee currently has 8 members because a tenant member resigned) The RHAC drafted a resolution at the December 16<sup>th</sup> meeting to accompany the recommendation to explain the committee's rationale and the RHAC approved the resolution 6-2.

### **III. ANALYSIS AND BACKGROUND**

RHAC understands that the Housing Committee would like to see “more than anecdotal” evidence demonstrating that application fees are a significant problem in the community. RHAC members have researched this issue and we have not found any studies that are responsive to this request.

Pine Tree Legal Assistance (PTLA) was asked whether they track calls about application fees. RHAC member Katherine McGovern explained that PTLA tracks cases based on the legal issue involved and so can provide data on the number of tenants who called about issues like evictions or security deposits but because there are no state or local laws limiting application fees, inability to afford application fees is not categorized or tracked as a legal problem. Ms. McGovern shared throughout the RHAC’s discussion about this issue that PTLA’s clients struggle to find affordable housing in Portland and application fees are a significant problem for PTLA’s clients.

RHAC co-chair Meredith Cook, who has worked as a housing specialist at Through These Doors and is currently employed by Preble Street as the Maine Hunger Initiative Social Change Advocate, told the committee that application fees are such a significant barrier for low-income tenants that Preble Street caseworkers searching for housing with clients do not even apply with landlord who charge application fees.

RHAC member Wendy Harmon conducted a survey of members of the Southern Maine Landlord Association regarding members’ practices regarding application fees. Ms. Harmon submitted the results of the survey to the group and these results are attached. Some members reported not charging application fees and those that charge application fees reported that they charge between \$25 and \$50 per adult applicant. Landlords who charge application fees reported collecting those fees from somewhere between one and nine applicants per available apartment.

Each RHAC meeting has included time for public comment. At the November 25, 2019 RHAC meeting three members of the public offered their views and testimony about their experiences with application fees. Jenna Dorr described her family’s experience of scrambling to find new housing and spending more than \$500 in application fees without know whether background checks were actually being conducted or whether they were truly being considered for apartments. Alyssa Floyd described paying application fees and never knowing why she was not offered an apartment. Jim Devine encouraged the committee to propose rules that are easy to understand and coherent. (Public comment for this meeting is summarized the meeting minutes and in the Bangor Daily News story attached).

### **IV. RECOMMENDATION**

RHAC recommends that the following provision be added to Chapter 6 of the City’s ordinances:

“At or prior to the commencement of any tenancy, no lessor may require a tenant or prospective tenant to pay any amount in excess of the following:

- (i) Rent for the first full month of occupancy; and
- (ii) A security deposit as defined in 14 MRS 6032”

### **V. LIST ATTACHMENTS**

1. Resolution including proposed ordinance language submitted to the Housing Committee
2. “Renters say application fees a barrier to living in Portland’s pricey housing market.” Bangor Daily News article by Nick Schroeder, December 2, 2019
3. “Unregulated application fees make Portland’s housing crisis even more expensive for renters.” Maine Beacon, October 17, 2019

4. Examples of ordinances/statutes from other jurisdictions: Minnesota, Oregon, Minneapolis
5. Survey of Southern Maine Landlord Association members conducted by Wendy Harmon.

Prepared by: Katherine McGovern and approved by the Rental Housing Advisory Committee on a vote of 5-3

Date: February 5, 2020

## **Resolution**

**WHEREAS**, application fees are a significant barrier to low and moderate income people in finding housing in the City of Portland; and

**WHEREAS**, tenants are likely to pay multiple fees before finally securing housing, and

**WHEREAS**, there are no laws in Maine regulating application fees.

**THEREFORE BE IT RESOLVED**, the Rental Housing Advisory Committee sees application fees as a significant burden on tenants when securing housing; and

**THEREFORE BE IT FURTHER RESOLVED**, the Rental Housing Advisory Committee recommends to the City Council Housing Committee to address this concern through the recommended policy change in City ordinance, below.

### **Application Fee Ban:**

At or prior to the commencement of any tenancy, no lessor may require a tenant or prospective tenant to pay any amount in excess of the following:

- (i) Rent for the first full month of occupancy, and
- (ii) A security deposit as defined in 14 MRS 6032

# Renters say application fees a barrier to living in Portland's pricey housing market

<https://bangordailynews.com/2019/12/02/news/portland/renters-say-application-fees-a-barrier-to-living-in-portlands-pricy-housing-market/>

By [Nick Schroeder](#), BDN Staff • December 2, 2019 2:00 am

Updated: December 2, 2019 6:28 am

PORTLAND, Maine — A newly formed rental-housing committee is discussing how and whether to regulate application fees landlords charge tenants.

In a city with a rental-housing market as competitive as Portland, the push to regulate application fees, otherwise known as screening fees, has sparked debate in a new committee comprised of landlords and renters. Social service officials say some landlords have abused the practice of charging tenants for fees for background checks, which can be as high as \$75 an application.

“Moving is a very expensive process for low-income people generally and the situation is worse when people have to spend their limited income on these fees,” said Katherine McGovern, an attorney with Pine Tree Legal Assistance who sits on the city’s Rental Housing Advisory Committee.

The abuse of application fees was the first item on the agenda for the committee on Nov. 25.

Because there aren’t limits on application fees at the state or local level, there is no requirement that any fee be tied to expenses a landlord actually incurs when running a background or credit check, McGovern said. Tenants may suspect but not be able to prove that some landlords are pocketing fees without seriously considering tenants for apartments.

“We know from talking with our clients that it has been getting harder and harder to find affordable housing, especially in the greater

Portland area, and low-income tenants can end up spending a lot of money on application fees before finding a unit,” McGovern said.

The Rental Housing Advisory Committee wants to crack down on landlords collecting fees with no intention of renting to the applicant and those who don’t run background checks; commercial property owners charging multiple screening fees per applicant or for units in the same building; and landlords charging screening fees to immigrants and “new Mainers” for background checks when they have not yet been given Social Security numbers — in other words, they have no credit report to check.

Social services agencies and city officials have so far called instances of the abuses “anecdotal” and not necessarily widespread. Tenants have no recourse besides showing proof of abuse through the legal system, an option which many renters won’t pursue because it can be costly and consumer protection laws make such evidence hard to obtain.

Citizens say that onerous fees serve as a barrier in Portland’s increasingly pricey rental market. Jenna Dorr said she saw firsthand how rental fees limited her apartment search when she paid more than \$500 on them during a two-week period in May.

“We paid all this money and then never heard from all these landlords who did these checks on us,” Dorr said during the committee’s public comment period last month. “We really have no way to know if these checks have been done.”

Dorr said she contacted more than 40 landlords, treating each application process like a job interview. She would pay the nonrefundable application fee, and then send an immediate follow-up, thanking the landlord or lessor for their time and that she looked forward to hearing back from them either way.

Dorr’s family eventually found housing. But the process was hard enough that it gave her reason to speak up.

“We felt desperate. We have a 2-year-old daughter. We were also lucky compared to a lot of people, [because we] had considerable savings to cover those fees.

Crow Jonah Norlander, a landlord representative on the Rental Housing Advisory Committee, said that landlords are essentially business owners, and that running a background check on a potential tenant should be considered part of the cost of doing business.

“It’s a customer acquisition cost,” Norlander said. “If I want someone to live in my home, it’s my responsibility to vet them.”

That’s not a universally shared view among property owners. Rents might be even higher if the cost of application fees is absorbed by the landlords, said Travis Heynan, director of property management for Avesta Housing, and a landlord representative on the committee.

Landlords, however, can also write off most screening fees on their taxes.

Another potential solution proposed by the committee would force landlords to accept a copy of a background check run on a prospective tenant in the previous 30 days, limiting the number of times a tenant’s credit would be run.

A survey conducted by the Southern Maine Landlord Association found that 57 percent of apartments in the Portland area come tied to application fees of some kind.

Among the respondents, 59 landlords and property owners said they did not charge rental application fees for the 644 units they owned.

The committee meets again on Dec. 16, and hopes to submit a recommendation to the Portland City Council’s Housing Committee soon after.

“I don’t understand how a city [of] this size with this kind of competition doesn’t have guidelines of this sort,” advisory committee member Nora Givens said.



  October 17, 2019  Cara DeRose

## Unregulated application fees make Portland's housing crisis even more expensive for renters

For renters who earn minimum wage or are just starting out in the workforce, affordable housing options in Maine — which has one of **the least affordable** rental markets in the country — are increasingly limited. In the Portland area, renters compete with dozens, if not hundreds, of others for apartments that often cost 33 percent or more of their income and require the payment of a security deposit, along with first and last month's rent.

Adding to the stress and expense of finding somewhere to live are fees that some landlords now charge simply to apply to rent an apartment.

No laws in Maine currently regulate how much can be charged for these fees, what they can be used for and from how many applicants they can be accepted for the same property, a system that affordable housing advocates say can create a significant obstacle for low-income renters and a situation ripe for abuse.

“As the rental market has gotten more challenging, as rents have gone up and the number of affordable units has gone down, people have ended up spending more on application fees because they're having to apply to more units before they find a place,” explained Katherine

McGovern, directing attorney for legal advocacy organization Pine Tree Legal's Portland office. "It's a real barrier for low- and moderate-income tenants."

While New England neighbors [Massachusetts](#) and [Vermont](#) have outlawed application fees, most states have no laws addressing these costs.

Application fees vary landlord to landlord and are usually not refundable. Two of Portland's biggest property management companies, [Port Property](#) and [Schneider Management](#), charge a non-refundable \$35 application fee, close to the \$40 McGovern says is the average in Portland.

Portland residents have raised concerns to McGovern about paying these fees, which can quickly add up to hundreds of dollars in the search for a single apartment. McGovern said her clients often feel like they are being cheated by property owners.

"You may be paying fees without any real prospect of getting an apartment," McGovern said.

### **Paying without prospect**

There are anecdotal reports that abuses of these fees may already be occurring, with some landlords accepting fees from applicants to whom they have no intention of renting.

Housing advocate Adam Rice told *Beacon* that when he worked for his family's business, the Portland-based property owner Apartment Mart, he observed that the company would often settle on a desired tenant while still collecting fees of up to \$40 from other applicants.

"Say you have somebody come in, they look like they're a clean-cut person, well-kept. They're probably going to take care of the apartment. They apply for it," he said. "And then [Apartment Mart] could have that apartment booked all day long, every hour, and every person comes in and applies for that. And [Apartment Mart] knows only one person is going to get it."

This practice, Rice noted, contributes to the "false hope" that potential renters competing for a dwindling stock of affordable units feel when applying for an apartment.

"It's weird that you wouldn't say, 'Hey, somebody's already viewed this. I'm going to give it until the end of the day to see if their application passes,'" Rice said. "You could at least not be giving everyone false hope when you already know maybe five or six of these people aren't going to get it regardless."

### **Already beyond affordability**

A recent [housing report](#) drafted by Portland's Division of Housing and Community Development highlights the economic situation facing low-wage workers in the city. The report, presented at

an Oct. 9 meeting of the city council's Housing Committee, warns about the lack of rental options for the city's low-wage residents and the financial burden this places on many Portlanders.

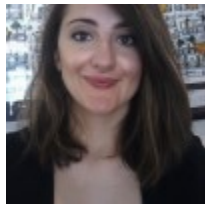
As much as 47 percent of Portland's renter households reported paying more than 30 percent of their income towards rent and utilities, which is considered unaffordable according to the rubric used in the report. A survey of city residents found that the median rent for a two-bedroom unit in 2018 was \$1,380. In order for this to be affordable, a renter must make \$26.67 an hour or \$55,480 per year. The median income for an individual renter is \$33,654 per year.

(Photo: [Kurt Bauschardt](#) | Creative Commons via flickr)

0

Category ◀ housing ◀ municipal

## ABOUT AUTHOR



**Cara DeRose** 211 posts

Cara DeRose is a staff writer for Beacon. A graduate of the University of Southern Maine, she served as writer and copy editor for the USM Free Press and interned at the Portland Press Herald.

## COMMENTS

0 Comments

Sort by Oldest



Add a comment...

Facebook Comments Plugin

## YOU MIGHT ALSO LIKE

# Office of the Revisor of Statutes

## 2019 Minnesota Statutes

Authenticate  PDF

### 504B.173 APPLICANT SCREENING FEE.

Subdivision 1. **Limitations.** A landlord may not:

- (1) charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time;
- (2) collect or hold an applicant screening fee without giving the applicant a written receipt for the fee, which may be incorporated into the application form, upon request of the applicant; or
- (3) use, cash, or deposit an applicant screening fee until all prior applicants have either been screened and rejected, or offered the unit and declined to enter into a rental agreement.

Subd. 2. **Return of applicant screening fee.** (a) The landlord must return the applicant screening fee if:

- (1) the applicant is rejected for any reason not listed in the disclosure required under subdivision 3; or
  - (2) a prior applicant is offered the unit and agrees to enter into a rental agreement.
- (b) If the landlord does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord must return any amount of the applicant screening fee that is not used for those purposes.
- (c) The applicant screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.

Subd. 3. **Disclosures to applicant.** If a landlord accepts an applicant screening fee from a prospective tenant, the landlord must:

- (1) disclose in writing prior to accepting the applicant screening fee:
  - (i) the name, address, and telephone number of the tenant screening service the landlord will use, unless the landlord does not use a tenant screening service; and
  - (ii) the criteria on which the decision to rent to the prospective tenant will be based; and
- (2) notify the applicant within 14 days of rejecting a rental application, identifying the criteria the applicant failed to meet.

Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates this section is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.

(b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to \$500, civil court filing costs, and reasonable attorney fees.

**History:** 1999 c 150 s 1; 1999 c 199 art 1 s 174; 2010 c 315 s 4

## 2017 ORS 90.295<sup>1</sup>

### Applicant screening charge

- **limitations**
- **notice upon denial of tenancy**
- **refund**
- **remedy**

- (1) A landlord may require payment of an applicant screening charge solely to cover the costs of obtaining information about an applicant as the landlord processes the application for a rental agreement. This activity is known as screening, and includes but is not limited to checking references and obtaining a consumer credit report or tenant screening report. The landlord must provide the applicant with a receipt for any applicant screening charge.
- (2) The amount of any applicant screening charge shall not be greater than the landlord's average actual cost of screening applicants. Actual costs may include the cost of using a tenant screening company or a consumer credit reporting agency, and may include the reasonable value of any time spent by the landlord or the landlord's agents in otherwise obtaining information on applicants. In any case, the applicant screening charge may not be greater than the customary amount charged by tenant screening companies or consumer credit reporting agencies for a comparable level of screening.
- (3) A landlord may not require payment of an applicant screening charge unless prior to accepting the payment the landlord:
  - (a) Adopts written screening or admission criteria;
  - (b) Gives written notice to the applicant of:
    - (A) The amount of the applicant screening charge;
    - (B) The landlord's screening or admission criteria;
    - (C) The process that the landlord typically will follow in screening the applicant, including whether the landlord uses a tenant screening company, credit reports, public records or criminal records or contacts employers, landlords or other references; **and**
    - (D) The applicant's rights to dispute the accuracy of any information provided to the landlord by a screening company or credit reporting agency;

- (c) Gives actual notice to the applicant of an estimate, made to the best of the landlord's ability at that time, of the approximate number of rental units of the type, and in the area, sought by the applicant that are, or within a reasonable future time will be, available to rent from that landlord. The estimate shall include the approximate number of applications previously accepted and remaining under consideration for those units. A good faith error by a landlord in making an estimate under this paragraph does not provide grounds for a claim under subsection (8) of this section;
  - (d) Gives written notice to the applicant of the amount of rent the landlord will charge and the deposits the landlord will require, subject to change in the rent or deposits by agreement of the landlord and the tenant before entering into a rental agreement; **and**
  - (e) Gives written notice to the applicant whether the landlord requires tenants to obtain and maintain renter's liability insurance and, if so, the amount of insurance required.
- (4) Regardless of whether a landlord requires payment of an applicant screening charge, if a landlord denies an application for a rental agreement by an applicant and that denial is based in whole or in part on a tenant screening company or consumer credit reporting agency report on that applicant, the landlord shall give the applicant actual notice of that fact at the same time that the landlord notifies the applicant of the denial. Unless written notice of the name and address of the screening company or credit reporting agency has previously been given, the landlord shall promptly give written notice to the applicant of the name and address of the company or agency that provided the report upon which the denial is based.
- (5) Except as provided in subsection (4) of this section, a landlord need not disclose the results of an applicant screening or report to an applicant, with respect to information that is not required to be disclosed under the federal Fair Credit Reporting Act. A landlord may give to an applicant a copy of that applicant's consumer report, as defined in the Fair Credit Reporting Act.
- (6) Unless the applicant agrees otherwise in writing, a landlord may not require payment of an applicant screening charge when the landlord knows or should know that no rental units are available at that time or will be available within a reasonable future time.
- (7) If a landlord requires payment of an applicant screening charge but fills the vacant rental unit before screening the applicant or does not conduct a screening of the applicant for any reason, the landlord must refund the applicant screening charge to the applicant within a reasonable time.
- (8) The applicant may recover from the landlord twice the amount of any applicant screening charge paid, plus \$150, if:
- (a) The landlord fails to comply with this section and does not within a reasonable time accept the applicant's application for a rental agreement; **or**

- (b) The landlord does not conduct a screening of the applicant for any reason and fails to refund an applicant screening charge to the applicant within a reasonable time. [1993 c.369 §26; 1995 c.559 §10; 1997 c.577 §11; 1999 c.603 §14; 2011 c.42 §2; 2013 c.294 §6]

---

<sup>1</sup> Legislative Counsel Committee, *CHAPTER 90—Residential Landlord and Tenant*, [https://www.oregonlegislature.gov/bills\\_laws/ors/ors090.html](https://www.oregonlegislature.gov/bills_laws/ors/ors090.html) (2017) (last accessed Mar. 30, 2018).

judgment has been duly stayed by such a court. This subsection shall become effective January 1, 2008.

(12) There is no active arrest warrant for a Minneapolis Housing Maintenance Code or Zoning Code violation pertaining to any property in which the licensee, applicant or property manager has a legal or equitable ownership interest or is involved in management or maintenance.

(13) a. Any person(s) who has had an interest in two (2) or more licenses revoked pursuant to this article or canceled pursuant to section 244.1925 or a combination of revocations or cancellations shall be ineligible to hold or have an interest in a rental dwelling license or provisional license for a period of five (5) years.

b. Any person(s) who has had an interest in a license revoked pursuant to this article or canceled pursuant to section 244.1925, shall be ineligible from obtaining any new rental dwelling licenses for a period of three (3) years.

(14) No new rental dwelling license shall be issued for the property during the pendency of adverse license action initiated pursuant to section 244.1940.

(15) The licensee or applicant must have a current, complete, and accurate rental dwelling application on file with the director of inspections in accord with the provisions of section 244.1840.

(16) a. Before taking a rental application fee, a rental property owner must disclose to the applicant, in writing, the criteria on which the application will be judged.

b. Application forms must allow the applicant to choose a method for return of the application fee as either 1) mailing it to an applicant's chosen address as stated on the application form, 2) destroying it 3) holding for retrieval by the tenant upon one (1) business-day's notice.

c. If the applicant was charged an application fee and the rental property owner rejects the applicant, then the owner must, within fourteen (14) days, notify the tenant in writing of the reasons for rejection, including any criteria that the applicant failed to meet, and the name, address, and phone number of any tenant screening agency or other credit reporting agency used in considering the application.

- d. The landlord must refund the application fee if a tenant is rejected for any reason not listed in the written criteria.
  - e. Nothing in this section shall prohibit a rental property owner from collecting and holding an application fee so long as the rental property owner provides a written receipt for the fee and the fee is not cashed, deposited, or negotiated in any way until all prior rental applicants either have been screened and rejected for the unit, or have been offered the unit and have declined to take it. If a prior rental applicant is offered the unit and accepts it, the rental property owner shall return all application fees in the manner selected by the applicant, pursuant to section (b).
  - f. Violation of this subsection, 244.1910(16), may result in an administrative citation, or may contribute to the denial or revocation of a rental license.
  - g. This subdivision shall become effective December 1, 2004.
- (17) An owner shall not have any violations of Minnesota Rule Chapter 1300.0120 subpart 1, related to required permits, at any rental dwelling which they own or have an ownership interest. A violation of Minnesota Rule Chapter 1300.0120 subpart 1 shall result in a director's determination of noncompliance notice being sent, pursuant to 244.1930 to the owner regarding the rental dwelling where the violation occurred. A second violation, at any rental dwelling in which the owner has an ownership interest, of Minnesota Rule Chapter 1300.0120 subpart 1, related to required permits, shall result in the issuance of a director's notice of denial, non-renewal, or suspension of the license or provisional license, pursuant to 244.1940 of the Code, for the rental dwelling where the second violation occurred.
- (18) The owner, where the owner pays the water bill for a rental dwelling, shall not allow the water to be shut off for non-payment. If water to a rental dwelling has been turned off, for lack of payment by the owner it shall be sufficient grounds to deny, revoke, suspend or refuse to renew a license or provisional license.
- (19) The provisions of this section are not exclusive. Adverse license action may be based upon good cause as authorized by Chapter 4, Section 16 of the Charter. This section shall not preclude the enforcement of any other provisions of this Code or state and federal laws and regulations.

Southern Maine Landlord Association Survey re: Application Fees

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
0	No	N/A	0
1	No	N/A	1
1	No	N/A	None will use airbnb for week long rentals on lake
1	No	N/A	0
1	No	N/A	1
1	No	N/A	0
1	No	N/A	2
2	No	N/A	0
2	No	N/A	I Air BNB my units
2	No	N/A	0
2	No	N/A	0
2	No	N/A	0
2	No	N/A	4
2	No	N/A	3
2	No	N/A	0
2	No	N/A	1
2	No	N/A	

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
2	No	N/A	
3	No	N/A	0
3	No	N/A	0
3	No	N/A	0
3	No	N/A	
3	No	N/A	1
3	No	N/A	2
3	No	N/A	0
3	No	N/A	
4	No	N/A	
4	No	N/A	
5	No	N/A	0
5	No	N/A	0
5	No	N/A	2-3
5	No	N/A	0
5	No	N/A	0
5	No	N/A	

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
6	No	N/A	0
6	No	N/A	0
6	No	N/A	
7	No	N/A	
8	No	N/A	0
8	No	N/A	1
8	No	N/A	0
8	No	N/A	0
8	No	N/A	0
9	No	N/A	0
10	No	N/A	0
10	No	N/A	0
10	No	N/A	0
11	No	N/A	2-3, we usually wait until we find a candidate that is likely to meet our standards, before we do reference checks.
13	No	N/A	0
14	No	N/A	0
14	No	N/A	0

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
15	No	N/A	3
16	No	N/A	0
21	No	N/A	
25	No	N/A	
30	No	N/A	0
31	No	N/A	1
60	No	N/A	0
70	No	N/A	0
130	No	N/A	3
1	No	We have used a tenant finder and have paid a fee!	When we have used a tenant finder service—it usually takes 2 to 3 credit credit and background checks time find someone
1	Yes	Cost of TenantNet	8
2	Yes	\$25 - \$35	1
3	Yes	\$50	2
3	Yes	\$50	1-2
3	Yes	\$29	1 to 5 - but I reimburse the fees to the tenant who ultimately signs a lease.
4	Yes	\$39.99 for one applicant. \$49.98 for two.	1-2
4	Yes	\$40	1

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
4	Yes	\$35	2
5	Yes	\$25	9
5	Yes	\$30	1
5	Yes	\$35	3
5	Yes	Whatever RentPrep charges	So far, 1
5	Yes	\$30	2
6	Yes	\$25 per adult applicant	Usually just one. If applicant is approved, the app. fee is credited to their sec. dep. If rejected, it is refunded, unless lies on the app. I use judgement experience to
6	Yes	\$45	8
6	Yes	\$40	2 max - I have a conversation before collecting \$
6	Yes	\$35	
7	Yes	\$25	2
7	Yes	\$30	5

How many rental units do you own?	Do you currently charge an application fee?	If so, what amount do you charge?	On average, how many background and credit checks do you collect fees for before you find an appropriate tenant?
8	Yes	\$35	3
9	Yes	\$30	2
10	Yes	Tenant net/\$25	1-2
10	Yes	\$30	1
12	Yes	\$30	2
14	Yes	\$35	1
16	Yes	\$25	One or two
18	Yes	\$30	4
36	Yes	\$35	2 max
47	Yes	\$35	3-4
50	Yes	\$25	1
50	Yes	\$40	Only the ones we want to rent to - so NO extra
62	Yes	\$38	6
74	Yes	\$30	4
83	Yes	\$35	1-3
100	Yes	\$30	1-2
180	Yes	\$40	4



**MEMORANDUM**

DATE: February 12, 2020

TO: City of Portland Housing Committee

FROM: Tom Watson & Jenn Munroe, Port Property Management

RE: Portland Rental Housing Advisory Committee

---

We understand the Housing Committee will be receiving a recommendation this evening from the Rental Housing Advisory Committee (RHAC) that the City of Portland enact an ordinance to ban application fees for rental housing units.

On behalf of Port Property Management, I wanted to take this opportunity to share with you how application fees are used at our company. As we are the largest private landlord in the City, I wanted to share with you how, through our more than 25 years of experience, we have found the appropriate use of application fees to be an important means to provide the access the RHAC's recommendation suggests they prevent.

Port Property Management does not use application fees as a source of revenue. We do not accept more than one application for a specific apartment at a time, instead operating on a first come, first served basis.

We charge \$35 per applicant and this covers the cost of running a background check and a credit check, including Port Property Management staff time.

The application fee is an important tool for ensuring access for tenants. We rely on running credit scores and background checks because we do not ask for landlord references. Our experience has shown that requiring references from previous landlords is a barrier for many tenants. It is limiting for those prospects who do not have a rental history and slows down the rental process considerably.

The application fee also serves as a tool to keep move-in costs down for our tenants. We are then able to base the amount of a security deposit on the prospect's credit score. The higher their credit, the lower their security deposit. People can move into an apartment with a Security Deposit as low as \$300.

The application fee also covers the cost of a criminal background check. This is an essential tool to help ensure safer resident communities. Prospects often ask if we do background checks because they are not willing to move into a building if their neighbors are not vetted first. We cannot emphasize enough how important this is to the resident community's safety.

Port Property Management discourages excessive applications. Our staff diligently prequalifies all prospects over the phone before showing them an apartment. If we suspect, based on their answers to our prescreening questions, they will not meet the rental requirements, we disclose this before they submit the application and pay the fee. Prospects appreciate this. As a result, fewer applications are

declined. For example, in 2019, we screened the applications of 841 prospects, including cosigners. Of those 841, only 31 were rejected. That's an acceptance level of 96%.

We understand that all property management companies may not follow these same practices. However, we do not believe that a complete ban of application fees is an appropriate response. Further, as a responsible landlord, we are concerned about the impact this recommendation would have on our ability to implement safe practices, which we see as best practices. Our focus will continue to be on providing exceptional service to our customers, whether they are prospects or tenants.

We hope to have the opportunity to discuss this with you further and would be happy to answer any questions or provide additional information.

Thank your for your time and consideration.

Tom Watson, Owner Port Property Management

Jenn Munroe, Chief Operating Officer, Port Property Management



---

## comment of rental application fee issue

---

**Kevin Bunker** <bunker.kevin@gmail.com>

Wed, Feb 12, 2020 at 11:03 AM

To: Jill Duson <jduson@portlandmaine.gov>, pali@portlandmaine.gov, Kim Cook <kcook@portlandmaine.gov>, Victoria Volent <vvolent@portlandmaine.gov>

Hi Jill, Pious, Kim, and Victoria,

Hopefully I have the Housing Committee members correct; I got them off the website.

I saw the article this morning about possible elimination of rental application fees. I thought I would share our practice and experience. We charge a flat \$25. This covers the cost of the credit and background check and time to process the application. I think this is a fair and necessary amount.

I have heard tales of landlords charging more and thinking of the rental application fee as a profit center, \$50 or more, and I do think this is abusive and should stop. I am not aware of any justification for charging more than the \$25 we do.

I do think there's a sensible middle ground here; if we are not allowed to offset the costs of processing an application, including third party out of pocket, we would need to reconsider if we will be able to take as many applications. I don't know the answer to that, but I think there's a common sense reason for some sort of fee, but tenants should be protected from unscrupulous landlords taking care of desperation in a "seller's market."

Thanks for considering,

Kevin Bunker

--  
Kevin Bunker  
Developers Collaborative  
100 Commercial Street, Suite 414  
Portland, ME 04101  
(207) 766-1632  
[bunker.kevin@gmail.com](mailto:bunker.kevin@gmail.com)

[Developers Collaborative](#). Community-oriented smart growth real estate development. [Like us on Facebook](#).

---



---

## Rental Application Fees

1 messages

---

**Amy Cullen** <acullen@szantoncompany.com>

Wed, Feb 12, 2020 at 10:14 AM

To: "jduson@portlandmaine.gov" <jduson@portlandmaine.gov>, "pali@portlandmaine.gov" <pali@portlandmaine.gov>,"kcook@portlandmaine.gov" <kcook@portlandmaine.gov>

Cc: "vvolent@portlandmaine.gov" <vvolent@portlandmaine.gov>

Councilors Duson, Ali, & Cook,

I read an article in the Maine Beacon and now the Press Herald about the Rental Advisory Board proposing a prohibition to rental application fees. From a prospective tenant's point of view, I understand how, when applying to multiple apartment complexes, this can pose a financial burden. However from a Property Management point of view, processing applications comes at a cost.

I'm not sure what most companies or landlords charge, but we charge \$35 per adult to run a credit report and a criminal background check. These reports cost us an average of \$38 per adult (the background check cost is dependent on how many states the person has lived). The application fee is not a money-maker for our company, rather a contribution to the cost of 3<sup>rd</sup> party checks (we do not charge for our own in-house processes).

When we have a vacant apartment, we review the application and verifications of income (and other qualifications for our low income housing) before running credit and criminal. If during that first step we find a prospective resident not qualified for any reason, we do not run the criminal and credit checks and we will return their application fee to them.

As an affordable housing provider, our properties run tight. They are underwritten by MaineHousing to cash-flow a very minimal amount (\$500 per unit per year), and especially in Portland, fees have been added over the years which make it more difficult for the buildings to cover costs. Specifically the fire inspection fees, change in the way storm water fees are charged, and most recently one of our buildings was drawn into the Downtown District (at a cost of about \$4,000/year alone). These buildings are not making large sums of money.

As a developer and landlord in the affordable housing industry, I'm intimately aware of the shortage of housing & the barriers people encounter. We work daily to increase supply and to help people overcome barriers –but the cost shouldn't be borne alone by landlords, which is what this proposal does.

If the City of Portland truly wants to encourage and incentivize affordable housing, you should look holistically at all of the fees and charges landlords are covering, and the fees charged to develop (i.e. the new Parks & Rec Fee for future developments).

If the Housing Committee is inclined to support some proposal to address application fees, I would propose some sort of cap on fees, and then only to those applying to low-income housing. Included could be a regulation on process – that credit/criminal be run last and if they are not approved before that point, the fee is returned.

I'm not sure I'll be able to make the Housing Committee Meeting tonight to speak, but wanted to let you know my prospective as a landlord.

Please feel free to call or email if you have any questions.

Best,  
Amy

----- Forwarded message -----

From: **Travis Heynen** <[theynen@gmail.com](mailto:theynen@gmail.com)>

Date: Wed, Feb 12, 2020, 1:12 PM

Subject: RHAC/Housing Committee

To: <[jduson@portlandmaine.gov](mailto:jduson@portlandmaine.gov)>, <[pali@portlandmaine.gov](mailto:pali@portlandmaine.gov)>, <[kcook@portlandmaine.gov](mailto:kcook@portlandmaine.gov)>

Dear Councilor Duson, Councilor Ali, and Councilor Cook,

I am writing because I am unable to attend the housing committee tonight but as a member of the rental housing advisory committee, I wanted to provide some feedback regarding the application fee issue you will be discussing tonight.

I was one of the dissenting votes on the memo being presented. It doesn't represent the full discussion and solutions that the RHAC discussed and it is very one sided presentation of the problem and solution. I was hoping what would be presented to the housing committee would be the full picture as there are a few policy solutions to this problem that would benefit both landlords and tenants.

Landlords who do charge application fees do so for legitimate business needs, and so far there is only anecdotal evidence for fraud or other negative issues. The argument that people with low income are being priced out of Portland due to application fees is unfounded as most landlords who serve this population do not charge application fees (Avesta, Portland Housing, etc). Eliminating application fees may actually have an adverse effect for Portland renters as landlords may seek to increase revenue to make up the difference by increasing rent, as the current market would probably allow this to happen.

Again, I wish I could be at the committee meeting tonight. This is the public comment I would have provided could I have been there. Please feel free to reach out to me directly should you have any questions: 207-776-9979

Sincerely,  
Travis Heynen  
Landlord representative, Rental Housing Advisory Committee





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

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

**FROM:** Mary Davis, Division Director, Housing & Community Development

**DATE:** May 8, 2020

**SUBJECT:** CARES Act Funding from the U.S. Department of Housing and Urban Development (HUD)

---

As a result of the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act, Public Law 116-136), the City of Portland received supplemental CDBG funding (known as CDBG-CV) in the amount of \$1,137,154 and Emergency Solutions Grant funding (known as ESG-CV) in the amount of \$573,734. These funds must be used to mitigate the impacts of COVID-19. The CARES Act also provided several temporary waivers and regulatory alternatives to assist communities with expediting the use of the funds to prevent, prepare for and respond to coronavirus. The City is required by the CARES Act to ensure that funding is not be used to pay costs if another source of financial assistance is available to pay that cost.

The City Manager asked staff from the HCD office to work with other City Departments to assess the best use of the funds as it relates to the City's response to COVID-19. The City Manager's recommendations for the use of this funding are outlined in the attached spreadsheets.

ESG-CV

These recommendations were developed in collaboration with staff from the Health and Human Services Department. The focus of the funding will be Emergency Shelter (including shelter operations and essential services) and Street Outreach (including case management, transportation and urgent physical needs). Up to 10% of the grant will be used for administrative costs including the management and oversight of the program along with costs associated with the use of the HUD required data management system.

Guidance from the HUD office that administers the ESG program indicates that the city will be receiving additional assistance through a second round of ESG-CV funding. The amount of the additional assistance is unknown at this time.

## CDBG-CV

The City Manager's CDBG-CV recommendations were developed with assistance from staff from Economic Development, HHS/Social Services, and Recreation as well as with social service providers in the community. These recommendations focus on three main areas: rental assistance, business assistance and emergency services/homeless prevention.

The recommendations include direct funding for several programs (Summer Camps through Parks & Rec; BAP and microenterprise program through Eco Dev; Amistad Peer Outreach Program). The Homeless Prevention and Food Assistance programs would be available to Portland social service agencies through a streamlined CDBG application process.

The budget for the rental assistance program was designed to assist as many people as possible. Draft program guidelines are attached. If the program is administered by an outside agency, an administrative cost will be incurred. The program would provide up to three months of rental assistance plus utility costs, if necessary. The recommendation is \$750 per month for three months plus \$250 in utility assistance with a maximum allowance of \$2,500 per household. Staff is seeking direction from the Housing Committee regarding the level of assistance to each household.

\$500/month for 3 months + \$250 for utilities = \$1,750/household  
Households Served: 250 to 280 (will vary based on administrative costs)

\$750/month for 3 months + \$250 for utilities = \$2,500/household  
Households Served: 180 to 200 (will vary based on administrative costs)

\$1,000/month for 3 months + \$250 for utilities = \$3,250/household  
Households Served: 130 to 150 (will vary based on administrative costs)

Total ESG -CV Funding : \$573,734  
Up to 10% for Administration: \$57,373

All funds must be used to prevent, prepare for, and respond to COVID 19 and are subject to Duplication of Benefits rule. Funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grant, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media

Emergency Shelter Shelter Operations and Essential Services	ACTIVITY	BENEFICIARIES	STAFF FUNDING RECOMMENDATION
	Maintenance, operation, utilities, repair, furnishings, security, supplies, equipment, out patient health services, case management, child care	Guests of the Oxford Street Shelter, Chestnut Street Family Shelter, and/or alternative wellness site (i.e. Expo)	\$217,602
	hotel/motel vouchers	Homeless individuals/families relocate to hotel/motels	\$139,907
Street Outreach Essential Services	ACTIVITY	BENEFICIARIES	STAFF FUNDING RECOMMENDATION
	Urgent physical needs	Unsheltered homeless	
	Engagement/case management	Unsheltered homeless	\$155,634
	transportation (bus pass/cab fare)	Unsheltered homeless	\$3,219
Administration	ACTIVITY		STAFF FUNDING RECOMMENDATION
	General management, oversight and coordination of the grant funds/HMIS costs	staff preparing reports and other HUD required documentation, monitoring of program activities, and other related costs. Additional HMIS license for staff to enter increased data	\$57,373

\$573,734

Total CDBG-CV Funding : \$1,137,154

All funds must be used to prevent, prepare for, and respond to COVID 19 and are subject to Duplication of Benefits rule. Funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Community Development Block Grant, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media

ADMINISTRATION	ACTIVITY	ACTIVITY EXAMPLES	STAFF FUNDING RECOMMENDATION
1% of funding \$11,371	General Management, oversight, and coordination of grant funds	Preparing budgets, reports, and other HUD required documentation, related to COVID-19. Monitoring of program activities for compliance. Other related costs.	\$11,371

PUBLIC SERVICES \$820,000	ACTIVITY	BENEFICIARIES STAFF PROGRAM RECOMMENDATION	STAFF FUNDING RECOMMENDATION
	Child Care Services	Summer camp program serving children in grades K-5 from low/moderate income households earning at or below 80% AMI. <b>Program funded: City of Portland Parks and Recreation Summer Camp Waiver Expansion</b>	\$50,000
	Food Assistance	Low Moderate income individuals, 80% AMI. <b>Program to be funded: Application process</b>	\$175,000
	Homeless Prevention <i>Housing Assistance</i>	Beneficiaries: Low/moderate income households at or below 80% AMI. Individuals must not be receiving any other federal rent assistance. Individual will need to provide documentation showing an inability to pay rent or utilities as a result of loss of income due to COVID-19. Aid is capped at 3 months per HUD regulations; program cap would be no more than a TBD amount per month. <b>Program to be funded: Portland CARES Program</b>	\$500,000
	Homeless Prevention <i>Non-profit assistance</i>	Beneficiaries: Shelters operated in Portland by non-profits in need of financial assistance to prevent, prepare and respond to COVID-19 <b>Program to be funded: Application Process</b>	\$20,000
	Homeless Services	Beneficiaries: Homeless Individuals in Portland <b>Program to be funded: Amistad Peer Outreach Program</b>	\$75,000

ECONOMIC DEVELOPMENT \$305,783	ACTIVITY	BENEFICIARIES STAFF PROGRAM RECOMMENDATION	STAFF FUNDING RECOMMENDATION
	Special Economic Assistance	<b>COVID-19 Business Assistance Program for Job Creation (Rehiring) (BAP)</b> for local Portland businesses with 2 or more FTE employees on January 31, 2020. Program will provide a \$5,000 grant for the rehiring of 2 or more FTE employees that are low/moderate income individuals; <b>COVID-19 Microenterprise Grant Program (MGP)</b> for local Portland businesses with 0-1 FTE employee on January 31, 2020 plus the owner who must be a low/moderate income employee of the business. Program will provide a \$2,500 grant for working capital.	\$305,783

**DRAFT**  
**City of Portland**  
**CARES Act Emergency Assistance Payment Program**

In response to the Coronavirus Aid, Relief, and Economic Security (CARES) Act the City of Portland will make available up to three (3) months of rent, or utility payment(s) to alleviate the housing burden for low income households that have lost their employment income as the result of the COVID-19 pandemic.

**Program Goal:**

- To alleviate financial pressure for low income households as the result of the COVID-19 pandemic.
- To provide greater economic security to rental property owners.

**Estimated Funding Available:**

Starting on June 1, 2020, the City of Portland will make available \$500,000 through an Emergency Assistance Payment Program. The program will provide up to \$2,250 (\$750/month for 3 months) for rent assistance and a maximum of \$250 in utility expense assistance.

**Eligible Applicants:**

- Renters living in the City of Portland;
- Renters who receive rental housing assistance vouchers (Section 8 for example) or who live in public housing are not eligible. These renters should contact the agency or Public Housing Authority who provides the voucher.
- Household Income is at or below 80% of area median income as defined by the U.S. Department of Housing and Urban Development, as noted below;
- Lost household income as a result of COVID-19 (examples include being laid off, your place of employment closed, reduced hours of work, having to stay home to care for your children because your day care or school has closed);
- Provide documentation of income received as a result of any governmental response program due to COVID-19 (such as unemployment compensation); **and**
- A gap exists between household income prior to COVID-19 and now.

	<b>Number of Persons in Household</b>							
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>80% Income Limits</b>	52,100	59,550	67,000	74,400	80,400	86,350	92,300	98,250

### **Type of Assistance:**

Applicants that meet all of the criteria listed above are eligible to apply for an Emergency Assistance Payment for rent and may be eligible to receive up to a total of \$250 in utility assistance for current electricity or fuel costs for a period not to exceed three (3) months. All payments made on behalf of the applicant will be paid directly to the landlord, or utility company. Under no circumstance will the payment be made directly to the household.

### **Program Requirements:**

- Applicants will be required to provide household income, assets and expenses for the timeframe prior to when the household member (s) were laid off or terminated; documentation of rent; documentation of the relief programs applied for including the history of benefits received or estimated benefits;
- Demonstrated gap between unemployment benefits and regular income;
- Sign and comply with a Declaration of Benefits (DOB) statement and agreement to pay City back if funding is received from another state, federal or local resource.
- Renter must provide documentation from the rental property owner that no evictions were pending prior to COVID-19;
- A signed Lease Agreement and a letter/email from the rental property owner indicating the amount of rent the tenant pays and a statement that the household was in good standing with the property owner and not subject to an eviction for failure to pay rent prior to January 20, 2020 (coincides with President declaring Maine a Major disaster)

### **Review and Approval:**

The City will review the contents of the application and may use 3<sup>rd</sup> party verification methods to document income, assets, and expenses for all applicants. The City will use Part 5 Income Determination Method (Attachment 2: Income Inclusions and Exclusions of Part 5). Expenses provided by the applicant will be analyzed and a cash flow analysis will be prepared for the time prior to COVID-19 when the applicant was laid off to the current time frame. The analysis will be reviewed and signed by the applicant household. A write up will be prepared for the Division Director to review. Included will be an analysis of the gap payment, the amount the applicant is eligible for, and whether or not the household qualifies for utility assistance. The Division Director will approve or deny the assistance and the applicant will be notified of the decision. If approved, the Intake Coordinator will prepare the closing documents and contact the applicant. If denied, the applicant will be provided a *“Notice of the Right to Appeal”*. This notice will detail the reasons for the denial and will provide instructions of the appeal process.

The applicant may appeal the Director’s decision to the Planning and Urban Development Department Director or her designee and will use the following procedure:

- The request for a hearing must be made in writing to the Department Director within 30 days of the date of decision.

- No new information may be presented by the applicant, only clarification of information that was originally provided, which, in the applicant's point of view, may not have presented their complete financial condition.
- The applicant may provide a written explanation to the Department Director or may request a meeting, which may be on Zoom, conference Call or equivalent.
- The Department Director will review the information and make a determination on the appeal. The Department Director will contact the Housing and Community Development Division Director with the decision. The Department Director's decision is final.

**To Apply for the Emergency Assistance Payment Program:**

If the program is approved by the City Council on May 18, 2020, the City of Portland CARES Act Emergency Assistance Payment Program will be marketed. Applications and supporting documentation may be submitted for program starting June 1.

Applications are available by calling the City of Portland's General Assistance Department's General Phone Number at 207.775.7911. Please leave a message of your name, address, and phone number. Once received, an application will be mailed to you at the address provided. In addition, the application will be available electronically on the City's website, (Add link). Fill out the form completely and provide the necessary back up documentation, completed applications can be returned by mail to:

City of Portland General Assistance Office  
196 Lancaster Street, Portland, ME 04101  
Or emailed to (provide email contact).

Applications and back up documents must be complete to be considered for assistance.

**Program Marketing:**

- Public hearing on May 18, 2020 and Mayor announcement
- Notification to Landlords Association
- Website, social media, Press release

**CDBG Eligibility and National Objective:**

This program is eligible for CDBG funding under 570.207(b)(4) and the National Objective is LMI Limited Clientele 570.208(2)(C).

**Environmental Review Requirements:**

This program is considered to be classified as 24 CFR 58.35(b) (2) a Categorical Exclusion Not Subject to 58.5.



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

TO: Councilor Duson, Chair  
Members of the Housing Committee

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

DATE: May 11, 2020

SUBJECT: Affordable Housing Development Funding Requests

**The attachments to this memo were amended on May 12, 2020 to include 83 Middle Street.**

### **Introduction**

During the Housing Committee meeting on February 7, 2020, the Committee approved application criteria for staff to identify and recommend eligible development projects for Affordable Housing Development funding. The application was released on March 6 with a due date of April 30. Three proposals were received. This memo introduces the proposals.

The 2020 Affordable Housing Development Application made available a total of \$976,576 from the 2020-2021 HOME fund (\$497,545) and Housing Trust Fund (\$479,031) for affordable housing development. The anticipated annual production rate of housing units is 55 – 95 units. With amendments made for new and returned sources of funds into the Housing Trust Fund during the months of February and March, including the return of \$425,000 awarded to the Portland Housing Authority's 47 Boyd Street project, funding available for affordable housing development is now \$1,564,744 (an increase of \$588,168). The three proposals requested a total of \$1,495,000 in funding.

Affordable Housing Development Financing requests have been received for review for 200 Valley Street, 337 Cumberland Avenue and 577 Washington Avenue (Washington Gardens).

### **200 VALLEY STREET**

Avesta Housing Development Corporation (AHDC) is requesting \$595,000 in funding to construct a new five story, 60 unit building on a site they own located at 200 Valley Street. This will not be an age-restricted project. The first floor will feature a large community space, secure indoor bike storage, laundry, office space, and secured covered parking. The four upper floors will be comprised of 11 studio apartments, 25 one-bedroom apartments, 14

two-bedroom apartments, and 10 three-bedroom apartments. 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.

200 Valley Street will abide by the City's Green Building Ordinance. Other Green Building Strategies to be employed are the use of low flow plumbing fixtures, low energy use lighting fixtures (LED), and enhanced insulation at exterior building envelope.

AHDC has requested two forms of financial assistance.

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

City AHD funds of \$595,000/unit = \$9,916.66

City AHD funds of \$595,000/affordable unit = \$12,395.83

The final loan terms will be determined based on the results of the underwriting, which is anticipated to be completed prior to Housing Committee action on this request.

- (2) Affordable Housing 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 offset 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.

AHDC plans to respond to a Request for Proposals (RFP) for \$206,921 in funding available through the City of Portland and Maine Medical Center's Healthy Neighborhoods Program. If successful, these funds could be used in lieu of an equal amount of Affordable Housing Development funding. Bids through this RFP will be opened on July 15, 2020.

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing

Avesta funding approvals from 2017 to present:

\$300,000 HOME in 2017 (Deering Place)

\$200,000 HOME in 2018 (Deering Place)

\$4,185,757 AHTIF in 2018 (Deering Place)

\$300,000 Housing Trust Fund in 2018 (977 Brighton Avenue)

\$1,954,486 AHTIF in 2018 (977 Brighton Avenue)

### **337 CUMBERLAND AVENUE**

Portland Housing Development Corporation (PHDC) is requesting \$500,000 in Affordable Housing Development funding to construct a new six story, 60 unit building at 337

389 Congress Street Room 312 · Portland, Maine 04101

207- 874- 8711 [mpd@portlandmaine.gov](mailto:mpd@portlandmaine.gov) · [www.portlandmaine.gov](http://www.portlandmaine.gov)

Cumberland Avenue. 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 first floor will include expansion space for Youth and Family Outreach; the new space will allow the organization to support 49 additional children (for a total of 107 children). The upper five floors will contain 60 apartments with a mix of apartment types and a blend of income targets. The five upper floors will be comprised of 20 studio apartments, 15 one-bedroom apartments, 15 two-bedroom apartments, and 10 three-bedroom apartments. 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. There will be twelve market rate units. The neighboring Preble Chapel building, currently used by YFO for childcare, will be renovated to contain community space and childcare classrooms.

The building would meet the Core Green Building and Passive House standards, in addition to meeting the City's Green Building Ordinance.

PHCD has requested two forms of financial assistance for the new building and renovation of the Chapel.

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

City AHD funds of \$500,000/unit = \$8,333.33.

City AHD funds of \$500,000/affordable unit = \$10,416.66

The final loan terms will be determined based on the results of the underwriting, which is anticipated to be completed prior to Housing Committee action on this request.

(2) Affordable Housing Tax Increment Financing request: The Economic Development Committee is expected to review the Affordable Housing TIF Credit Enhancement Agreement request at a remote meeting scheduled for 5:30 pm on May 19<sup>th</sup>. The applicant is requesting 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 FY20 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.

This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

PHDC funding approvals from 2015 to present:

\$925,000 Housing Trust Funds (Front Street) Encumbered

\$510,174 HOME funds (Front Street)

\$6,056,916 AHTIF (Front Street)

\$250,000 CDBG (Front Street)

\$200,000 HOME funds (58 Boyd Street)

\$2,144,566 AHTIF (58 Boyd Street)

\$30,000 CDBG (58 Boyd Street)

### **577 WASHINGTON AVENUE (WASHINGTON GARDENS)**

Portland Housing Development Corporation (PHDC) is requesting \$400,000 in Affordable Housing Development funding to assist in the proposed rehabilitation of a 100-unit property in East Deering that contains 100 rental units within 15 two-story residential buildings and serves a senior and disabled population. Washington Gardens is located at 577 Washington Avenue. Washington Gardens is part of the Portland Housing Authority portfolio which is being converted to a project-based voucher funding platform through HUD's RAD Program. There are currently 60 studios, 36 one-bedroom units, and 4 two-bedroom units. No change in unit mix is proposed. All of units will have income restrictions: 60 will be reserved for households at or below 50% AMI and 40 will be reserved for households at or below 60% AMI. Washington Gardens has a community room, central laundry facilities, an outdoor patio and gazebo, and on-site property management. The property benefits from a part-time, on-site mental health worker from the Shalom House. 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.

The building design, construction and rehabilitation will occur in accordance with the City's Green Building Ordinance.

The project has applied to HUD's Section 18 Demolition & Disposition program for 100 project-based vouchers. The application was submitted in February 2020. Vouchers will guarantee that households will pay no more than 30% of their income towards housing costs.

The developer has requested three forms of financial assistance.

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

City AHD funding of \$400,000/unit = \$4,000.

City AHD funding of \$400,000/affordable unit = \$4,000

The final loan terms will be determined based on the results of the underwriting, which is anticipated to be completed prior to Housing Committee action on this request.

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

CDBG Funds Investment of \$184,150/unit = \$1,841.50

CDBG Funds Investment of \$184,150/affordable unit = 1,841.50

(3) Affordable Housing Tax Increment Financing request: The Economic Development Committee is expected to review the Affordable Housing TIF Credit Enhancement Agreement request at a remote meeting scheduled for 5:30 pm on May 19<sup>th</sup>. The applicant is requesting 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.

This project has secured a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing for \$450,000.

Portland Housing Development Corporation funding approvals from 2015 to present:

\$925,000 Housing Trust Funds (Front Street) Encumbered

\$510,174 HOME funds (Front Street)

\$6,056,916 AHTIF (Front Street)

\$250,000 CDBG (Front Street)

\$200,000 HOME funds (58 Boyd Street)

\$2,144,566 AHTIF (58 Boyd Street)

\$30,000 CDBG (58 Boyd Street)

One of the benefits of this proposal is that this project does not need to wait for awards of other public funding sources, such as LIHTC, in order to be utilized. Most new affordable development projects need additional time to layer other subsidy sources to complete a project after the City has awarded Affordable Housing Development Funding. █

## SUMMARY

The final recommendations include scoring and determining factors such as other funding sources, Planning Board submissions (or lack of submission plans), developer funding encumbrance, and unique circumstances will be provided during a future meeting as an action item for the Housing Committee.

Attachments:

Affordable Housing Development Funding Request Spreadsheets

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

**Affordable Housing Development Funding Requests**

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



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

TO: Councilor Duson, Chair  
Members of the Housing Committee

FROM: Victoria Volent, Division Director, Housing & Community Development

DATE: May 11, 2020

SUBJECT: Affordable Housing Tax Increment Financing Request (AH TIF)  
83 Middle Street, 200 Valley Street, 337 Cumberland Avenue and  
577 Washington Avenue (Washington Gardens)

---

The City of Portland's Division of Housing and Community Development recently received four Affordable Housing Tax Increment Financing Request (AHTIF). The Housing Committee will provide a recommendation to the Economic Development Committee regarding these requests to establish Affordable Housing TIF districts and provide financial assistance through Credit Enhancement Agreements. The Economic Development Committee will hold a meeting on May 19<sup>th</sup> to review and take action on these requests. The proposed Affordable Housing Tax Increment Financing Districts are located at 83 Middle Street, 200 Valley Street, 337 Cumberland Avenue, and 577 Washington Avenue (Washington Gardens).

**Please note: This memo has been updated to include Affordable Housing TIF data for 83 Middle Street and 200 Valley Street that was not earlier available.**

## **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 financial assistance from the City in the form of an Affordable Housing TIF (AHTIF) Credit Enhancement Agreement to assist with the project. Staff is reviewing the request and formulating the financial details which are expected to be available during the May 19 meeting of the Economic Development Committee.

During 2019, CHOM received four forms of financial assistance for the proposed 50-unit project.

- (1) HOME funds received: \$193,266, 0% interest rate loan, deferred for 30 years.

City HOME Investment of \$193,266/unit = \$3,865.32

City HOME Investment of \$193,266/affordable unit = \$3,865.32

- (2) Local Housing Trust Funds received: \$136,734, 0% interest rate loan, deferred for 30 years.

City Local Housing Trust Funds Investment of \$136,734/unit = \$2,734.68

City Local Housing Trust Funds Investment of \$136,734/affordable unit = \$2,734.68

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

Total CDBG Funds Investment of \$200,000/unit = \$4,000

Total CDBG Funds Investment of \$200,000/affordable unit = \$4,000

- (4) 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.

CHOM has requested one form of financial assistance.

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 \$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.

The development will tentatively include:

83 Middle Street		
Studio (23)	at or below 50% area median income	10
	at or below 60% area median income	13
One-bedroom (23)	at or below 50% area median income	9
	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	at or below 50% area median income	20
Total	at or below 60% area median income	30
Total Units		50

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, 23 one-bedroom, and 4 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.*

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

## 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.

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

	<b>1. Sheltered Valuation (same as Captured Valuation)</b>	<b>2. Avoided Loss of State Aid for Education</b>	<b>3. Avoided Loss of State Municipal Revenue Sharing</b>	<b>4. Avoided Increase in County Tax</b>	<b>5. Total Avoided Impacts (2+3+4)</b>
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

**200 Valley Street**

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

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.

- (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 \$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.

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. 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

389 Congress Street Room 312 · Portland, Maine 04101

207- 874- 8711 [mpd@portlandmaine.gov](mailto:mpd@portlandmaine.gov) · [www.portlandmaine.gov](http://www.portlandmaine.gov)

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.

## 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.

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

	<b>1. Sheltered Valuation (same as Captured Valuation)</b>	<b>2. Avoided Loss of State Aid for Education</b>	<b>3. Avoided Loss of State Municipal Revenue Sharing</b>	<b>4. Avoided Increase in County Tax</b>	<b>5. Total Avoided Impacts (2+3+4)</b>
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

### **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 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.

337 Cumberland Street		
Studio (19)	at or below 50% area median income	10
	at or below 60% area median income	4
	Market Rate	6
One bedroom (16)	at or below 50% area median income	7
	at or below 60% area median income	3
	Market Rate	5
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

337 Cumberland Avenue will contain sixty (60) units with a mix of twenty (20) studio units, fifteen (15) 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.

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.

## 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.

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

	<b>1. Sheltered Valuation (same as Captured Valuation)</b>	<b>2. Avoided Loss of State Aid for Education</b>	<b>3. Avoided Loss of State Municipal Revenue Sharing</b>	<b>4. Avoided Increase in County Tax</b>	<b>5. Total Avoided Impacts (2+3+4)</b>
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

**577 Washington Avenue (Washington Gardens)**

Portland Housing Development Corporation (PHDC) is proposing to rehabilitate 100 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.

City Affordable Housing Development request of \$400,000/unit = \$4,000  
City Affordable Housing Development request of \$400,000/affordable unit = \$4,000

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

Total CDBG Funds Investment of \$184,150/unit = \$1,841.50  
Total CDBG Funds Investment of \$184,150/affordable unit = 1,841.50

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.

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

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.*

## 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

389 Congress Street Room 312 · Portland, Maine 04101

207- 874- 8711 [mpd@portlandmaine.gov](mailto:mpd@portlandmaine.gov) · [www.portlandmaine.gov](http://www.portlandmaine.gov)

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.

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

	<b>1. Sheltered Valuation (same as Captured Valuation)</b>	<b>2. Avoided Loss of State Aid for Education</b>	<b>3. Avoided Loss of State Municipal Revenue Sharing</b>	<b>4. Avoided Increase in County Tax</b>	<b>5. Total Avoided Impacts (2+3+4)</b>
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

83 Middle Street Tax Increment Financing Application Summary

TIF Projection Table

TIF District Map

Site Elevations

Project Pro Forma

200 Valley Street Tax Increment Financing Application Summary

TIF Projection Table

TIF District Map

Site Elevations

Project Pro Forma

337 Cumberland Street Tax Increment Financing Application Summary

TIF Projection Table

TIF District Map

Project Pro Forma

577 Washington Ave (Washington Gardens) Tax Increment Financing Application Summary

TIF Projection Table

TIF District Map

Project Pro Forma

389 Congress Street Room 312 · Portland, Maine 04101

207- 874- 8711 [mpd@portlandmaine.gov](mailto:mpd@portlandmaine.gov) · [www.portlandmaine.gov](http://www.portlandmaine.gov)

## **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 acreage 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 MaineHousing. 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.

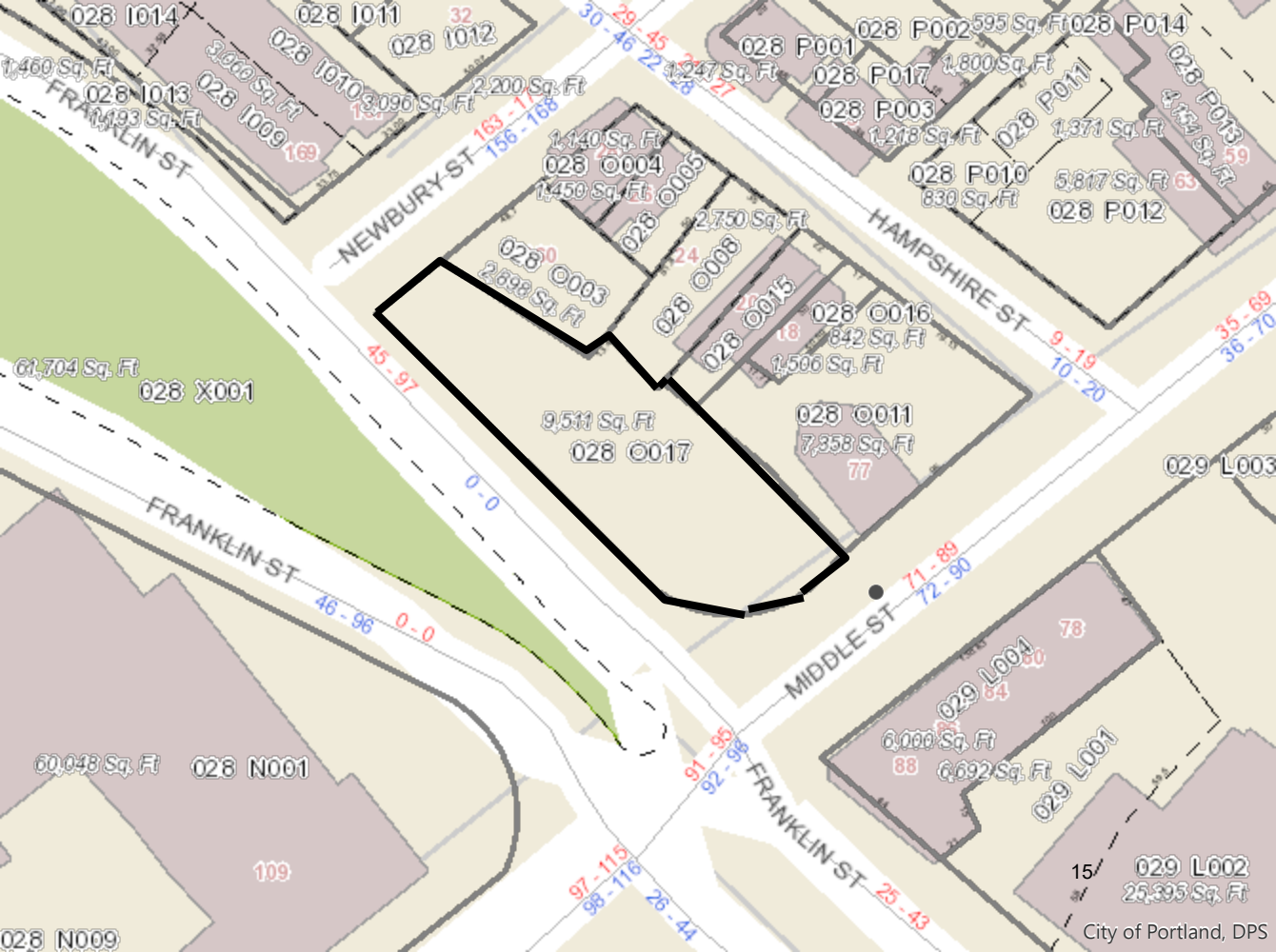
The India Street Neighborhood has seen a dramatic increase in development in recent years. As other parts of the neighborhood have gentrified, many of the long-time residents of the neighborhood have been priced out of their apartments, and homes. Creating a more equitable ratio of affordable housing 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 individual 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.



**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
<b>30 Year TIF Total</b>		<b>\$84,000,000</b>	<b>\$63,000,000</b>	<b>\$484,380</b>	<b>\$47,212</b>	<b>\$34,785</b>	<b>\$566,377</b>
<b>30 Year TIF Avg.</b>		<b>\$2,800,000</b>	<b>\$2,100,000</b>	<b>\$16,146</b>	<b>\$1,574</b>	<b>\$1,160</b>	<b>\$18,879</b>

City of Portland - Affordable Housing (AH) TIF Model  
 83 Middle Street, 28-O-17  
[OAV: \\$0 as of 3/31/2020](#)  
 2% Mill 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
<b>30 Year TIF Total</b>		<b>\$84,000,000</b>		<b>\$63,000,000</b>		<b>\$2,062,185</b>	<b>\$2,062,185</b>	<b>\$0</b>	<b>\$687,395</b>	<b>\$0</b>
<b>30 Year Average</b>				<b>\$2,100,000</b>		<b>\$68,740</b>	<b>\$68,740</b>		<b>\$22,913</b>	<b>\$0</b>





<b>1st - YEAR PRO FORMA</b>		<b>Year 1</b>
<b>Income</b>		
Potential Gross Income		490,056
Vacancy Loss		(24,503)
Commercial Income		0
Other Income		0
Effective Gross Income		465,553
<b>Expenses</b>		
real estate taxes		52,800
insurance		39,600
utilities		66,000
management fee		27,933
parking		0
administrative		52,800
audit		8,360
repairs + maintenance		57,200
resident services		12,760
other		9,240
replacement reserve		19,800
Operating Expenses		(346,493)
Net Operating Income		119,060
TIF Reimbursement		0
<b>Financing Expenses</b>		
MH Amortizing Loan		(83,850)
LP Mgmt Fee		(3,500)
GP Mgmt Fee		(3,500)
DF Loan		0
		(90,850)
Net Cash Flow		28,210

# 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
	<hr/>
	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
	<hr/>
	13,717,396

**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.

<b>Property address</b>	200 Valley Street, Portland, ME <i>Includes parcels addressed as 204 &amp; 210 Valley St and 6 C St</i>
<b>Tax chart, block and lot number</b>	064 F015, 064 F007, 064 F008, 064 F009
<b>Total district acreage</b>	.34 acres (14,964sf)
<b>Zoning designation where district is located, including allowed uses in that zone</b>	<b>Zone:</b> B-2  <b>Allowed Uses:</b> 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.
<b>Municipal housing need addressed by the creation of the district and how the district addresses that need</b>	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.

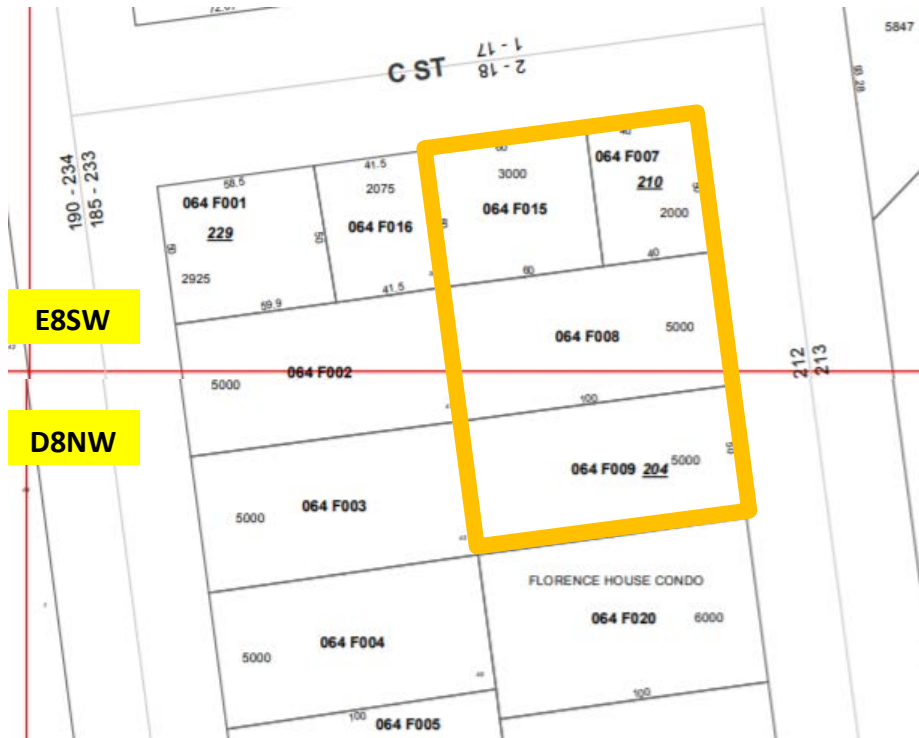
	<p>There is significant, proven need for the sixty homes that would be created at Valley Street Apartments. There are 1093 income-eligible households on the waitlist for the 778 income-restricted apartments Avesta manages in the Greater Portland area, with additional households on preference lists for 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.</p>
<p><b>Percentage of district acreage that is suitable for residential use, blighted, or in need of rehabilitation/redevelopment</b></p>	<p>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.</p>
<p><b>Number and type of units to be constructed or rehabilitated</b></p>	<p>A total of 60 rental units:</p> <ul style="list-style-type: none"> <li>• 11 efficiency, of which 3 are Type A ADA/ADAAG units <ul style="list-style-type: none"> <li>○ 7 at 50% AMI</li> <li>○ 4 at 60% AMI</li> </ul> </li> <li>• 25 one-bedroom, of which 4 are Type A/ADAAG units <ul style="list-style-type: none"> <li>○ 10 at 50% AMI</li> <li>○ 3 at 60% AMI</li> <li>○ 12 market</li> </ul> </li> <li>• 14 two-bedroom, of which 4 are Type A/ADAAG units <ul style="list-style-type: none"> <li>○ 11 at 50% AMI</li> <li>○ 3 at 60% AMI</li> </ul> </li> <li>• 10 three-bedroom, of which 3 are Type A ADA/ADAAG units <ul style="list-style-type: none"> <li>○ 8 at 50% AMI</li> <li>○ 2 at 60% AMI</li> </ul> </li> </ul>
<p><b>Residential and non-residential uses in the district and acreage of each</b></p>	<p>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.</p>
<p><b>Accessory uses relating to residential use, if any</b></p>	<p>None.</p>
<p><b>How housing and facilities in the district will be operated after completion</b></p>	<p>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.</p>
<p><b>Description of planned uses of tax increment revenues from the district</b></p>	<p>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.</p> <p>Current annual property tax: \$5,750.58  Estimated annual property tax after redevelopment: \$132,000</p>



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
<b>30 Year TIF Total</b>		<b>\$166,692,400</b>		<b>\$125,019,300</b>		<b>\$4,092,269</b>	<b>\$4,092,269</b>	<b>\$0</b>	<b>\$1,364,090</b>	<b>\$237,956</b>
<b>30 Year Average</b>				<b>\$4,167,310</b>		<b>\$136,409</b>	<b>\$136,409</b>		<b>\$45,470</b>	<b>\$7,932</b>

**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
<b>30 Year TIF Total</b>		<b>\$166,692,400</b>	<b>\$125,019,300</b>	<b>\$961,220</b>	<b>\$93,689</b>	<b>\$69,026</b>	<b>\$1,123,934</b>
<b>30 Year TIF Avg.</b>		<b>\$5,556,413</b>	<b>\$4,167,310</b>	<b>\$32,041</b>	<b>\$3,123</b>	<b>\$2,301</b>	<b>\$37,464</b>

# APARTMENTS

200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020



1 PERSPECTIVE 1  
NTS

# APARTMENTS

200 VALLEY STREET, PORTLAND, MAINE

APRIL 14, 2020



1 PERSPECTIVE 3  
NTS

PROGRESS PRINT ONLY  
Not for Construction

RYAN SENATORE **ARCHITECTURE**

PROJECT NAME: Valley Street Apartments  
 LOCATION: 200-210 Valley St, Portland, ME

Date: 04/27/20

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

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
<b>Subtotal Construction Costs</b>	<b>12,884,550</b>	<b>214,743</b>	<b>0</b>	<b>12,884,550</b>
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
<b>Subtotal Soft Costs</b>	<b>1,154,885</b>	<b>19,248</b>	<b>0</b>	<b>1,154,885</b>
Construction Loan Origination Fees	28,750	479		28,750
Construction Loan Interest	425,000	7,083		425,000
Equity Bridge Loan Costs	0	0		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: Construct Lender Legal; Construct Close Fee; P	15,000	250		15,000
<b>Subtotal Finance Costs</b>	<b>495,750</b>	<b>8,263</b>	<b>0</b>	<b>495,750</b>
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
<b>Subtotal Miscellaneous</b>	<b>164,886</b>	<b>2,748</b>	<b>0</b>	<b>164,886</b>
Acquisition: Buildings	0	0		0
Acquisition: Land	629,500	10,492		629,500
Acquisition: Legal	0	0		0
<b>Subtotal Acquisition</b>	<b>629,500</b>	<b>10,492</b>	<b>0</b>	<b>629,500</b>
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
<b>Subtotal Fee and Reserves</b>	<b>1,418,710</b>	<b>23,645</b>	<b>0</b>	<b>1,418,710</b>
<b>Total Development Costs</b>	<b>16,748,281</b>	<b>279,138</b>	<b>0</b>	<b>16,748,281</b>

16,214,895      237,665 QAP TDC Index

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

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

**Notes**

- Proposed funding reflects a 75% TIF for 30 years.
- 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%
<b>NET DEVELOPER FEE COLLECTED</b>	<b>750,000</b>
% OF MAXIMUM DEVELOPER FEE	100.0%

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



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	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	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	

# 337 Cumberland Avenue



## **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 Maine Housing 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 completed 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.



## **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 is 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%



**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 elevated, accessible building.

<b>Unit Size</b>	<b>Income Targeting (% of AMI or less)</b>	<b># of Units</b>
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
<b>Total</b>		<b>60</b>

**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.



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  $\pm 1,900$  Section 8 housing vouchers. Overall, PHA houses  $\pm 6,500$  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.



F9NW

F9NE

F10NW

F9SW

OTNE

E9NW

E9NE

E10NW

City of Portland - Affordable Housing (AH) TIF Model

337 Cumberland Avenue, 33-K-5-6-7-9-13

OAV: \$419,600 as of 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
<b>30 Year TIF Total</b>		<b>\$134,298,080</b>		<b>\$100,723,560</b>		<b>\$3,296,995</b>	<b>\$3,296,995</b>	<b>\$0</b>	<b>\$1,098,998</b>	<b>\$99,966</b>
<b>30 Year Average</b>				<b>\$3,357,452</b>		<b>\$109,900</b>	<b>\$109,900</b>		<b>\$36,633</b>	<b>\$3,332</b>

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland - TIF Model for 337 Cumberland Avenue Affordable Housing TIF							
337 Cumberland Ave TIF Model/75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2020	\$0	\$0	\$0	\$0	\$0	\$0
2	2021	\$0	\$0	\$0	\$0	\$0	\$0
3	2022	\$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
<b>30 Year TIF Total</b>		<b>\$134,298,080</b>	<b>\$100,723,560</b>	<b>\$774,420</b>	<b>\$75,482</b>	<b>\$55,612</b>	<b>\$905,515</b>
<b>30 Year TIF Avg.</b>		<b>\$4,476,603</b>	<b>\$3,357,452</b>	<b>\$25,814</b>	<b>\$2,516</b>	<b>\$1,854</b>	<b>\$30,184</b>

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
<b>Subtotal Construction Costs</b>	<b>14,259,159</b>	<b>237,653</b>	<b>0</b>	<b>14,259,159</b>
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
<b>Subtotal Soft Costs</b>	<b>1,674,217</b>	<b>27,904</b>	<b>0</b>	<b>1,674,217</b>
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
<b>Subtotal Finance Costs</b>	<b>396,060</b>	<b>6,601</b>	<b>0</b>	<b>396,060</b>
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	0		0
Soft Cost Contingency	50,000	833		50,000
<b>Subtotal Miscellaneous</b>	<b>223,575</b>	<b>3,726</b>	<b>0</b>	<b>223,575</b>
Acquisition: Buildings	0	0		0
Acquisition: Land	0	0		0
Acquisition: Legal	0	0		0
<b>Subtotal Acquisition</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Subtotal Fee and Reserves</b>	<b>1,451,724</b>	<b>24,195</b>	<b>0</b>	<b>1,451,724</b>
<b>Total Development Costs</b>	<b>18,004,735</b>	<b>300,079</b>	<b>0</b>	<b>18,004,735</b>
	\$17,434,252	\$290,571 max allowed		
		254,887 Bedroom Calculation		

LIHTC Alloc.	945,000
Equity yield	<b>0.81</b>
Synd. %	99.99%
Equity Raise	7,653,735

Historic Credit FED	0
Equity yield	<b>0.88</b>
Synd. %	99.99%
Equity Raise	0

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

Total Equity:	7,653,735
---------------	-----------

Gross Square Footage	69,170
Construction Cost/Sq ft.	<b>\$206</b>

MAXIMUM DEVELOPER FEE AVAILABLE	750,000
ACTUAL DEVELOPER FEE	750,000
% OF MAXIMUM DEVELOPER FEE	100.0%
<b>NET DEVELOPER FEE COLLECTED</b>	<b>750,000</b>
% OF MAXIMUM DEVELOPER FEE	100.0%

FLOW OF FUNDS									
Sources	CLC	During Construction				PLC	2023	2024	Total
	7/1/2021	10/1/2021	1/1/2022	4/1/2022	7/1/2022	9/1/2022			
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
<b>TOTAL SOURCES</b>	<b>483,850</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>14,186,048</b>	<b>153,000</b>	<b>153,000</b>	<b>31,002,649</b>
<b>Uses</b>									
Acquisition	0					0			0
Construction		3,564,790	3,564,790	3,564,790	3,564,790				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
<b>TOTAL DEV. COSTS</b>	<b>483,850</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>1,188,134</b>	<b>153,000</b>	<b>153,000</b>	<b>18,004,735</b>
Repay GP Bridge Loan						0			0
Repay Construction Loan						12,997,914			12,997,914
Reserve for Golden Rents						0			0
SUBTOTAL OTHER ITEMS	0	0	0	0	0	12,997,914	0	0	12,997,914
<b>TOTAL USES OF FUNDS</b>	<b>483,850</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>4,006,688</b>	<b>14,186,048</b>	<b>153,000</b>	<b>153,000</b>	<b>31,002,649</b>
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING									
Source	Amount	Rate	Term	Lien	Annual D/S			Debt Constants	
					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 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							
	<b>Total</b>	<b>18,004,735</b>							

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
	Market	6			1,165	\$1,165		83,880
20	50% HOME	0			1,109	\$1,445	0	0
	50% LIHTC	7		941	941	\$1,445	0	79,044
	60% HighHOME	0				\$1,445	0	0
	60% LIHTC	3		1129	1,129	\$1,445	0	40,644
	Market	5			1,445	\$1,445	0	86,700
15	50% HOME	0			0	\$0	0	0
	50% LIHTC	7			1,440	\$1,725	0	120,960
	60% HighHOME	4		1128	1,128	\$1,725	0	54,144
	60% LIHTC	3		1354	1,354	\$1,725	0	48,744
	Market	1			1,725	\$1,725	0	20,700
15	29.2%	0			0	\$0	0	0
	50% HOME	0			0	\$0	0	0
	50% LIHTC	8			1,882	\$1,882	0	180,672
	50.0% HighHOME	0		1304	1,304	\$1,882	0	0
	20.8% 60% LIHTC	2		1565	1,565	\$1,882	0	37,560
10	Market	0			1,882	\$1,882	0	0
	50% HOME	0			1,882	\$2,000	0	0
	50% LIHTC	0			1,209	\$2,000	0	0
	60% HOME	0			1,451	\$2,000	0	0
	60% LIHTC	0			2,000	\$2,000	0	0
0	Market	0			0	\$0	0	0
Other:								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
<b>Administrative Expenses:</b>			
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
<b>Administrative Expenses</b>	<b>109,198</b>	<b>1,820</b>	<b>152</b>
<b>Operating Expenses:</b>			
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
<b>Operating Expenses</b>	<b>80,500</b>	<b>1,342</b>	<b>112</b>
<b>Maintenance Expenses:</b>			
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	0
Tenant Damage Charges - Grounds	0	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	0
Tenant Damage Charges - Building	0	0	0
<b>Maintenance Expenses</b>	<b>135,000</b>	<b>2,250</b>	<b>188</b>
<b>General Expenses:</b>			
Property Taxes	114,219	1,904	159
Property and Liability Insurance	24,000	400	33
	0	0	0
Tenant Service Expenses	17,222	287	24
<b>General Expenses</b>	<b>155,441</b>	<b>2,591</b>	<b>216</b>
Replacement Reserve Funding	27,000	450	38
		0	0
<b>Total</b>	<b>507,139</b>	<b>8,452</b>	<b>704</b>

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	



## 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.

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

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.



K9SW

K9SE

K10SW

J9NW

J9NE

J9SW

J9SE

J10SW

City of Portland - TIF Model

PHA 577 Washington Ave. Garden Affordable Housing Project

OAV as of 3/31/2019: \$0

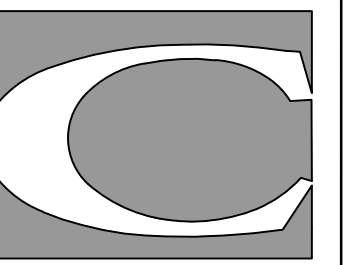
Tax Map References:	428-B-022	428-C-009	429-B-018	428-B-019
---------------------	-----------	-----------	-----------	-----------

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
<b>30 Year TIF Total</b>		<b>\$237,000,000</b>		<b>\$177,750,000</b>		<b>\$5,714,987</b>	<b>\$5,714,987</b>	<b>\$0</b>	<b>\$1,904,996</b>
<b>30 Year Average</b>							\$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**

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	\$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
<b>30 Year TIF Total</b>		<b>\$237,000,000</b>	<b>\$177,750,000</b>	<b>\$1,275,534</b>	<b>\$133,205</b>	<b>\$98,136</b>	<b>\$1,506,875</b>
<b>30 Year Average</b>		<b>\$7,900,000</b>	<b>\$5,925,000</b>	<b>\$42,518</b>	<b>\$4,440</b>	<b>\$3,271</b>	<b>\$50,229</b>



**CARROLL ASSOCIATES**  
LANDSCAPE ARCHITECTS

217 COMMERCIAL STREET, STE 200  
PORTLAND, MAINE 04101  
207.772.1552 V. F. 207.772.0712

DESIGNER

OWNER  
**WASHINGTON GARDENS, LP**  
PORTLAND HOUSING AUTHORITY

14 BAXTER BLVD  
PORTLAND, MAINE 04101

PROJECT

**WASHINGTON GARDENS**

577 WASHINGTON AVENUE  
PORTLAND, MAINE 04101

DRAWING

**LANDSCAPE PLAN**

CWS PROJECT NUMBER: 19015

REVISIONS

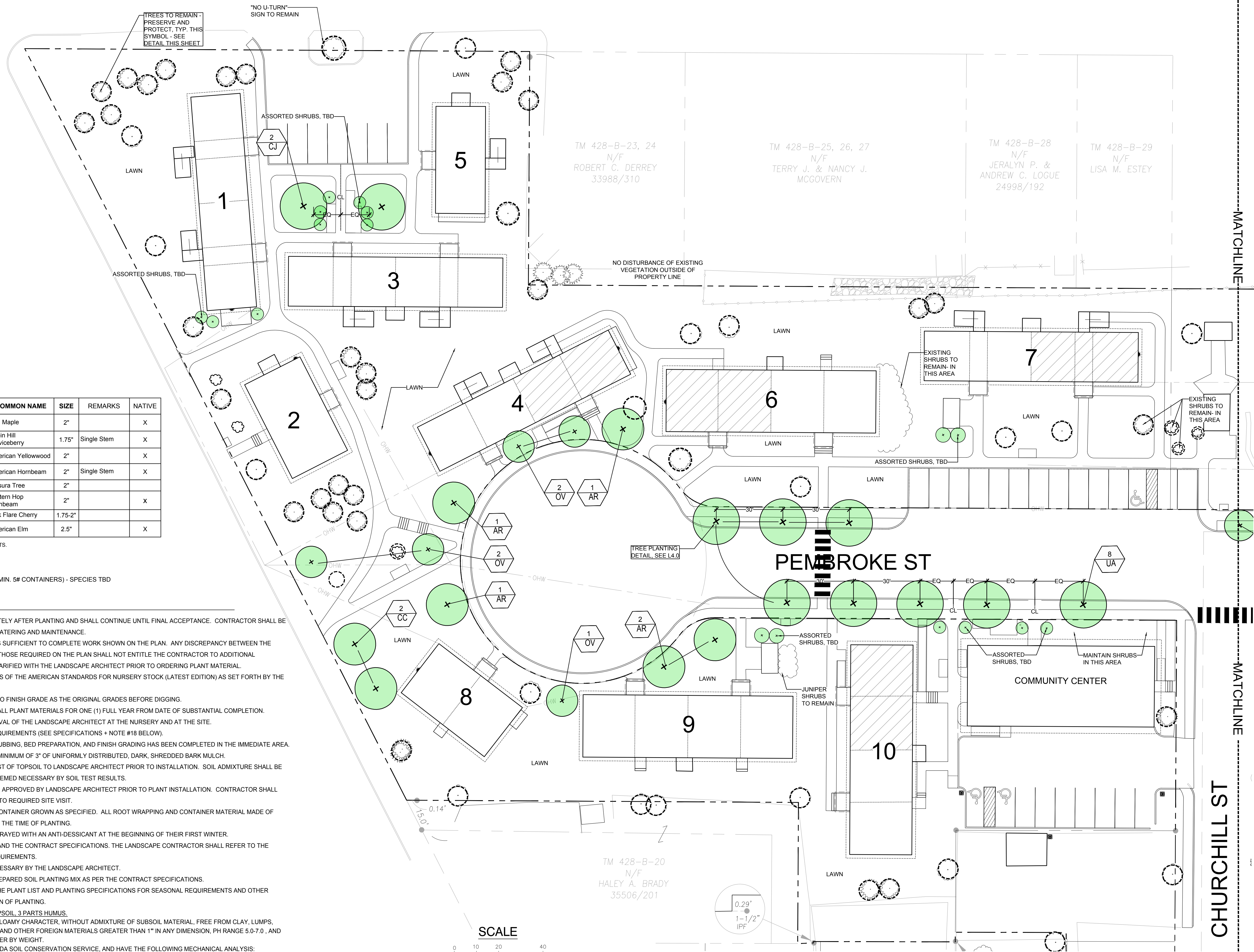
DRAWING NUMBER

**L-3.0**

SCALE: 1" = 20'

DATE: 02/01/2020

ISSUED FOR: 50% MSHA SUBMISSION



**TREES**

SHEET#	QTY	SYM	BOTANICAL NAME	COMMON NAME	SIZE	REMARKS	NATIVE
L3.0	5	AR	<i>Acer rubrum</i> 'Red Sunset'	Red Maple	2"		X
L3.0	4	AG	<i>Amelanchier x grandiflora</i> 'Robin Hill'	Robin Hill Serviceberry	1.75"	Single Stem	X
L3.1	1	CK	<i>Cladrastis kentukea</i>	American Yellowwood	2"		X
L3.0, L3.1	9	CC	<i>Carpinus carolina</i>	American Hornbeam	2"	Single Stem	X
L3.0	2	CJ	<i>Cercidiphyllum japonicum</i>	Katsura Tree	2"		
L3.0	5	OV	<i>Ostrya virginiana</i>	Eastern Hop Hornbeam	2"		X
L3.1	7	PS	<i>Prunus sargentii</i> 'Pink Flare'	Pink Flare Cherry	1.75-2"		
L3.0	8	UA	<i>Ulmus americana</i> 'Princeton'	American Elm	2.5"		X

\*QUANTITY IS TOTAL FOR PROJECT - INCLUDES BOTH SHEETS.

**SHRUBS**

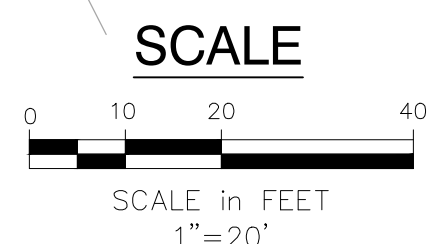
28-30 ASSORTED SHRUBS THROUGHOUT SITE (IN MIN. 5# CONTAINERS) - SPECIES TBD

**NOTES:**

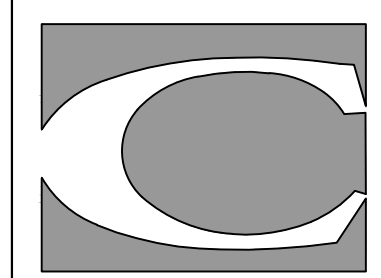
- CONTRACTOR SHALL BEGIN MAINTENANCE IMMEDIATELY AFTER PLANTING AND SHALL CONTINUE UNTIL FINAL ACCEPTANCE. CONTRACTOR SHALL BE RESPONSIBLE FOR ALL MEANS AND METHODS OF WATERING AND MAINTENANCE.
- CONTRACTOR SHALL SUPPLY PLANTS IN QUANTITIES SUFFICIENT TO COMPLETE WORK SHOWN ON THE PLAN. ANY DISCREPANCY BETWEEN THE QUANTITIES SHOWN IN THE PLANT SCHEDULE AND THOSE REQUIRED ON THE PLAN SHALL NOT ENTITLE THE CONTRACTOR TO ADDITIONAL REMUNERATION. ANY DISCREPANCIES SHALL BE CLARIFIED WITH THE LANDSCAPE ARCHITECT PRIOR TO ORDERING PLANT MATERIAL.
- ALL MATERIALS SHALL CONFORM TO SPECIFICATIONS OF THE AMERICAN STANDARDS FOR NURSERY STOCK (LATEST EDITION) AS SET FORTH BY THE AMERICAN ASSOCIATION OF NURSERYMEN.
- ALL PLANTS SHALL BEAR THE SAME RELATIONSHIP TO FINISH GRADE AS THE ORIGINAL GRADES BEFORE DIGGING.
- THE LANDSCAPE CONTRACTOR SHALL GUARANTEE ALL PLANT MATERIALS FOR ONE (1) FULL YEAR FROM DATE OF SUBSTANTIAL COMPLETION.
- ALL PLANT MATERIALS ARE SUBJECT TO THE APPROVAL OF THE LANDSCAPE ARCHITECT AT THE NURSERY AND AT THE SITE.
- ALL PLANT BEDS SHALL MEET MINIMUM TOPSOIL REQUIREMENTS (SEE SPECIFICATIONS + NOTE #18 BELOW).
- NO PLANT MATERIAL SHALL BE INSTALLED UNTIL GRUBBING, BED PREPARATION, AND FINISH GRADING HAS BEEN COMPLETED IN THE IMMEDIATE AREA.
- ALL PLANTS BEDS AND TREE WELLS SHALL HAVE A MINIMUM OF 3" OF UNIFORMLY DISTRIBUTED, DARK, SHREDDED BARK MULCH.
- CONTRACTOR SHALL SUBMIT SOIL SAMPLE AND TEST OF TOPSOIL TO LANDSCAPE ARCHITECT PRIOR TO INSTALLATION. SOIL ADMIXTURE SHALL BE ADDED TO EXISTING SOIL (BY CONTRACTOR) IF DEEMED NECESSARY BY SOIL TEST RESULTS.
- ROUGH GRADING AND BED PREPARATION SHALL BE APPROVED BY LANDSCAPE ARCHITECT PRIOR TO PLANT INSTALLATION. CONTRACTOR SHALL NOTIFY LANDSCAPE ARCHITECT 48 HOURS PRIOR TO REQUIRED SITE VISIT.
- ALL PLANTS SHALL BE BALLED AND WRAPPED OR CONTAINER GROWN AS SPECIFIED. ALL ROOT WRAPPING AND CONTAINER MATERIAL MADE OF SYNTHETICS OR PLASTICS SHALL BE REMOVED AT THE TIME OF PLANTING.
- ALL BROAD LEAF EVERGREEN PLANTS SHALL BE SPRAYED WITH AN ANTI-DESSICANT AT THE BEGINNING OF THEIR FIRST WINTER.
- ALL PLANTS SHALL BE INSTALLED AS PER DETAILS AND THE CONTRACT SPECIFICATIONS. THE LANDSCAPE CONTRACTOR SHALL REFER TO THE CONTRACT SPECIFICATIONS FOR ADDITIONAL REQUIREMENTS.
- CONTRACTOR SHALL STAKE TREES IF DEEMED NECESSARY BY THE LANDSCAPE ARCHITECT.
- THE LANDSCAPE CONTRACTOR SHALL PROVIDE PREPARED SOIL PLANTING MIX AS PER THE CONTRACT SPECIFICATIONS.
- THE LANDSCAPE CONTRACTOR SHALL REFER TO THE PLANT LIST AND PLANTING SPECIFICATIONS FOR SEASONAL REQUIREMENTS AND OTHER RESTRICTIONS RELATED TO THE TIME AND SEASON OF PLANTING.

18. **PLANTING SOIL MIX: 1 PART COMPOST, 8 PARTS TOPSOIL, 3 PARTS HUMUS.**  
**TOPSOIL:** FERTILE, FRIABLE, NATURAL TOPSOIL OF LOAMY CHARACTER, WITHOUT ADMIXTURE OF SUBSOIL MATERIAL, FREE FROM CLAY, LUMPS, COARSE SANDS, STONES, PLANTS, ROOTS, STICKS, AND OTHER FOREIGN MATERIALS GREATER THAN 1" IN ANY DIMENSION, PH RANGE 5.0-7.0, AND SHALL CONTAIN NOT LESS THAN 6% ORGANIC MATTER BY WEIGHT.  
**SANDY LOAM OR LOAM SOIL AS DEFINED BY THE USDA SOIL CONSERVATION SERVICE, AND HAVE THE FOLLOWING MECHANICAL ANALYSIS:**

TEXTURAL CLASS	% OF TOTAL WEIGHT	AVERAGE %
SAND (0.05-2.0 MM)	45 TO 75%	60%
SILT (0.002-0.05 MM)	15 TO 35%	25%
CLAY (<0.002 MM)	5 TO 25%	15%



**NOT FOR CONSTRUCTION**



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

DESIGNER

OWNER

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

PROJECT

**WASHINGTON GARDENS**  
577 WASHINGTON AVENUE  
PORTLAND, MAINE 04101

DRAWING

**LANDSCAPE  
PLAN**  
CWS PROJECT NUMBER: 19015

REVISIONS

DRAWING NUMBER

**L-3.1**

SCALE: 1" = 20'  
DATE: 02/01/2020

ISSUED FOR: 50% MSHA  
SUBMISSION

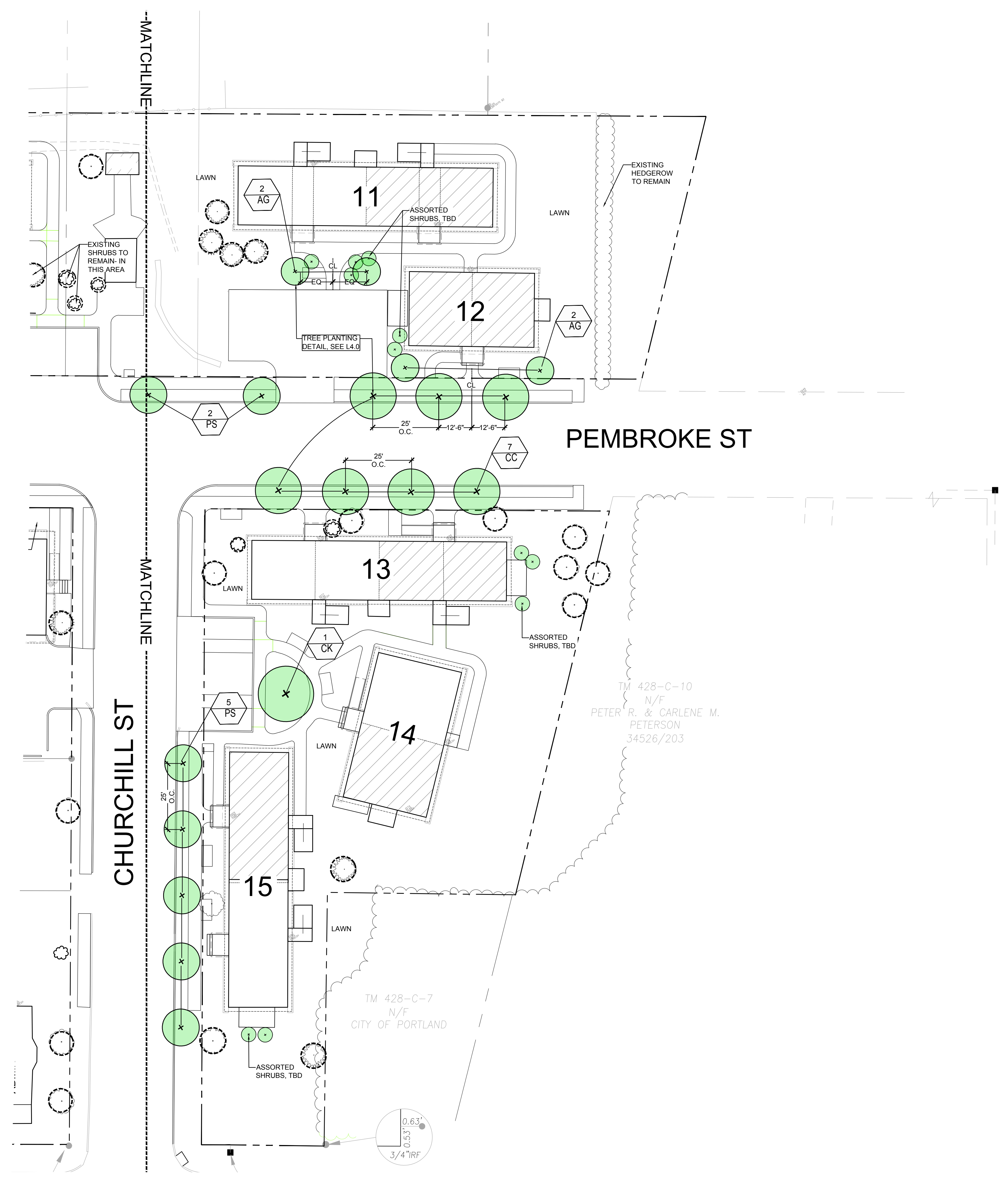
TREES

SHEET#	QTY	SYM	BOTANICAL NAME	COMMON NAME	SIZE	REMARKS	NATIVE
L3.0	5	AR	<i>Acer rubrum</i> 'Red Sunset'	Red Maple	2"		X
L3.0	4	AG	<i>Amelanchier x grandiflora</i> 'Robin Hill'	Robin Hill Serviceberry	1.75"	Single Stem	X
L3.1	1	CK	<i>Cladrastis kentukea</i>	American Yellowwood	2"		X
L3.0, L3.1	9	CC	<i>Carpinus carolina</i>	American Hornbeam	2"	Single Stem	X
L3.0	2	CJ	<i>Cercidiphyllum japonicum</i>	Katsura Tree	2"		
L3.0	5	OV	<i>Ostrya virginiana</i>	Eastern Hop Hornbeam	2"		X
L3.1	7	PS	<i>Prunus sargentii</i> 'Pink Flare'	Pink Flare Cherry	1.75-2"		
L3.0	8	UA	<i>Ulmus americana</i> 'Princeton'	American Elm	2.5"		X

\*QUANTITY IS TOTAL FOR PROJECT - INCLUDES BOTH SHEETS.

SHRUBS

28-30 ASSORTED SHRUBS THROUGHOUT SITE (IN MIN. 5# CONTAINERS) - SPECIES TBD



**NOT FOR CONSTRUCTION**

Unit Type	UNIT INFORMATION					RENTAL INCOME					
	# of BR	# of Units	Unit Sq. Ft.	LIHTC Unit	PBV Unit	Income Limit (% AMI)	Max Gross LIHTC Rent	Less Utility Allowance	Max Contract LIHTC Rent	Proposed Contract Rent	Annual Rental Income
					Sect_18						
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
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
-							-	-	-		-
<b>TOTAL</b>	<b>104</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>100</b>						<b>1,093,752</b>

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
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>TOTAL</b>		<b>187,416</b>	<b>1,281,168</b>

OTHER INCOME	
Description	Yr 1
Laundry	9,063
<b>TOTAL OTHER INCOME</b>	<b>9,063</b>

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
<b>EFFECTIVE GROSS INCOME</b>	<b>1,364,469</b>

SQUARE FOOTAGE AND APPLICABLE FRACTION		
Description	Units	Sq. Ft.
LIHTC Units	100	56,306
Non-LIHTC Units	0	0
<b>TOTAL UNITS</b>	<b>100</b>	<b>56,306</b>
Applicable Fraction	By Units	By Sq.Ft.
by Calculation Method:	100%	100%
<b>APPLICABLE FRACTION</b>		<b>100%</b>

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

Line Item	Total	Per Unit
<b>ADMINISTRATIVE EXPENSES</b>		
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
<b>Subtotal Administrative Expenses</b>	<b>156,046</b>	<b>1,560</b>

Line Item	Total	Per Unit
<b>UTILITY EXPENSES</b>		
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
<b>Subtotal Utility Expenses</b>	<b>125,388</b>	<b>1,254</b>

Line Item	Total	Per Unit
<b>MAINTENANCE EXPENSES</b>		
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
<b>Subtotal Maintenance Expenses</b>	<b>260,297</b>	<b>2,603</b>

Line Item	Total	Per Unit
<b>GENERAL EXPENSES</b>		
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
<b>Subtotal General Expenses</b>	<b>253,882</b>	<b>2,539</b>

<b>HOUSING OPEX</b>	<b>795,613</b>	<b>7,956</b>
---------------------	----------------	--------------

Line Item	Total	Per Unit
<b>COMMERCIAL EXPENSES</b>		
Admin Expenses	0	0
Operating Expenses	0	0
Maintenance Expenses	0	0
General Expenses	0	0
Other Comm.	0	0
<b>Subtotal Commercial Expenses</b>	<b>0</b>	<b>0</b>

<b>TOTAL OPEX</b>	<b>795,613</b>	<b>7,956</b>
-------------------	----------------	--------------

Line Item	Total	Per Unit
<b>RESERVE CONTRIBUTIONS</b>		
Replacement Reserve	45,000	450
Other Reserve	0	0

<b>TOTAL OPEX + RESERVES</b>	<b>840,613</b>	<b>8,406</b>
------------------------------	----------------	--------------

Line Item	Total	Per Unit	LIHTC Basis			T-E Bonds	HTC Basis		
			NC/R Basis	Acq Basis	Ineligible	50% Test	QRE	Non-QRE	Allocable
<b>CONSTRUCTION COSTS</b>									
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
<b>Subtotal Construction Costs</b>	<b>10,488,764</b>	<b>104,888</b>	<b>10,488,764</b>	<b>0</b>	<b>0</b>	<b>10,488,764</b>	<b>10,488,764</b>	<b>0</b>	<b>0</b>

<b>SOFT COSTS</b>									
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
<b>Subtotal Soft Costs</b>	<b>1,017,859</b>	<b>10,179</b>	<b>1,017,859</b>	<b>0</b>	<b>0</b>	<b>927,859</b>	<b>1,017,859</b>	<b>0</b>	<b>0</b>

<b>FINANCING COSTS</b>									
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
<b>Subtotal Financing Costs</b>	<b>453,000</b>	<b>4,530</b>	<b>453,000</b>	<b>0</b>	<b>0</b>	<b>453,000</b>	<b>450,000</b>	<b>3,000</b>	<b>0</b>

<b>MISCELLANEOUS COSTS</b>									
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
<b>Subtotal Miscellaneous Costs</b>	<b>681,900</b>	<b>6,819</b>	<b>233,650</b>	<b>0</b>	<b>148,250</b>	<b>233,650</b>	<b>30,000</b>	<b>351,900</b>	<b>0</b>

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

**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
<b>Total Financing</b>	<b>9,530,849</b>							<b>455,549</b>

**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	
<b>Total Equity</b>	<b>4,821,050</b>	

**SOURCES & USES**

	Total	Per Unit
Total Sources	14,351,899	143,519
Total Uses	14,351,899	143,519
<b>CAPITALIZATION GAP (SURPLUS)</b>	<b>0</b>	<b>0</b>

		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	% Infl.	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
<b>INCOME</b>																
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
<b>EFFECTIVE GROSS INCOME</b>		<b>1,996,017</b>	<b>2,055,898</b>	<b>2,117,574</b>	<b>2,181,102</b>	<b>2,246,535</b>	<b>2,313,931</b>	<b>2,383,349</b>	<b>2,454,849</b>	<b>2,528,495</b>	<b>2,604,350</b>	<b>2,682,480</b>	<b>2,762,954</b>	<b>2,845,843</b>	<b>2,931,218</b>	<b>3,019,155</b>
<b>OPERATING EXPENSES</b>																
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
<b>TOTAL OPEX</b>	3.0%	<b>1,276,725</b>	<b>1,315,027</b>	<b>1,354,478</b>	<b>1,395,112</b>	<b>1,436,966</b>	<b>1,480,075</b>	<b>1,524,477</b>	<b>1,570,211</b>	<b>1,617,317</b>	<b>1,665,837</b>	<b>1,715,812</b>	<b>1,767,286</b>	<b>1,820,305</b>	<b>1,874,914</b>	<b>1,931,162</b>
<b>NET OPERATING INCOME</b>		<b>719,292</b>	<b>740,871</b>	<b>763,097</b>	<b>785,990</b>	<b>809,569</b>	<b>833,856</b>	<b>858,872</b>	<b>884,638</b>	<b>911,177</b>	<b>938,513</b>	<b>966,668</b>	<b>995,668</b>	<b>1,025,538</b>	<b>1,056,304</b>	<b>1,087,993</b>
<b>RESERVE DEPOSITS</b>																
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
<b>TOTAL OPEX + RESERVES</b>		<b>1,348,937</b>	<b>1,389,405</b>	<b>1,431,087</b>	<b>1,474,020</b>	<b>1,518,241</b>	<b>1,563,788</b>	<b>1,610,701</b>	<b>1,659,022</b>	<b>1,708,793</b>	<b>1,760,057</b>	<b>1,812,859</b>	<b>1,867,244</b>	<b>1,923,262</b>	<b>1,980,960</b>	<b>2,040,388</b>
<b>NOI AFTER RESERVES</b>		<b>647,080</b>	<b>666,492</b>	<b>686,487</b>	<b>707,082</b>	<b>728,294</b>	<b>750,143</b>	<b>772,647</b>	<b>795,827</b>	<b>819,702</b>	<b>844,293</b>	<b>869,621</b>	<b>895,710</b>	<b>922,581</b>	<b>950,259</b>	<b>978,766</b>
<b>DEBT SERVICE</b>																
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
<b>TOTAL DEBT SERVICE</b>		<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>	<b>455,549</b>
<b>DSCR</b>		<b>1.42</b>	<b>1.46</b>	<b>1.51</b>	<b>1.55</b>	<b>1.60</b>	<b>1.65</b>	<b>1.70</b>	<b>1.75</b>	<b>1.80</b>	<b>1.85</b>	<b>1.91</b>	<b>1.97</b>	<b>2.03</b>	<b>2.09</b>	<b>2.15</b>
<b>NET CASH FLOW</b>		<b>191,531</b>	<b>210,943</b>	<b>230,938</b>	<b>251,533</b>	<b>272,745</b>	<b>294,594</b>	<b>317,098</b>	<b>340,278</b>	<b>364,153</b>	<b>388,744</b>	<b>414,072</b>	<b>440,161</b>	<b>467,032</b>	<b>494,710</b>	<b>523,218</b>
<b>CASH FLOW PER UNIT</b>		<b>1,915</b>	<b>2,109</b>	<b>2,309</b>	<b>2,515</b>	<b>2,727</b>	<b>2,946</b>	<b>3,171</b>	<b>3,403</b>	<b>3,642</b>	<b>3,887</b>	<b>4,141</b>	<b>4,402</b>	<b>4,670</b>	<b>4,947</b>	<b>5,232</b>

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



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

TO: Councilor Duson, Chair  
Members of the Housing Committee

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

DATE: May 5, 2020

SUBJECT: City-Owned Property Review: 157 Brackett Street and 176 Clark Street

### **Introduction**

During the Housing Committee meeting on February 12, 2020, the Committee requested staff to contact the Portland School Department in regards to the proposed disposition of city-owned property at 157 Brackett Street and 176 Clark Street.

The purpose of this memo is to provide the response from the School Department to the Housing Committee and provide a recommendation for the disposition of the two lots.

### **Portland School Department Response**

On February 14, staff contacted Portland School Department Facilities Director Doug Sherwood requesting an updated response in regards to the last Department Wide Survey conducted by the City-owned and Tax Acquired Property Committee (COTAPC) concerning the city-owned property at 157 Brackett Street and 176 Clark Street. (A copy of the 2015 memorandum from Economic Development to the COTAPC members containing the Department Wide Survey Results is attached for reference).

According to Doug Sherwood, “The information in the attached 2015 memo is consistent with the situation as it is today. Reiche School needs the 36 spaces at a minimum. The Community Center and pool patrons also use the spaces along with neighbors needing to get their cars off the road during snow bans. Parking is crucial in the West End if not all of Portland, but very few parking lots meet so many different demands to include local businesses during non-school hours.”

### **City-Owned and Tax Acquired Property (COTAPC) Recommendation**

The Tax Acquired Property Committee recommended that the parking concerns be addressed and that the disposition process include a condition that any redevelopment of the site must accommodate adequate parking.

### **Staff Recommendation**

Housing and Community Development staff is seeking direction from the committee on its recommendation that this item be forwarded to the City Council with a recommendation that the City proceed with the disposition of these sites for residential development. Staff recommends that disposition of the sites include a condition that redevelopment must accommodate adequate parking for the existing needs.

Attachments:

2015 COTAPC memo regarding 157 Brackett and 176 Clark Street disposition



Economic Development Department  
Gregory A. Mitchell, Director

### **MEMORANDUM**

**TO:** TAPC

**FROM:** Lori Paulette, Sr. Executive Assistant/Economic Development

**DATE:** January 5, 2015

**RE:** Possible Disposition of City Property at 157 Brackett Street (45-E-31) and  
176 Clark Street (56-B-12) – **Department Wide Survey Results**

#### **Property Details**

##### **157 Brackett Street**

This lot contains 8,460 sq. ft. in a B-1 zone. The assessed value is for the land is \$126,300.

The lot is currently used as employee parking for Reiche School, as well as for some visitor parking for the Reiche School of approximately 20 parking spaces, and after hours by residents. Please see attached Google Map of the property location.

##### **Property Details: 176 Clark Street**

This lot contains 7,313 sq. ft. in an R-6 Zone. The assessed land value is \$79,500.

This lot is currently used for parking by Reiche School and the Reiche Leadership Team has indicated that there are 16 parking spaces available; it is also used by residents after hours. A Google map is attached showing the location of this lot, which is across the Street from Reiche School.

#### **Department Comments Received for Possible Sale or Retention**

A survey was completed of the District Councilor, all City Departments, and the Land Bank to determine if these properties were excess to the City needs and should be sold; whether there were neighborhood issues; and whether there should be conditions placed on any sale.

It was noted that if a City use or concerns were not identified, TAPC would meet to determine if a minimum acceptable bid price can and should be set for the property and proceed with disposition according to the Rules, which include bringing its recommendation to the HCDC for approval to move forward.

## **Survey Responses Received:**

### *157 Brackett Street*

Based on the responses received, the general flavor is that this lot – 20 parking spaces:

- The Reiche School and Community Center need the parking;
- It is used for snow bans;
- Used by residents after hours;
- District Councilor Marshall notes there may be concerns from businesses and neighbors, as well as parking needs for Reiche School. Councilor Marshall further stated that he welcomed more housing, but a solution to the parking issue could be required as part of any RFP.

### *176 Clark Street*

Based on the responses received, the general favor is that this lot – 16 parking spaces:

- Is heavily used by faculty and staff of Reiche School;
- Is used after hours by people using the pool or community center at Reiche;
- Used after hours by residents for off-street parking, particularly during snow bans;
- Very limited parking in the neighborhood, making a bad situation worse;
- If “sold”, replacement parking lot nearby (16 spaces for the Clark Street property; 20 spaces for the Brackett Street property – that also has 6 cars waiting for after school pick up regularly), not just property, would need to be created with costs factored into any sale;
- Also highlighted was the Center for Therapeutic Recreation is growing and will need additional handicapped accessible spaces for clients and parking for staff.
- District Councilor David Marshall noted that if parking were to be replaced in the immediate area, then it would be worth consideration for sale.

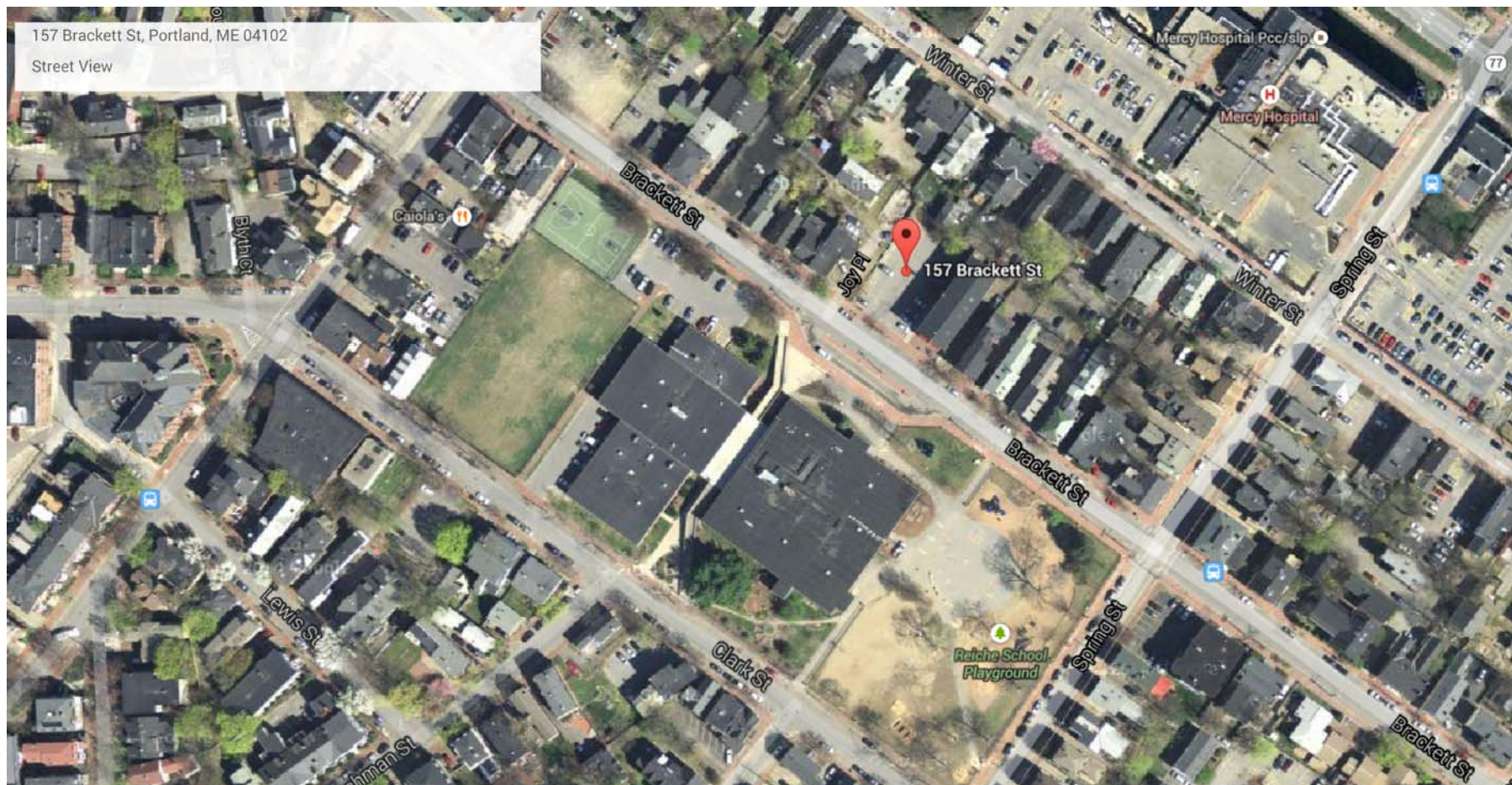
## **TAPC Question**

Is there a recommendation to the HCDC to sell this property through an RFP process, with the RFP noting that the proposer would have to find a solution to relocate/construct a parking lot nearby to replace the parking that would be lost.

## **Attachments**

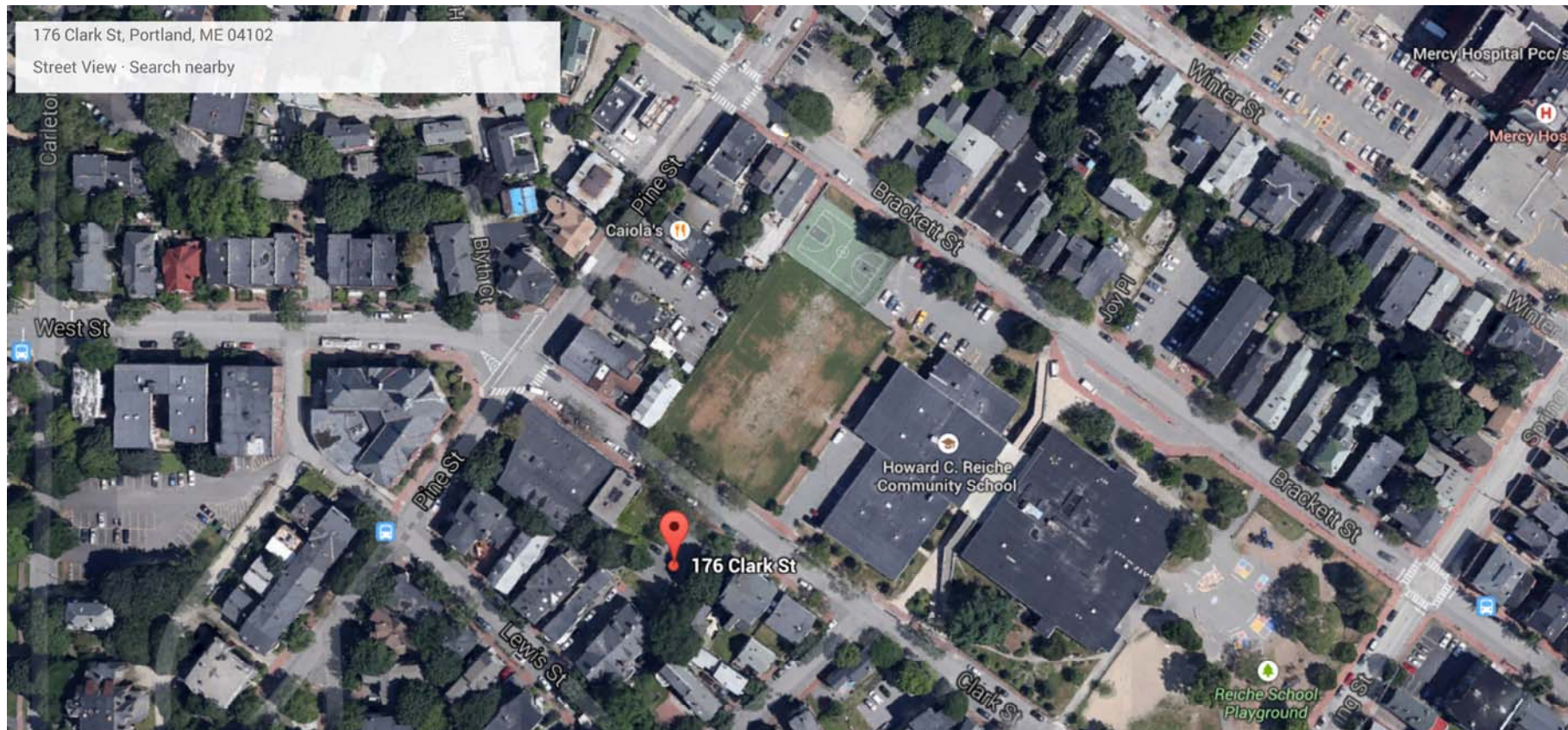
cc: Mary Davis, Housing and Neighborhood Services Division Director

# 157 BRACKETT STREET LOCATIONAL MAP



Imagery ©2014 DigitalGlobe, Maine GeoLibrary, U.S. Geological Survey, Map data ©2014 Google 100 ft

# 176 CLARK STREET LOCATIONAL MAP



Imagery ©2014 Google, Map data ©2014 Google 100 ft

**Draft 2020 Housing Committee Work Plan  
as of May 8, 2020**

May 13, 2020

1. Executive Session: Possible disposition of City-owned real estate at 431 Commercial Street; and Possible disposition of City-owned property in Falmouth.
2. (Action Item) Review and Recommendation regarding Rental Housing Advisory Committee Policy Recommendation
3. (Action Item) Review and Recommendation to the City Council of CDBG-CV and ESG-CV Supplemental Funding Recommendations
4. Review of Funding Requests Received from the Affordable Housing Development Applications – Avesta 200 Valley Street, PHA Washington Gardens and 337 Cumberland Avenue
5. (Possible Action Item) Review, public hearing and possible recommendation to Economic Development Committee and/or City Council re: AHTIF requests CHOM 83 Middle Street, Avesta 200 Valley Street, 337 Cumberland Avenue, PHA Washington Gardens – 577 Washington Avenue
6. (Action Item) Review and Recommendation to City Council re: Disposition of City-Owned Property at 157 Brackett Street and 176 Clark Street
7. 2020 Work Plan Discussion

June 10, 2020

1. Communication Item FY21 HUD Annual Allocation Plan
2. Lodging House Discussion
3. (Action Item) Review and Recommendation to the City Council of Funding Requests Received from the Affordable Housing Development Applications – Avesta 200 Valley Street, PHA Washington Gardens and 337 Cumberland Avenue
4. 2020 Work Plan Discussion including Housing Forum discussion

??, 2020 (Possible Joint Meeting with Economic Development Committee)

1. (Action Item) Review and Approval of Affordable Housing TIF Applications
2. Communication Item Update on development projects within Portland and member consortium communities
3. Executive Session to provide direction to staff regarding possible disposition of city-owned property at 431 Commercial Street and city-owned property in Falmouth

??, 2020 – Housing Policy Forum

July 8, 2020

1. 2020 Work Plan Discussion

August 12, 2020

1. 2020 Work Plan Discussion

September 9, 2020 (need to reschedule due to conflict with City Council Meeting)

1. Presentation, Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report (Public Comment)
2. Presentation, Overview and Report from the Rental Housing Advisory Committee (Public Comment)
3. Communication Item: FY20 HUD Consolidated Annual Performance Report
4. 2020 Work Plan Discussion

October 14, 2020

1. Presentation of 2020 Interim Housing Report
2. 2020 Work Plan Discussion

November 11, 2020 (Veterans Day – will need to reschedule meeting date)

1. Review of 2020 Annual Housing Committee Report
2. 2020 and 2021 Work Plan Discussion (new and/or updated recommendations to forward to the 2021 Housing Committee)

December 9, 2020 – no December meeting?

---

WORK PLAN TOPICS

Coordinate and be kept aware of ReCode Committee process, meetings, etc.  
Street Standards

City-Owned Property

- 0 Gray Road
- 622 Auburn Street
- 200 Lambert Street
- 33 Portland Street
- 431 Commercial Street

Inclusionary Zoning – minor process/clarifying language updates

---

COMPLETED WORK

January 9, 2020 (Thursday)

1. 2020 Work Plan Discussion
2. Communication Item(s): Follow-up Response to Comments regarding the 2019 Housing Report, and Bayside Village Follow-up

February 12, 2020

1. Rental Housing Advisory Committee Policy Recommendation
2. (Action Item) Housing Program Budget - Review and Recommendation to the City Council
3. (Action Item) Renewal of Membership in the Cumberland County HOME Consortium
4. (Action Item) Review and Recommendation to the City Council of the 2020 Housing Trust Fund Annual Plan
5. (Action Item) Affordable Housing Development Application - Review and Approval to Issue by the Committee
6. (Action Item) Affordable Housing TIF Application – Review and Approval to issue by the Committee
7. Presentation of City-Owned Property for Review
8. 2020 Work Plan Discussion – Housing Committee Goals for 2020

March 4, 2020 – Joint Meeting Economic Development

1. Presentation on Limited Equity Co-Operative Housing Model
2. Presentation on changes to HUD/CDBG Eligible Areas Map
3. (Action Item) Review, public hearing and possible recommendation to Council re: AHTIF request, 104 Grant Street
4. (Action Item) Review and Authorization to Release RFP re: disposition of City-Owned Property at 21 Randall Street, 165 Lambert and 43/91 Douglass Street; (Possible Executive Session to discuss disposition of City-Owned Property)
5. Executive Session to provide direction to staff regarding possible disposition of city-owned real estate at 431 Commercial Street and city-owned property in Falmouth

April 8, 2020 Cancelled

April 22, 2020

1. Presentation of Federal, State, and local update regarding COVID-19 and housing related issues.
2. Communication Item update on issuance of RFP for 43 & 91 Douglass Street, 165 Lambert Street, and 21 Randall Street
3. 2020 Work Plan Discussion