107 Main Street – Interview with Housing Assistance Corporation

QUESTIONS – HAC responses

Approach

- Explain project approach of the development team. Have you identified options for a general contractor?

  A general contractor will be selected through a competitive bidding process. We have already spoken to a number of local contractors and some modular companies about their interest in the project. However, the final decision will be based on price and experience.

- How will HAC coordinate all aspects of the project?

  See attached description of HAC's internal process. HAC project team roles and responsibilities will be discussed during the interview presentation.

Management

- How will management of the project be organized? See above. HAC project team roles and responsibilities will be discussed during the interview presentation.
- What other construction project management does the lead agency have on Cape Cod projects? See attached for list of recent projects with HAC as the sole developer or project lead.
- What level of client services will be provided by the rental management agency? HAC is leading agency for providing housing services to residents of the Cape and the Islands. As project owners, HAC will responsible for ensuring the effective long-term management of the project. HAC has a long-standing relationship with POAH Communities and works closely with their staff to make sure that tenants have information about housing services and resources that are available to them. POAH Communities uses Community Impact Coordinators (CICs), described below, to make help make this connection with tenants.
- Will there be on-site management of the development? There will not be a full-time on-site staff person; that would be unnecessary for a project of this size. POAH Communities will be sharing staff with Brewster Woods and other regional POAH Communities managed properties. There will always be management staff available for issues 24/7 and there is a small office included in the building to meet with tenants.
- Explain the role of a part-time community impact coordinator? Community Impact Coordinators (CICs) connect residents to emergency financial assistance for rent and utilities. Through Wellness Calls, flyers and monthly phone outreach, teams work together to identify households who are falling behind on rent and support them every step of the way in applying for financial assistance. CIC's are meant to be a liaison, a resource for info or support referrals, or just a sounding board.
- How will POAH address neighbor issues? HAC and POAH Communities have experience managing rental developments of this scale in similar neighborhoods. Neighbors will be provided neighbors with contact information for key contacts from POAH Communities and HAC and encourage neighborhood residents to contact us so that any issues can be addressed quickly.

Finances

- Please explain sources and uses of funds. Included in interview presentation package
- When will funds be needed for construction? At financial closing.
- Do you any ideas as to how the Town and HAC can share any project savings? Included in interview presentation package
- Who does the developer fee pay for? Covers HAC staffing and overhead costs to complete the project and developer profit. State agencies will not fund projects without adequate developer fees. Additional information included in interview presentation package.
- The $2M local funding request is substantial. What changes to the project would you recommend to lower the Trust contribution? Included in interview presentation package
- Is the CSHI amount in Sources realistic for a project of this size? Yes. Based on initial conversations with DHCD and MassHousing, CSHI was the recommended funding source for this project. The project was designed around meeting state requirements for this program. HAC will need to apply through a competitive process, but based on our conversations with the state we are confident in the $1.7 million number.
- Would revenue change if some units are rented at up to 100% AMI, with Workforce housing grants? Yes, increase in rental revenue will result in the ability of HAC to borrow more. However, per unit subsidy is lower than CSHI, so the net impact on sources will be roughly the same.

Schedule

- How realistic is the proposed schedule? It is realistic, but assumes a quick permitting process completed by early Spring 2022. To be discussed in interview.
- Explain the key project milestones: Included in interview presentation package
- Are there parallels with the Brewster Woods project and have you learned things from that project that will have an impact on 107 Main Street in Orleans?
    - The projects have very different funding approaches, so it's hard to compare financial structure and timeline. Brewster Woods is a Low Income Housing Tax Credit project (LIHTC), which take much longer to finance.
    - Town support and partnership approach with the developer is vital to the success of the project.

Design

- Having a front door facing Main Street might improve the streetscape impression. HAC is open to working with the AHT to make tweaks to the building design, where possible.
- Are there ways to "soften" the entrance with landscaping? An updated conceptual rendering with additional front landscaping is included in the presentation package.
- It would be helpful to show distance from building corners to adjacent homes – HAC can work with architect and provided this information to the committee.
- Confirm that the septic system will be an I/A - Yes
- Explain the sustainability factors that will be incorporated into building & site design – Current plan is built to local stretch energy code. Energy Star rated appliances will be used. Full description of sustainability features is included on page 22 of the RFP response. HAC will

consider Passive house feasibility study, however, we expect that project costs may be too high in achieve PH certification.

- Can parking be designed to minimize its visual impact? Parking design to be discussed in interview presentation

(See attachments)

Recent HAC Projects (as Project Lead)

Since its founding in 1974, HAC has constructed over 550 units of housing and assisted more than 175,000 low- and middle- income households on Cape Cod, Nantucket, and Martha's Vineyard. Some recent development projects include:

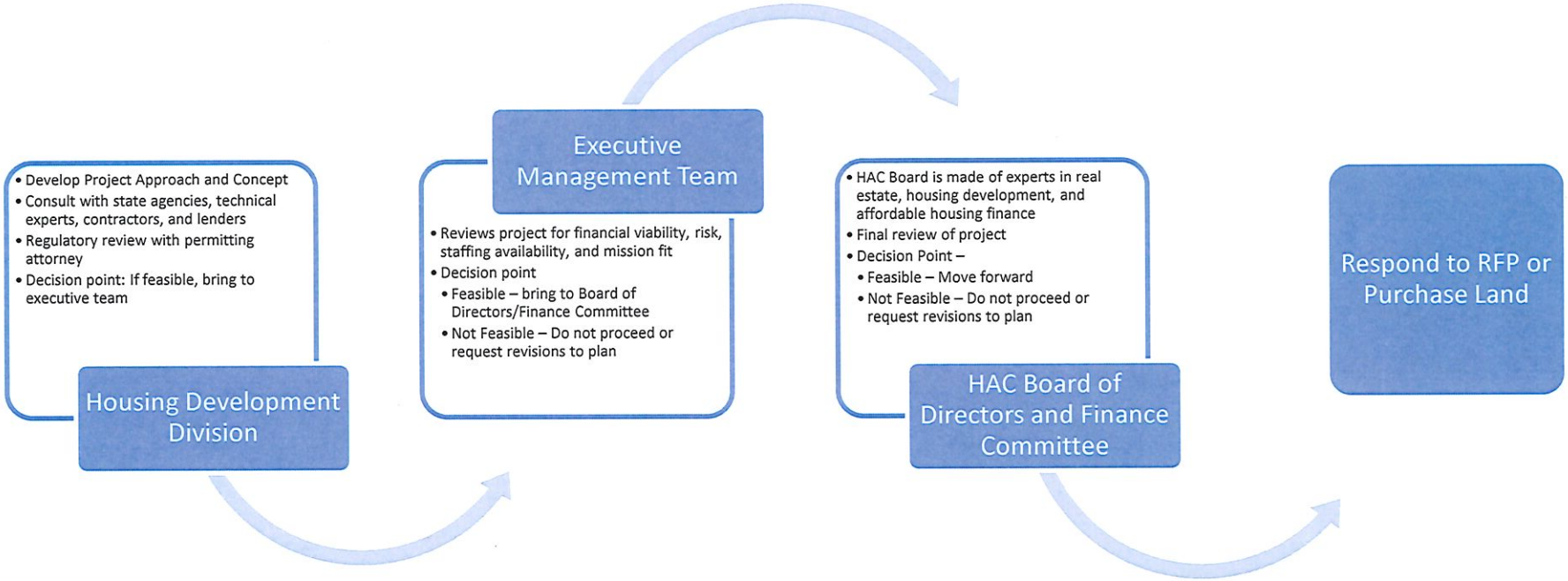
- Lofts at 57, Hyannis – 8 rental units (2020)
- Sachem's Path, Nantucket – 40 units homeownership (2018)
- Great Cove Community, Mashpee – 10 rental units (2014)
- West Barnstable Communities – Barnstable, MA (40 rental units at two locations called Kimber Woods and Lombard Farms) (2009)
- Southside Village – Barnstable, MA – 14 rental units (2005)
- FORWARD at the Rock – Dennis, MA – 8 rental units (group home) (2020)

107 MAIN STREET, ORLEANS

HAC PROJECT VETTING AND INTERNAL PROCESS

HAC reviews the feasibility of multiple projects each year, and has an internal process for project selection, including:

- Consultations with State Agencies on Funding Sources
- Consultations with Lenders on loan products available
- Consultations with Contractions for current market pricing
- Consultants with permitting attorney for zoning/regulatory feasibility
- Projects reviewed internally by Executive Management Team (CEO, COO, CFO), Finance Committee, and Full Board of Directors



Annual Expense Summary

Debt Service	**$**	**91,203.00**
Management Fee	**$**	**9,577.33**
Payroll, Administrative	$	10,000.00
Legal	$	1,000.00
Marketing	$	1,000.00
Telephone	$	1,770.00
Office Supplies	$	3,000.00
Training	$	1,000.00
Accounting & Data Processing	$	1,000.00
Other Staffing / Travel	$	1,000.00
Subtotal: Administrative	**$**	**19,770.00**
Landscaping	$	15,000.00
Decorating (inter. Only)	$	5,900.00
Repairs (inter. & ext.)	$	25,000.00
Trash Removal	$	200.00
Snow Removal	$	5,000.00
Extermination	$	1,500.00
Other Major Repairs	$	5,000.00
Subtotal: Maintenance	**$**	**57,600.00**
Electricity	$	200.00
Natural Gas		
Oil		
Water & Sewer	$	3,200.00
Subtotal: Utilities	**$**	**3,400.00**
Replacement Reserve	**$**	**7,000.00**
Operating Reserve	**$**	**7,000.00**
Real Estate Taxes	$	2,000.00
Insurance	$	3,575.00
Taxes and Insurance	**$**	**5,575.00**
TOTAL ANNUAL OPERATING EXPENSES	**$**	**109,922.33**

Total Debt Service (Annual)	$91,203.36
Net Operating Income	$102,907.12
Debt Service Coverage	1.13
Cash Flow	$11,703.77
Cash Flow per Unit	$835.98