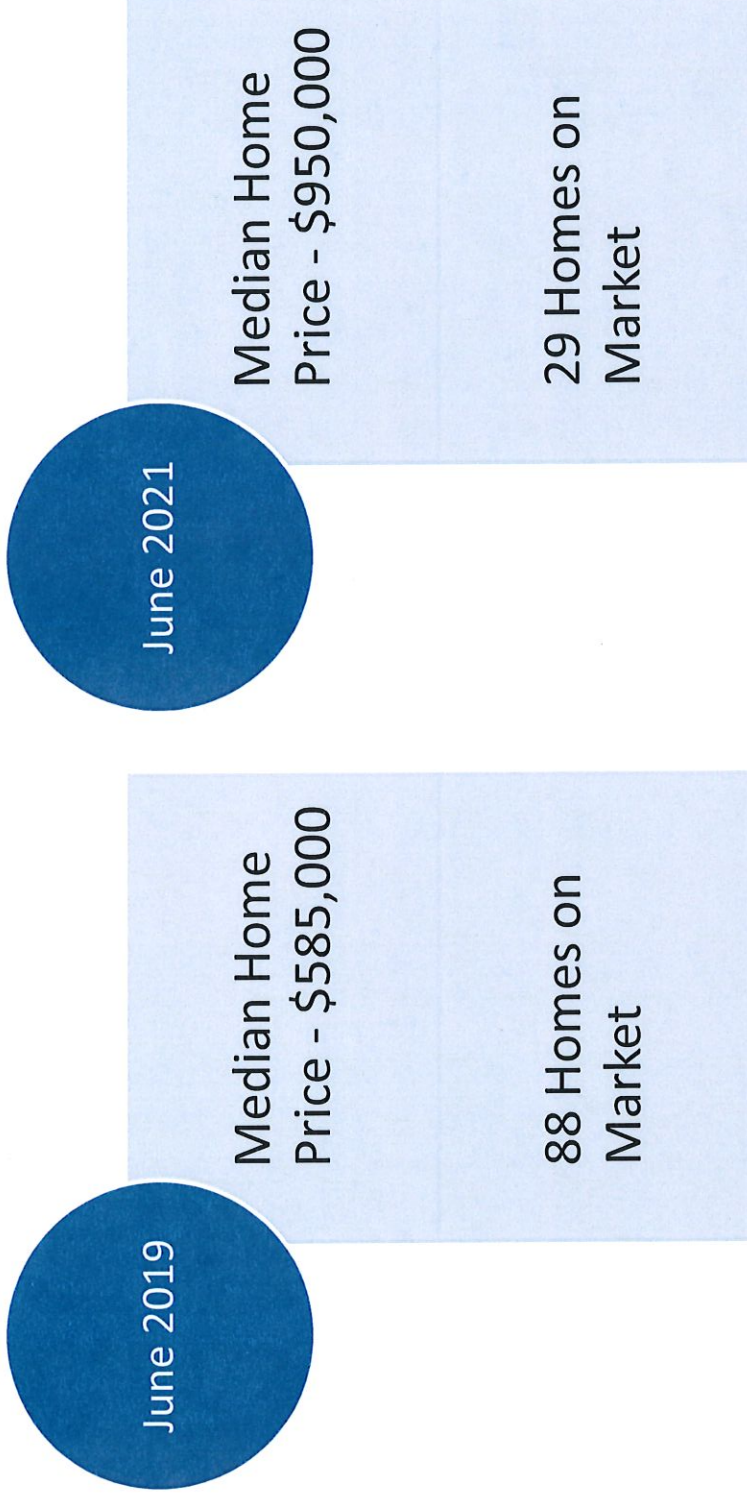


## 107 Main Street – Interview Agenda

- Introductions
- HAC Overview
- 107 Main Street
- Financing and Savings
- Ongoing Management
- Questions



# Orleans, MA - A Housing Market in Crisis



# HAC's Crisis Response

Advocacy

Building

Client Services

107 MAIN STREET, ORLEANS

# 107 Main Street

- Development Team
- Project Approach
- Unit Mix
- Design
- Timeline

# PROJECT TEAM



## DEVELOPER

Housing Assistance Corporation  
Alisa Magnotta  
David Quinn *PM*  
Steve Ferris  
Walter Phinney  
Keith Trott *GC*  
Gael Kelleher



## ARCHITECT

SV Design  
Thaddeus S Siemasko, AIA

Freeman Law Group LLC

## LEGAL

Freeman Law Group  
Peter Freeman, Esq.  
Ilana Quirk, Esq.



## PROPERTY MANAGEMENT

POAH Communities



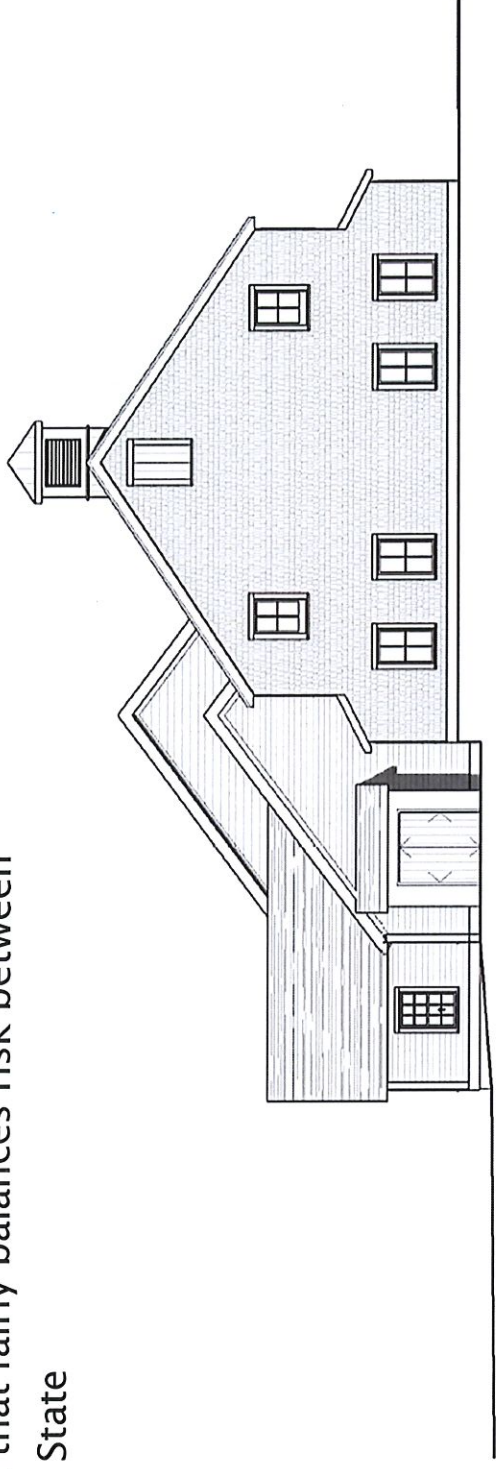
## CIVIL ENGINEER

Coastal Engineering



## PROJECT APPROACH

- Use AHT design concepts as starting point
- Maximize unit count on site without sacrificing aesthetics, site functionality, or neighborhood character
- Affordability to meet AHT's preference for 80% AMI units
- Unit mix and design to fit state funding guidelines
- Balancing design features and cost
- Design with option for modular construction to allow for possible cost savings
- Unit mix for 40B permitting
- Funding approach that fairly balances risk between HAC, Town, and State



## UNIT MIX (Base Scenario) – all units 80% AMI

Unit Type	# of Units	Unit Size	Max Allowable Gross Rent	Utility Allowance (UA)	Max Allowable Rent (Gross Rent - UA)
1 BR (80% AMI)	9	732-770 SF	\$1,361.25	\$113.00	\$1,248.25
2 BR (80% AMI)	4	787 SF	\$1,555.00	\$134.00	\$1,421.00
3 BR (80% AMI)	1	1064 SF	\$1,930.00	\$179.00	\$1,751.00
<b>TOTAL</b>	<b>14</b>				

State funding source: Community Scale Housing Initiative (DHCD and MassHousing)

# Review of Site and Building Design

107 MAIN STREET, ORLEANS

## Project Timeline

Proposed Project Timeline	
Town of Orleans Awards Project	July 2021
Execute Development Agreement with the Town of Orleans	September 2021
Town Meeting – Funding Request	October 2021
Submission of Site Eligibility (40B)	October 2021
First Zoning Board of Appeal (ZBA) Hearing	December 2021
Comprehensive Permit Issued	February 2022
Submit for CSHI funding from DHCD / MassHousing	March 2022
Receive State Funding Award	July 2022
Construction Loan Closing	October 2022
Commence Construction	October 2022
50% Construction	February 2023
Rental Lottery Held / Tenant Selection begins	April 2023
Construction Completion	June 2023
Certificate of Occupancy	July 2023
Sustained Occupancy	July 2023

HAC will communicate regularly with the Affordable Housing Trust, other town boards, and representatives of the neighborhood throughout the project.

## **Financing and Cost Savings**

# Housing Development on Cape Cod – Cost Comparisons

## Construction Costs for Recent HAC projects:

- Brewster Woods (2021) - \$420/SF
- 950 Falmouth Road, Mashpee (2021) - <sup>30 units</sup> Recent Contractor Estimate - \$338/SF
- Lofts at 57, Hyannis (2019) - 228/SF - 8 Pre-COVID pricing; simpler building design and materials.

## Town Subsidies on Recent Housing Projects

- Lofts at 57, Hyannis - Town of Barnstable funding \$200,000 per affordable unit
- Town of Yarmouth, Buy Down Programs - Provides \$150,000 per affordable unit (homeownership)
- Town of Wellfleet, Buy Down Programs - Provides \$175,000 per affordable unit (homeownership)
- Town of Orleans, John Hinckley Estates - \$125,000 per unit for 4 units
- FORWARD at the Rock - \$125,000 per unit from local CPCs

107 Main Street Budget – consistent with current regional costs

\$350 per SF Construction Cost  
Town subsidy of \$134,000 per unit

107 MAIN STREET, ORLEANS

## Revised Budget

Sources	Original Budget	Revised Budget	Description
Town of Orleans - AHT	\$ 2,000,000	\$ 1,876,625	Reduced from RFP
CSHI	\$ 1,700,000	\$ 1,700,000	maximum amount for CSHI Program
First Mortgage Lender	\$ 1,500,000	\$ 1,500,000	
CEDAC Predevelopment Grant	\$ 15,000	\$ 15,000	
Deferred Development Fee	\$ 223,160	\$ 223,160	5% of developer fee
HAC Equity	\$ 150,000	\$ 150,000	Cash contribution
<b>TOTAL</b>	<b>\$ 5,588,160</b>	<b>\$ 5,464,785</b>	<b>\$ -</b>
<b>Uses</b>			
Construction Cost	\$ 4,112,500	\$ 4,112,500	savings possible
Construction contingency	\$ 411,250	\$ 287,875	reduced from 10% to 7% - savings possible
Soft Costs	\$ 310,900	\$ 310,900	
Soft Cost Contingency	\$ 15,000	\$ 15,000	savings possible
Reserves	\$ 75,000	\$ 75,000	
Developer Fee/OH	\$ 663,510	\$ 663,510	15% of eligible costs (offset in sources)
<b>TOTAL Development Cost</b>	<b>\$ 5,588,160</b>	<b>\$ 5,464,785</b>	
<b>TOTAL Per Unit Cost</b>	<b>\$ 399,154</b>	<b>\$ 390,342</b>	

### What is the Developer Fee for?

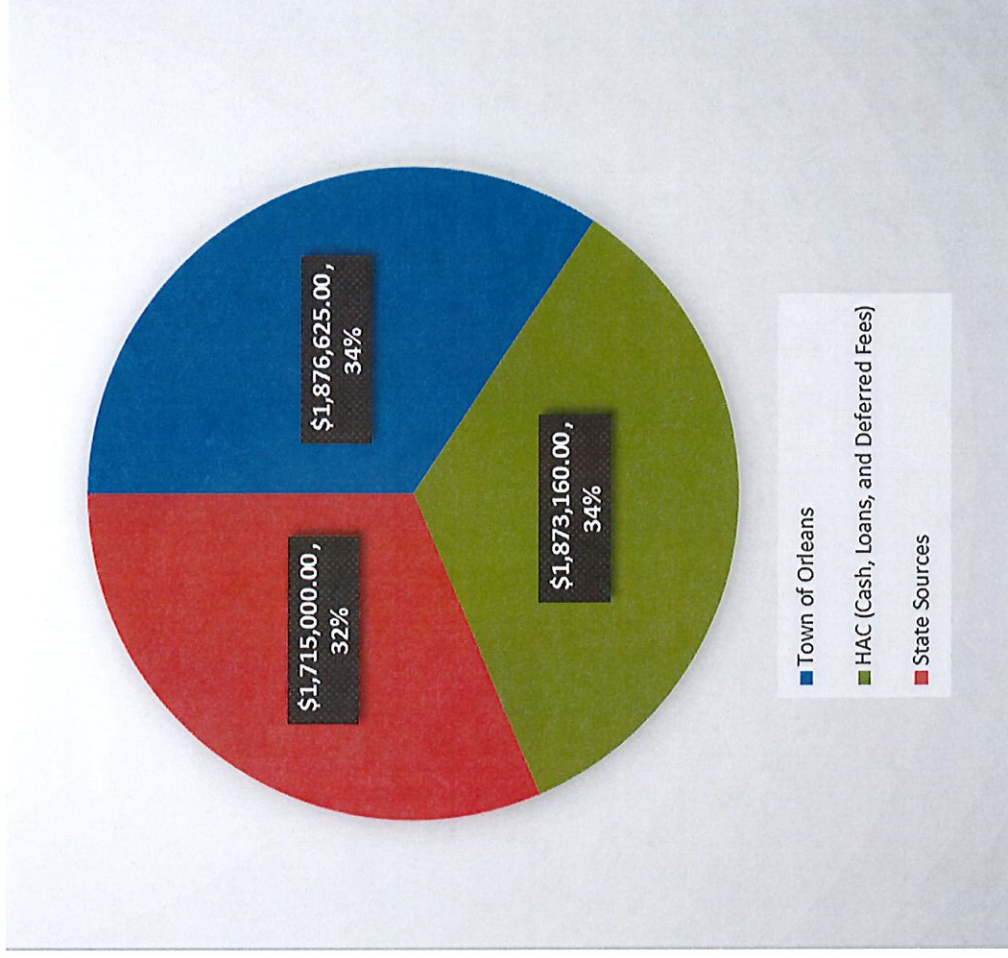
- Required by State funders to ensure long-term financial sustainability of nonprofit developer
- Covers HAC staffing and overhead costs to complete the project and developer profit

HAC has a 15% developer fee included as an project use, however, we are deferring 5% of the fee as an equity contribution to the project (included a funding source).

## Sources of Funds

Sources	Budget
Town of Orleans - AHT	\$ 1,876,625.00
CSHI	\$ 1,700,000.00
CEDAC Predevelopment Grant	\$ 15,000.00
First Mortgage Lender	\$ 1,500,000.00
Deferred Development Fee	\$ 223,160.00
HAC Equity	\$ 150,000.00
<b>TOTAL</b>	<b>\$ 5,464,785.00</b>

- HAC will work to identify other project sources”
- Project Savings to:
  - Reduce Rents
  - Savings sharing between Town, State funders, and HAC



# Approach to Project Cost Savings

## Development Budget Savings



Reduce Contingency Budget



Unused Contingencies



Reduction in Construction Cost

## Operating Budget Savings



Lower Interest Rate



Reduction in reserve account

# Ongoing Management

- HAC Committed to long-term success of the project
- Open communication with neighborhood
- Financial Sound Operating Budget
- POAH Communities – Experienced Property Management with focus on positive community impact

## **Summary**

- **Housing Shortage / Crisis**
- **Costs reflect reality of current market**
- **Town contribution in line with regional local subsidies**
- **Professional and Experienced Team**

**Questions?**



**107 MAIN STREET, ORLEANS**