



Affordable Rental Housing at 107 Main Street, Orleans, MA



PROPOSAL TO THE ORLEANS AFFORDABLE HOUSING TRUST

Submitted By:

HOUSING ASSISTANCE CORPORATION
| 460 WEST MAIN STREET, HYANNIS, MA 02601

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DEVELOPER AND DEVELOPMENT TEAM

Housing Assistance Corporation (HAC) will act as the developer and work closely with the Town of Orleans Affordable Housing Trust, its consultants, and other key partners to carry out the successful development of a new community at 107 Main Street.

HAC is a Section 501c(3) not-for-profit corporation registered to do business in the state of Massachusetts. HAC will create a single-purpose entity to act as the owner entity of the project, as is typically required by lenders. A list of HAC Board of Directors is provided below:

NAME	EMPLOYER, POSITION, AREA OF EXPERTISE
Peter Muise, (Board Chair)	Former President and CEO of First Citizens’ Federal Credit Union
Peter Freeman (Board Vice Chair)	Freeman Law Group, Partner
Liam Cahill (Board Treasurer)	Cape Cod Five Cents Saving Bank, Director, Residential & Consumer Lending Operation
Ashley Moore Baker (Board Clerk)	International Fund for Animal Welfare (IFAW), Director of Corporate and Foundation Relations
Cathy Gibson (Board Clerk)	Former Client; Massachusetts Department of Transitional Assistance Social Worker
Bill Bogdanovich	President and CEO of Broad Reach Healthcare
Elaine Bolognese	Woods Hole Oceanographic Institute, Director, Financial Planning & Analysis
Cliff Carroll	President and CEO, Carrol Commercial, Real Estate and Mortgage Broker
Margaret Hayes	Former Client; Carpet Barn General Manager
Paul N. Melville	Family Continuity/Cape Cod and Nantucket Family Resource Centers
Susan Rohrbach	Retired, former District Director for State Senator Daniel Wolf
Paul Ruchinkas	Retired, Former Cape Cod Commission, Affordable Housing Specialist
Kumara Sidhartha, MD, DPH	Cape Cod Healthcare
Raymond Tamasi, Med, LADC, LCSW	Gosnold Treatment Center, President/CEO
Tara Wallace	Former Client; Independence House, Inc., Social Worker
Ron Winner	E.J. Jaxtimer Builder, Building Specialist
Linda Zammer	Cape Cod Restaurant Group Owner



KEY HOUSING ASSISTANCE CORPORATION STAFF

The following are key full-time Housing Assistance Corporation staff who will be involved and may represent HAC for various aspects of the 107 Main Street Project, should HAC be selected as developer. Additional support staff may be involved as needed. Resumes for each staff person are provided as an attachment to this proposal.

Name	Title	Role	Contact Information	Approx. % of Time on Project
David Quinn	Director of Housing Development and Planning	Project Manager	dquinn@haconcapecod.org 508-771-5400 x288 Mobile: 508-280-8465	50%
Keith Trott	Director of Maintenance and Housing Production	Construction Supervisor and Technical Support	ktrott@haconcapecod.org 508-771-5400 Mobile: 508-367-2048	30%
Steve Ferris	Chief Financial Officer	Financial Oversight of the Project	SFerris@haconcapecod.org 508-771-5400 x259	10%
Alisa Magnotta	Chief Executive Officer (CEO)	Project Oversight / Organizational Support	alisa@haconcapecod.org 508-771-5400 x 225	5%
Walter Phinney	Chief Operating Officer	Project Oversight / Organizational Support	wphinney@haconcapecod.org 508-771-5400	5%
Gael Kelleher	Director of Real Estate	Lottery Administration and Tenant Selection	gkelleher@haconcapecod.org 508-771-5400 Mobile: 508-364-8593	25% during lottery and lease up



Development Team

As the developer, HAC will provide complete project management and development services and will be responsible for the planning, permitting, financing, construction oversight, property management and long-term asset management of the new rental community. HAC has assembled a strong team with experience in successfully completing projects similar to 107 Main Street in key ways – e.g., other new construction projects of a similar size; in comparable locations and with comparable site issues; targeting low-to-moderate income families; involving 40B permitting; private septic; sustainability features; similar financing; and collaboration with a Town Affordable Housing Trust. Additional details about HAC’s development experience are provided later in this proposal. HAC will be joined in this endeavor by a multidisciplinary development team including, POAH Communities

DEVELOPER	Housing Assistance Corporation David Quinn, Director of Housing and Planning 460 West Main Street, Hyannis, MA (508) 771.5400, dquinn@haconcapecod.org
PROPERTY MANAGEMENT COMPANY	POAH Communities Terri Powell-Rands Senior Vice President & COO trands@poahcommunities.com 816-886-4117
ARCHITECT	SV Design Thaddeus Siemasko, AIA, Principal 978-927-3745 extension 201 svdesign.com 126 Dodge Street Beverly, MA 01915
ENGINEER	Coastal Engineering Company, Inc Bradford P. Malo, Sr. Project Manager 260 Cranberry Highway, Orleans, MA 02653 Phone 508-255-6511 ext. 350
LEGAL (PERMITTING)	Freeman Law Group Peter Freeman, Partner 86 Willow Street, Yarmouthport, MA 02676 (508) 362-4700 pfreeman@freemanlawgroup.com

(POAHC), as the property manager, SV Design as the project architect, Coastal Engineering as site engineer and wastewater consultants, and Peter Freeman Law Group as permitting attorney.

The members of the development team and their primary contact address, phone and email are listed in the chart above. Team member experience and relevant background information is provided in the subsequent sections of this proposal. Company profiles and resumes for each team member are provided as an attachment to this proposal.

While HAC has not yet selected a general contractor for this project we have worked with a variety of local contractors on previous projects. In selecting a GC for this project HAC will develop a formal set of selection criteria, which will include both pricing and prior experience building projects of this scope on time and on budget. In keeping with requirements for state

funding sources, HAC will document the contractor bidding process and criteria for the selection of the project GC.

Experience and Capacity

Launched in 1974, Housing Assistance Corporation is a nonprofit that provides essential housing services to low- and middle-income households on Cape Cod, Martha’s Vineyard, and Nantucket. Our mission is to strengthen the Cape and Islands region by empowering individuals, fostering community connections, and increasing year-round affordable housing opportunities.



We were founded to administer rental assistance programs for Cape Cod and the Islands and to provide year-round housing to the region’s workforce, seniors, and disabled individuals. Our work has expanded to encompass a range of programs and services that prevents homelessness; stabilizes housing; and empowers households to achieve their personal and professional goals, using housing as the catalyst: We annually serve an average of 5,000 households in our region in three main areas:

- Homelessness Prevention – We operate four family shelters which includes Angel House in Hyannis, Carriage House in North Falmouth, Scattered Sites in Hyannis, and the Village at Cataumet in Bourne. We also conduct homeless outreach to individuals living in the streets and woods of Cape Cod to connect them to the services they need to move into permanent housing. We also prevent families and individuals from becoming homeless, using public and private funding to ensure we can support both low- and middle-income households with emergency financial assistance.
- Housing Stabilization – We administer over 1,200 housing vouchers, providing essential rental assistance to households in our region. We also conduct free energy audits and weatherization measures for low-income households. Since our inception, we have developed over 550 units of affordable housing and have 120 units in our pipeline over the next three to four years.
- Empowerment – We offer one-on-one foreclosure prevention and reverse mortgage counseling. We also conduct a series of financial literacy classes, including Money Matters, which provides practical strategies for households to take control of and strengthen their personal finances. Our classes also include a First-Time Homebuyer workshop to help our clients realize their dreams of homeownership. Since 2017, we

have organized the Cape Housing Institute to provide municipal officials with the tools, education, and resources needed to boost affordable housing in their communities. We also organize Cape Housing Advocacy Training to give the general public the education, skills, and confidence to speak up in favor of the affordable housing needed in their towns. And our nonprofit Cape Community Real Estate department connects individuals and families to affordable and attainable homeownership opportunities in our region.

HOUSING DEVELOPMENT EXPERIENCE

Housing Assistance Corporation (HAC) is the largest developer of affordable housing on Cape Cod and the Islands. Since our inception, we have constructed over 550 units of affordable housing with another 120 units in our development pipeline over the next few years.

Most recently, Housing Assistance completed the Lofts at 57 on Ridgewood Avenue near downtown Hyannis in July 2020. This pocket neighborhood consists of 8 apartments that includes 2 affordable units and 6 market rate ones. We are serving as the property manager for the development.



Lofts at 57, Hyannis – Ribbon Cutting 2020

We also served as a consultant for FORWARD (Friends or Relatives with Autism and Related Disabilities) for their project, FORWARD at the Rock in Dennis, which added 8 new affordable apartments for adults on the autistic spectrum. FORWARD at the Rock was completed last October.



FORWARD at the Rock, Dennis

In the fall of 2018, we finished construction on High Meadow Townhomes, the third and final phase of an affordable housing development that brought a total of 117 units of mixed-income apartments to Bourne. We partnered with the Preservation Of Affordable Housing (POAH), a national nonprofit that specializes in building and managing affordable housing developments, on the project.

Our partnership with POAH is continuing on the three developments currently in our pipeline. These include Brewster Woods which will bring 30 affordable apartments to Brewster; Falmouth Road which will bring 39 affordable apartments to Mashpee; and Cape View Way which will bring 51 affordable apartments to Bourne.

Our organization has an internal Housing Development Department which has expertise in identifying potential parcels for constructing affordable housing; managing feasibility studies as well as the design and permitting process for affordable housing developments; working with municipal officials and the general public on building support for affordable housing projects; navigating the financing necessary to making affordable housing projects possible; and overseeing the construction of affordable housing developments.

HAC also has a full-service nonprofit real estate department, Cape Community Real Estate (CCRE), that assists residents in the purchase and sale of affordable and market rate homes. CCRE also conducts affordable housing lotteries and will oversee the marketing and lottery process for 107 Main Street (see "Marketing Strategy and Lottery" section). Since 1990, CCRE has conducted hundreds of homeownership lotteries throughout Cape Cod and the Islands, both for HAC projects as well as private and nonprofit developers, resulting in affordable homes and apartments throughout the region. We can ensure the marketing, tenant review, and lottery process adheres to local and state rules and regulations.

HAC also self manages 38 units of rental housing (including apartment complexes, condo units, duplexes, and single-family homes), several shelters, and our commercial office space. A full list of HAC real estate assets is included as an attachment. In addition to the properties that we self-manage we partner with POAH Communities to manage a number of our larger rental housing developments, including Kimber Woods, Lombard Farms, and Southside Village. POAH Communities will be the property manager for 107 Main Street



Sachem's Path, Nantucket – Under construction



Great Cove Community, Mashpee



LIST OF HAC AFFORDABLE HOUSING PROJECTS:

PROJECT NAME	LOCATION	YEAR BUILT	# OF UNITS	TYPE OF PROJECT
Cape View Way	Bourne	2024	51	Rental (in permitting)
950 Falmouth Rd	Mashpee	2023	39	Rental (pre-development)
Brewster Woods	Brewster	2022	30	Rental (under construction)
Lofts at 57	Hyannis	2020	8	Rental
FORWARD at the Rock*	Dennis	2020	8	Special Needs / Group Home
Sachem's Path	Nantucket	2018	40	Homeownership
High Meadow Townhomes**	Bourne	2019	44	Rental
Clay Pond Cove**	Bourne	2012	45	Senior Rental
Canal Bluffs**	Bourne	2009	28	Rental
Kimber Woods**	Barnstable	2009	28	Rental
Lombard Farms**	Barnstable	2009	12	Senior Rental
Melpet Farms**	Dennis	2009	27	Rental
Great Cove Community	Mashpee	2014	10	Rental
Southside Village	Barnstable	2005	14	Rental
The Homesteads	Sandwich	2007	16	Homeownership
Gallagher Lane	Barnstable	2005	7	Homeownership
Cape Cod Senior Residences	Bourne	2005	60	Assisted Living & Senior Rental
Wells Court	Brewster	2005	24	Rental
Brush Hill	Yarmouth	2007	4	Special Needs
Anthony Drive	Barnstable	1988	12	Homeownership
Founder's Court	Barnstable	1987	32	Rental
Chase House	Barnstable	1986	6	Group Home
Hillside Village	Vineyard Haven	1982	40	Senior Rental
Our Island Home	Nantucket	1984	18	Rental
Self Help Housing	Regional	1978-84	72	Homeownership

*HAC development consultant, ** HAC/POAH Partnership

Lofts at 57 (Hyannis)



Location: Hyannis, MA

Project Type: Mixed income rental

Project Scope: Infill development - 8 units on three-quarters of an acre. Three buildings of multifamily residential units, including a parking lot with 13 spaces. (1) two-family dwelling and (2) three-unit townhouses with 8 total units and a total floor area of 6,564 square feet (excluding basement space).

Income Mix: 6-unit at Market Rate, 2-units Affordable at 80% AMI

First Mortgage Lender: MassDevelopment - \$1,100,000

Other Lenders:

- Community Scale Housing Initiative - (AHTF / MassHousing) - \$125,000.00
- Community Scale Housing Initiative - Housing Stabilization Fund (HSF) - \$125,000.00
- Barnstable CPC - \$200,000
- Barnstable - Affordable Housing Growth and Development Trust Fund - \$350,000
- HAC Equity - \$291,361.21
- Charlesbank Homes - \$50,000

Permitting: Development Agreement with the Town of Barnstable (May 2018)

Construction Start: October 2019

Construction Completion: July 2020

Lease-Up Completion: August 2020 (Lottery for 2 affordable units)

Total Development Costs: \$2,241,361.21

Project Narrative: HAC acquired the property on the open market. It was a long-neglected property with a dilapidated unfinished foundation that was an eyesore to the neighborhood. HAC and our design team worked closely with the Barnstable Planning and Development Department to develop a concept that fit into the character of the surrounding neighborhood but also provided enough density to make the project feasible. HAC had the full support of Town staff and elected boards as we sought zoning relief to allow for a multi-family development in district zoned for single family housing.

Other Project Features Relevant to 107 Main Street:

- Use of Community Scale Housing Initiative (CSHI) Funds
- Constructed using modular building (being considered for 107 Main)
- Demo of existing structure and rebuild



Lombard Farm & Kimber Woods (West Barnstable Communities)



Location: West Barnstable, MA

Project Type: Senior rental housing (Lombard Farm) & Family rental housing (Kimber Woods)

Project Scope:

- Lombard Farm Woods - 12 units - new construction of a single building containing all 1 BR units & community room
- Kimber Woods – 28 units – new construction townhomes – (16) 2BR and (12) 3BR

Income Mix: 100% Affordable

(Units set aside for 30% AMI (project based), 50% AMI and 60% AMI)

First Mortgage Lender: Massachusetts Housing Partnership - \$2,070,000

Other Lenders:

- DHCD - \$2,750,000
- Barnstable CPA - \$300,000
- Barnstable County HOME Consortium - \$400,000

Permitting: 40B – SEL issued by DHCD on 06/19/2006.

Comprehensive Permit issued on 12/21/2006

9% Tax Credit Award: August 2007

Construction Start: March 2008

Construction Completion: March/April 2009 (projected and actual)

Lease-Up Completion: July 2009 (Lease-up involved two separate lotteries)

LIHTC Investor: Massachusetts Housing Investment Corporation (MHIC)

Lease-up installment: August 2009

Total Development Costs: \$11,315,420

Project Narrative:

HAC had responded to a Town of Barnstable RFP seeking a developer to create affordable housing on two town-owned parcels. After having been granted development rights, HAC engaged POAH as development consultant, partnering to complete the permitting, financing and construction of these two distinct properties, Lombard Farm and Kimber Woods. Securing separate 40B permits for each property, HAC and POAH secured financing from 9% tax credits, MHP, the Affordable Housing Trust Fund, and Barnstable County HOME and Community Preservation Act funds. Lombard Farm was designed with I/A septic systems and required adherence to the Natural Heritage and Endangered Species Program (NHESP) eastern box turtle conservation plan. The projects were completed on-time and within budget, with a highly successful lease-up.

Other Project Features Relevant to 107 Main Street:

- Town sponsored (on Town-owned land)
- 40B permitting process
- Advanced treatment (I/A) septic system
- Long term management by POAH Communities



High Meadow Townhomes, Bourne



Location: Bourne, MA

Project Type: Family Rental Housing

Project Scope: 44 units. The third and final phase of a 117-unit development. New construction 10 buildings with 24 – 2BR and 20 – 3BR

Income Mix: 80% Affordable. Units set aside for 30% AMI (Section 8 PBV), 50%, 60%, 75% AMI

First Mortgage Lender: MassHousing - \$3,391,000

Other Lenders:

- DHCD - \$1,868,000
- Barnstable County HOME Consortium - \$250,000
- MassHousing Workforce Funding - \$700,000
- HAC/POAH (Deferred Fee)- \$ 282,911

Permitting: 40B Comprehensive Permit

9% Tax Credit Award: September 2016

Construction Start: July 2017

Construction Completion: Projected – November 2018; Actual - December 2018

Lease-Up Completion: January 2019. Lease-up involved lottery with local preference

LIHTC Investor: Boston Capital

Total Development Costs: \$14,122,000

Project Narrative:

High Meadow Townhomes is the third phase of a 117-unit affordable housing project in Bourne that includes Canal Bluffs and Clay Pond Cove. Newly constructed in 2018, it consists of 44 mixed-income, two-bedroom and three-bedroom apartments. Located less than a mile from the Bourne Bridge at the gateway of Cape Cod, High Meadow has easy access to commercial areas, shopping, employment centers and transportation.

In 2007, HAC received a comprehensive permit to construct a three-phased residential community on the 17-acre parcel of land that had been slated for a high-tech startup company. HAC partnered with POAH as co-developers. The team secured a Title V permit for the construction and operation of the first phase of the development called The Residences at Canal Bluffs. The completion of Canal Bluffs in 2009 paved the way for a second phase, Clay Pond Cove, completed in 2011, which included the final build out of a sustainable wastewater treatment plant that serves the whole Canal Bluffs residential community and the abutting retail shopping center. This third and final phase of the project was made possible by \$7.6 million in 9% low income housing tax credit equity from Boston Capital and a first mortgage from MassHousing, along with funding from CEDAC, DHCD, Barnstable County Home Consortium, Rockland Trust and MassHousing’s Opportunity Fund. High Meadow Townhomes marks the completion of the Canal Bluffs development, which brings 117 much-needed affordable, workforce and market-rate apartment homes for families and seniors to Cape Cod.

Other Project Features Relevant to 107 Main Street:

- 40B permitting process
- Long term management by POAH Communities
- All units are included in Subsidized Housing Inventory (SHI)



Melpet Farm



Location: Dennis, MA

Project Type: Family rental housing

Project Scope: New construction of 27 townhouse units in 8 residential building and one community building.

Construction Start: November 2014

Construction Completion: Projected – December 2015; Actual – January 2016

Income Mix: 100% Affordable - Units set aside for 30% AMI (project based), 50% AMI and 60% AMI

First Mortgage Lender: Massachusetts Housing Partnership (MHP) - \$1,090,000

Other Lenders:

- DHCD - \$2,300,000
- Town of Dennis CPA- \$470,000
- Barnstable HOME Consortium - \$175,000
- HAC/POAH – Deferred Fee - \$156,000

Permitting: Special Permit issued on 07/20/11

Lease-Up Completion: March 2016 (Lease-up involved lottery with local preference pool)

LIHTC Investor: The Richman Group (direct investor Bank of America)

Lease-up installment: June 2016

Total Development Costs: \$10,631,000 – project was delivered under budget by \$150,000

Project Narrative:

In 2010, the Town of Dennis designated HAC as the developer for the 6.4-acre former Melpet Farm site, located within a historic district along Route 134. HAC subsequently brought POAH in as a co-developer. Zoning for the project made use of a local affordable housing bylaw, and the site’s development includes the implementation of a regulatory agreement, deed restrictions, and a land lease with the Town of Dennis. The project includes many innovative sustainability features, and is designed as a “near net zero energy” project, producing as much energy as it uses via roof-mounted solar panels. The project was awarded tax credits and other DHCD funding in November 2013 and was one of the first LIHTC projects receiving 2013 credits to close. Construction began in November 2014 and in the mist of the harsh winter of 2015 still managed to complete in January 2016 only 1 month off its targeted completion date.

Other Project Features Relevant to 107 Main Street:

- Town funding
- Town owned land disposition,
- Energy focused design





Financial Capacity

HAC will provide all the necessary guarantees for its respective project components as required for project financing and consistent with industry practice. HAC is financially sound and has the financial resources to do so: the organization has a robust balance sheet, with \$10,357,693 million in net assets and \$4,191,762 million in unrestricted cash. HAC is experienced with the guarantees typically required for transactions of this type, has a track record of working with state and local financial institutions, and has a history of successfully completing projects on schedule and within budget. Upon request, HAC can provide letters from our primary banking partners showing that all accounts are in good standing and have liquidity as well as audited financial statements showing that the company is financially sound.

HAC also has experience with a variety of public sources and programs for affordable and mixed-income housing, including federal and state LIHTCs; HUD community development programs, including CDBG and HOME, Local Community Preservation Funds and Affordable Housing Trusts, and other DHCD and MassHousing programs such as the Community Scale Housing Initiative (CSHI), which is a proposed funding source for this project.

References

Please contact the below references regarding HAC’s work in other nearby communities.

Contact Name / Town	Contact Info	HAC Projects in Community
Elizabeth Jenkins Town of Barnstable Director, Planning and Development Department	elizabeth.jenkins@town.barnstable.ma.us p: 508-862-4678	Lofts at 57, Hyannis (2020) Kimber Woods, W. Barnstable (2009) Lombard Farms, W. Barnstable (2009)
Tucker Holland Town of Nantucket Municipal Housing Director	tholland@nantucket-ma.gov p: 508-228-7200 ext. 7023 c: 802-233-3177	Sachem’s Path (2018)
Daniel J. Fortier Town of Dennis Town Planner	dfortier@town.dennis.ma.us p: 508-760-6119	FORWARD at the Rock (2020) Melpet Farms (2016)
Evan R. Lehrer Town of Mashpee Town Planner	ELehrer@mashpeeema.gov (508) 539-1400 ext. 8521	950 Falmouth Rd (in predevelopment) Great Cove Community (2014)

DEVELOPMENT CONCEPT

HAC is pleased to have the opportunity to bring the Orleans Affordable Housing Trust's vision for 107 Main Street into reality. The proposed design is one that expands housing options for Orleans residents and addresses the AHT's goal to create an attractive and sustainable development that is consistent with the historic character of the neighborhood. In putting together this project concept, HAC closely reviewed the planning and visioning materials that were prepared by the AHT, the Town of Orleans Design Guidelines, and all of the public comments provided by residents of the surrounding neighborhood. The design is based on the initial farmhouse concept developed by SV Design in collaboration with the AHT but modified to better function on the site and fit HAC's preferred unit mix. HAC is excited to have SV Design join our development team as project architect and expand on the initial concepts that they produced for the AHT. The development plan is also design to fits likely funder priorities. HAC has experience developing projects very similar in many key ways to 107 Main Street, and we are fully prepared to begin working collaboratively with the AHT to ensure that all abutters and other stakeholders are thoughtfully heard and appropriately responded to.

The project narrative that follows will describe key elements of the proposed project in more detail.

Units

HAC understand the housing needs on the Cape at all income levels and household sizes. This proposal is aimed at meeting the housing demand for moderate-income households, sometimes called the "missing middle" or "workforce housing." We have provided a baseline and an alternative scenario, both of which use the same building design and site layout to provide 14 units and 20 bedrooms, but with a different mix of affordability and potential funding sources. We have worked to craft a proposal that best meets local needs, working within the parameters of the site and the likely financing availability.

In deciding on the proposed unit mix, HAC tried to balance several different factors, including:

- Maximizing the housing potential on the site without sacrificing aesthetics and neighborhood characteristics.
- The need to meet the design requirements of the AHT and state affordable housing funding sources.
- The strong local demand for one- and two-bedroom units. These smaller energy efficient units are in short supply on the Outer Cape, and many residents are over-housed as a result. The 2017 Orleans Housing Study indicates that the "the average home was medium-sized with three bedrooms" (p. 47).
- The Comprehensive Permit (40B) requirement that at least 10% of the units are three bedrooms.



- To include at least one fully handicap accessible unit, and make all units “visitable” by handicap individuals.

BASE SCENARIO UNIT MIX:

HAC’s base scenario includes 14 units, all of which will be occupied by households that are at or below 80% of Area Median Income, are committed to be affordable in perpetuity, and meet all requirements for listing on the State Subsidized Housing Inventory (SHI). All 14 units in this scenario are intended to be eligible for state funding through the Community Scale Housing Initiative (CSHI) (See “Financial Strategy” section)

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
TOTAL	14				

ALTERNATIVE SCENARIO UNIT MIX:

HAC’s Alternative Scenario includes the same number of units and bedroom mix as the base scenario. However, we have increased the maximum household income threshold on 5 of the 14 units to 100% AMI. 9 units will remain as affordable to household at 80% AMI. This approach is desired by the AHT and HAC will seek funding from MassHousing Workforce Housing Initiative. (See “Financial Strategy” section).

Unit Type	Number of Units	Unit Size	Max Allowable Gross Rent	Utility Allowance (UA)	Max Allowable Rent (Gross Rent - UA)
1 BR (80% AMI)	6	732-770 SF	\$1,361.25	\$113.00	\$1,248.25
1 BR (100% AMI)	3	732-770 SF	\$1,702.50	\$113.00	\$1,589.50
2 BR (80% AMI)	2	787 SF	\$1,555.00	\$134.00	\$1,421.00
2 BR (100% AMI)	2	787 SF	\$1,945.00	\$134.00	\$1,811.00
3 BR (80% AMI)	1	1064 SF	\$1,930.00	\$179.00	\$1,751.00
TOTAL	14				

Site and Architectural Plans

The project is a proposed 14-unit development of affordable one-, two- and three-bedroom rental apartments in one structure designed with three sections in the style of a historic Cape Cod home.

Site Design

In developing our proposed concept, we took in consideration that the 1.25-acre site is somewhat narrow and deep and has side lines which angle off acutely from Main Street. The property is sloped back-to-front with an approximate 10' grade difference from front to back. There are two mature trees along the frontage that are part of a continuous row along Main Street that we have incorporated into the landscaping plan. Special consideration was also given to how the building will look from Quail Hill Lane, a small private road along the western edge which services several residential properties surrounding the site. The area contains a regular pattern of well-maintained historical homes and as a result the current building, set back from the road, leaves a gap in the visual rhythm of Main Street.

Accordingly, our proposed site design response is as follows:

- Raze the existing building and place the new building near Main Street and turn it to be roughly perpendicular to the road, filling in the 'missing tooth' created by the current use of the property.
- Locate the building to the west side of the property away from Quail Hill Lane. There will be no use of Quail Hill Lane except for emergency vehicles.
- Site access is designed to fall between the two major trees, preserving them, and offering good sight lines to drivers entering and exiting the site. The existing site access is further to the west; moving the entrance to the east creates some additional distance from the nearby intersection and better lines of sight.
- The 28-car parking lot is designed with a twist and significant landscape islands to bring it to a more residential scale. This scale reduction is also aided by the grade change.
- A pedestrian walkway system has been designed to maximize utility and allows full visibility by residents and guests to all units. A bike rack will be included.
- The parking lot will be lit only to the minimum code requirements with dark sky-compliant cut-off type fixtures on low poles. Walkways will be lit by low bollard post lights, where necessary, for safety. Generally, exterior building lighting is located in horizontal soffits, where available, to minimize glare to adjacent properties.
- Existing trees have been preserved to the extent possible and additional trees have been added along with strategically placed evergreen hedges to screen the project from direct

abutters. Traditional split-rail fencing has been added to define edges where appropriate.

- A small maintenance shed and fully-screened enclosed dumpster have been located in an area where they will have the least impact.
- A septic system field location is located to the south of the property and storm water management will be provided on the lower north side where surface water flows naturally. The design of these will be developed if HAC is selected. The site engineer for the project, Coastal Engineering, has reviewed the proposed site layout and believes the overall sizing of the wastewater and stormwater systems is appropriate.
- Outdoor air conditioning and heating units will be screened with landscaping elements and hidden from view as much as possible.

Building Design

The long narrow aspect of the site suggested that the building massing follow and this allows for a fairly large building that will have minimum visual impact from the road. The building program and past history of the property strongly suggest the use of the 'big house-little house-back house-barn' typology which is common in the area and which previously existed on this site.

The 'big house' contains 4 two-bedroom units in a traditional style building with the gable end facing the road. Like all 'buildings', this is designed to be modular should that prove cost effective. All units in the project will be fully sprinklered. This building contains a full basement for main mechanical and electrical systems and tenant storage.

The little house and back house contain a three-bedroom unit and a one-bedroom fully accessible unit. The accessible unit also includes a storage shed since access to the basement storage would be difficult for a handicapped individual.

The connector to the 'barn' provides a small management office and conditioned maintenance room.

Lastly, the 'barn' contains 8 one-bedroom duplex type units with individual unit access. All buildings 'march up the hill' as they conform neatly to the adjacent existing grade to the extent possible.

The proposed plans at this stage do not contain fully specifications finish types and material. If HAC is selected, we will work closely with SV Design and seek input from the AHT and material suppliers to ensure that the building achieves its intended aesthetic qualities and is cost effect to build. At this time, our vision is for exterior materials and detailing to follow along the lines of the historic homes in the area. Detailing of window trim/sills, eaves and rakes, corner boards and water tables will be studied to enhance the reading of the project as a traditional building.

Roofing will be architectural asphalt in a charcoal gray color with rake overhangs. A small amount of metal roofing will be used at the lower level of the barn. Siding will be a combination of cementitious white clapboards with a traditional exposure along with cementitious shingles in a natural weathered gray for the 'barn.' All trim will be white. All windows will be simulated divided white wood windows with a white aluminum cladding. Windows will be divided in a traditional pattern.

Sustainability Features and Green Building Elements

The apartment layouts within the building allows each unit type to stack, creating an efficient design that allows for compact plumbing runs and HVAC configurations. The project is designed to employ modular construction which greatly eliminates construction waste. The apartments themselves include WaterSense labeled plumbing fixtures to help minimize indoor demand for water, and Energy Star rated appliances and lighting as energy reducing techniques. Apartment bathrooms will be provided with continuously operating exhaust fans to help control moisture. For water management best practices, apartment flooring is either resilient tile or ceramic tile, which provide durable, long lasting, and easy to maintain flooring. The building will be Energy Star Multifamily New Construction certified.

The building will include energy-reducing features such as high-efficiency individual unit heat pumps; LED/Energy Star light fixtures; increased and continuous building insulation to meet rigorous Massachusetts Stretch Code requirements through the use of closed cell spray foam; rigid and batt insulation; and Low-E insulated window glazing with increased U-Factor values. Motion sensors are specified for corridor and stair lighting as to further reduce energy consumption in the project. Dedicated areas will be provided inside the units for the collection and storage of building occupants' recyclable materials. Additionally, walk-off mats are provided at any common building entrance to help capture contaminants before entering the building. Interior finishes will be specified with low VOC content, and local materials from local manufacturers will be used to the greatest extent possible. As a best practice, the project will prohibit smoking throughout the building and site.

The project site is not an existing wetland, floodplain, or farmland, and is not within 100 feet of a body of water. Existing infrastructure for water and electric is available from Main Street. Sited at the western side of the property, the building takes advantage of the existing topography requiring very little cut/fill to the proposed grading design. The existing tree buffer at the perimeter of the property, including Main Street, will be largely retained and reinforced, resulting in minimal disturbance to the existing landscape on site. The landscape design will not include invasive plant species and will be held off the building's perimeter by a stone drip edge for ease of maintenance and longevity. Bicycle parking is provided on-site with basement storage to aid in reducing vehicle travel.



DESIGN CRITERIA SUMMARY TABLE

HAC’s development concept is crafted around the design criteria in the RFP that was developed by the Affordable Housing Trust. The below table summarizes the various RFP base scenarios and indicates HAC’s proposal

Category	Base Scenario – Proposed in RFP	HAC Proposal	Alternate Scenario
Number & type of housing units	14 units with a total of 20 bedrooms. 1 fully handicap accessible unit.	Meets base scenario	N/A
Household income	All of the units will be occupied by households that are at or below 80% of Area Median Income, are committed to be affordable in perpetuity, and meet all requirements for listing on the State Subsidized Housing Inventory.	Meets base scenario	9 units at 80% and 5 units at 100% AMI. Alternative scenario would include 4 units funded by the Workforce Housing Initiative (MassHousing)
Architectural design and site plan	Historic Snow house (see history referenced above) or New England farmstead (main house/small house/barn)	Meets base scenario. New England Farmstead design	N/A
Architectural design and site plan	Oriented to Main Street frontage	Meets base scenario	N/A
Architectural design and site plan	Building height of no more than 30 feet or consistent with historic height	The building can be designed to meet the 30’ height limit, but feel the scale of the barn warrants a 32’ height	32 feet
Architectural design and site plan	Front setback of no less than 25 feet or consistent with historic setback	At 27’ +/- is consistent with historic setback	Setback proposed is 27’ +/-
Architectural design and site plan	Notable trees preserved	Meets base scenario	N/A



<p>Architectural design and site plan</p>	<p>Built to LEED or comparable residential energy and environmental standards</p>	<p>At this time, we cannot commit to LEED standards due to cost concerns. However, we plan to conduct feasibility study for Passive House Energy Standards and to work closely with the Cape Light Compact and MassSave to maximum energy savings incentives for the project.</p>	<p>Town of Orleans Stretch Energy Code Compliant</p> <p>See "Sustainability Features and Green Building Elements" section for narrative on environmental features planned.</p>
<p>Architectural design and site plan</p>	<p>Sustainable and attractive design</p>	<p>Meets base scenario – based on farmhouse concept provided in RFP materials.</p>	<p>N/A</p>
<p>Architectural design and site plan</p>	<p>Subject to 40B permitting, including design review</p>	<p>Meets base scenario. HAC assumes project will be permitted through a "Friendly 40B" process under the Local Initiative Program (LIP).</p>	<p>N/A</p>
<p>Parking</p>	<p>Minimum number for resident household types and visitor/staff (subject to zoning waiver).</p>	<p>Meets base scenario. 28 parking spaces provided – 2 per unit.</p>	<p>N/A</p>
<p>Neighbor concerns</p>	<p>Building and site planning that responds to the maximum extent feasible to neighbors' concerns about impact on Quail Hill Road, noise, site lighting,</p>	<p>HAC believes the design addresses major neighborhood concerns and is committed to maintaining an open line of communication with neighbors throughout all phases of the project. We sited the building away from Quail Hill Road as much as possible, designed and screened the parking to have minimum impact, stayed off of Quail Hill Lane for resident access (only opening is for emergency egress), reinforced landscape buffer from abutter neighbors to the south</p>	

Cost Analysis

The below table summarizes HAC proposed development budget for 107 Main Street. In the subsequent pages, we have also provided a more detailed description and rationale for each of the proposed line items. Construction costs are estimates based on recent HAC projects as well as input from local contractors; the significant increase in construction material and labor costs within the past year is reflected in our proposed budget. A full development budget with additional line items details in DHCD’s OneStop format is included as an attachment.

SOURCES	
Town of Orleans - AHT	\$ 2,000,000
Community Scale Housing Initiative (CSHI)	\$ 1,700,000
First Mortgage Lender (HAC is borrower)	\$ 1,500,000
CEDAC Predevelopment Grant	\$ 15,000
HAC Contributed Development Fee	\$ 223,160
HAC Cash Equity	\$ 150,000
TOTAL	\$ 5,588,160
USES	
Acquisition	\$ 0.00
Construction*	\$ 4,112,500
Construction contingency (10%)	\$ 411,250
Soft Costs	\$ 310,900
Soft Cost Contingency (approx. 5%)	\$ 15,000
Capitalized Reserves	\$ 75,000
Developer Fee/OH	\$ 663,510
TOTAL DEVELOPMENT COST	\$ 5,588,160
PER UNIT / PER SQUARE FOOT COSTS	
TDC per unit	\$ 399,154.29
TDC per SF (11,750 SF)	\$ 475.59
Construction Cost per SF	\$ 350.00
Construction Cost per unit	\$ 293,750.00

*Includes, Demo, Builder OH/Profit, Gen. Conditions, Permits, Performance Bonds.

Financial Strategy

Based on our experience developing other projects similar in size and scope to 107 Main Street, HAC proposes a financing structure that would include a combination of HAC equity, first mortgage loan, state funding through the Department of Housing and Community Development (DHCD), and funding from the Orleans Affordable Housing Trust (AHT). Additionally, HAC will contribute a portion of our developer fee and cash equity in support of the funding requests needed to develop this important housing asset.

HAC recognizes the significance of the public funds needed to support this development and the scarcity of affordable housing resources. We will continue to seek out and leverage other grants and soft funding as pre-development work progresses.

Through the success of our affordable housing projects, HAC has demonstrated that we are able to maintain strong partnerships with important state and quasi-state agencies such as Department of Housing and Community Development (DHCD), MassHousing, and Community Economic Development Assistance Corporation (CEDAC). Our history of collaborating with these agencies on numerous past projects will help ensure that 107 Main Street is a success as well.

In total, HAC proposes a budget totaling \$5,590,781.70 for the development of 107 Main Street. The proposed financing components are described in more detail below, including a description of all sources and uses of funds. The proposed operating budget is included in the "Operational Management and Maintenance Plan" section. A more detailed budget in the Mass OneStop+ format is included as an attachment and provides additional line-item breakdowns of each major budget category and operating budget projections. The OneStop+ format is required for all state funding applications.

Proposed Sources

First Mortgage Financing: \$1,500,000

The debt has been sized assuming an estimated 4.5% interest rate (30-year term/amortization), and industry standards for debt service coverage and income/expense trending.

We have not yet selected our first mortgage lender, but have had conversations about this project with multiple lenders that have expressed interest. A letter of support for HAC from one of our recent construction lenders, MassDevelopment, is included as an attachment to this proposal.

Community Scale Housing Initiative (CSHI) - \$1,700,000

The CSHI is a joint initiative of DHCD and MassHousing designed to address the need for smaller scale affordable housing projects that are sized to fit well within the host community. CSHI funds are an important resource for small-scale affordable housing projects that contain between 5 and 20 units. CSHI funded units must be affordable to households at 80% of Area

Median Income (AMI). In order for the project to be eligible for CHSI funds, there must be a financial commitment for the project from the host community, such as local Affordable Housing Trust funds or Community Preservation Act Funds.

HAC plans to request \$1.7 million in CSHI funds, which is the maximum allowable award for projects with 11-20 units.

HAC also utilized CSHI funds to support a portion of our recently completed 8-unit project in Hyannis, the Lofts at 57 and has experience with the program.

Workforce Housing Initiative (Alternative Funding Mechanism)

If the Town is interested in including some units at 100% AMI, HAC will seek funds from MassHousing's Workforce Housing Initiative, which assists developers in providing housing to middle-income housing. These units have rents affordable to households with incomes generally between 60-120% of Area Median Income (AMI).

Orleans Affordable Housing Trust (AHT) - \$2,000,000 grant

Local funds from the Orleans AHT are an important component to this project. Local funds can be leveraged to allow HAC to seek state funds from the Community Scale Housing Initiative (see above). HAC understands that our proposed financing plan is requesting a significant contribution from the Orleans AHT in both development funds and a no-cost transfer of the land to HAC. Throughout the predevelopment phase of the project, we will work to identify cost savings to reduce the Town's contribution to the project. However, we believe the proposed budget reflects the realities of today's high construction pricing. HAC has a long track record of being good stewards of public resources and has only used what is absolutely required in public funding to complete our previous projects. A recent example of this is illustrated by our recent 40-unit affordable homeownership project on Nantucket, called Sachem's Path, which was completed in 2018. The project was completed under budget and we were able to return a significant sum of previously committed funds to the Nantucket Community Preservation Committee.

If the budget project contingencies are not needed or if the project comes in under-budget, HAC will reduce our request of town funds and/or reduce the monthly rents on the project.

HAC Equity Contribution - \$150,000

HAC will make a \$150,000 equity contribution to the project which will be used to cover early predevelopment costs associated with permitting the project.

Contributed Developer's Fee - \$223,160

Reflecting our commitment to this project, HAC is willing to defer a significant portion of the developer's fee and contribute it as equity to the project. The industry standard for developer fees and overhead costs is 15%. HAC will contribute nearly a third of of this fee back into the project.

Predevelopment Loans/Grants – \$15,000 - \$30,000

HAC will seek out predevelopment loans and/or grants to support the project. Two programs we have identified as potential sources are the Kuehn grant program and the Initial Feasibility Assistance (IFA) loan, both administered through CEDAC. HAC has inquired with CEDAC about use of these funds for redevelopment of 107 Main Street, and both program goals appear to align well with this project. However, both are competitive programs and require site control to formally apply.

Kuehn Planning Grants of up to \$15,000 may be used to pay for “predevelopment costs, including initial feasibility and market studies; architectural and engineering services; legal services; development consultant services; the costs of survey, environmental testing and appraisals; application fees; financing and zoning application fees; site control expenses; and related project expenses.”

The Feasibility Assistance (IFA) loan is for up to \$15,000, requires site control and is intended for early-stage projects. It comes in the form of a loan and can later be wrapped into a larger pre-development loan.

Other funds / Incentives

HAC is exploring a number of energy efficiency credits to help offset the cost of development. These include Passive House incentives and technical assistance; MassSave’s “Pay for Savings” incentive program; and Massachusetts Zero Energy Modular Affordable Housing Initiative, a grant program funded by the Department of Energy Resources

We cannot fully commit to these funding sources until they are vetted for financial feasibility. HAC has had initial conversations with representatives of each of these programs, but they are dependent on the final design of the building and have not yet been fully vetted. However, if credits or incentives are available that reduce or offset development costs, this will allow us to reduce the Orleans AHT’s contribution to the project.

Proposed Uses***Construction– \$4,112,500.00*****(includes demolition, bonds, general conditions, and builder profit)**

Budgeted construction numbers are based on our recent experience developing comparable housing on the Cape and estimates received from local contractors based off of conceptual building designs and site plans. The estimates reflect current construction costs which are at historically high levels as the result of high demand and severely constrained supply of materials. We hope pricing will trend downward over the next year, however, we have not yet seen any indication of this. In the case the final pricing comes in lower than estimated, HAC will adjust our planned sources of funds to reflect the change; this may include a reduction in use the of Orleans AHT funds.

As with all projects, we will continue to monitor and evaluate construction costs throughout the predevelopment process and seek opportunities to control costs whenever possible. We believe its proposed design strikes the appropriate balance between efficient design, sustainability and cost, while meeting the vision laid out by the Orleans Affordable Housing Trust in the RFP and its planning efforts.

Soft Costs – \$310,900

This line item is HAC's best estimate of the costs associated with the design, permitting, financing and other non-construction costs required to ensure the development plan is successfully implemented. The team works continually to manage these costs and looks for ways to reduce them without compromising on its overall goals for the project. HAC also plans to seek predevelopment loans and/or grant from CEDAC to help offset the cost.

Contingencies - \$426,250

HAC has budgeted contingencies to cover any unexpected costs that occur during the project. This includes a hard costs contingencies line item (10% of construction costs) and a soft cost contingency line item (approximately 5% of soft costs). As mentioned above, project contingencies are not needed or if the project comes in under-budget, HAC will reduce our request of town funds and/or reduce the monthly rents on the project.

Reserves – \$75,000

Budgeted reserves meet lender and investor requirements. That includes an initial deposit to replacement and operating reserves for the project.

Developer's Overhead/Fee – \$663,510 (deferred \$223,160)

The developer's overhead and fee, which is included in the proposal, is in keeping with the MassHousing Developer's Fee and Overhead Policy, with a portion to be contributed, as noted above, reflecting HAC's support of this important housing development. Industry standards for overhead and developer fees is 15% of project costs. HAC will contribute a third of these fees to offset project costs.

Operational Management and Maintenance Plan

HAC is excited to partner with POAH Communities for the long-term property management of 107 Main Street. Once the project is completed, POAH Communities will act as the day-to-day property management company on behalf of HAC. This continues an existing strong relationship between HAC and POAH Communities. POAH Communities currently manages seven HAC developments on the Cape, including:

- Southside Village, Barnstable (14 units)
- Kimber Woods, Barnstable (28 units)
- Lombard Farms, Barnstable (12 units)
- Melpet Farms, Dennis (27 units)
- Canal Bluffs, Bourne (45 units)
- Clay Pond Cove, Bourne (28 units)
- High Meadow Townhomes, Bourne (44 units)



POAH Communities has specialized in the professional management of affordable multifamily housing for more than 25 years. Initially founded as Midland Property Management, the company became part of the nonprofit Preservation of Affordable Housing (POAH) in 2001. POAH Communities manages all of the properties in POAH's portfolio – more than 12,000 apartments and 114 properties across 11 states and the District of Columbia. POAH Communities has a diverse and dedicated staff of 430 people and maintains offices at each property in addition to corporate offices in Boston, Kansas City, and Chicago.

POAH Communities manages more than 3,400 affordable apartments among 30 communities in Massachusetts. All of POAH's properties in Massachusetts include a high level of compliance accountability and resident services at various income levels.

POAH Communities has a deep and experienced bench of staff who are well-versed in managing properties and ensuring compliance with all federal and local requirements, from housing lotteries and tenant selection to meeting tax credit guidelines to working closely and effectively with public housing authorities and other municipal agencies. POAH Communities has a strong record of achieving high scores in management inspections and physical asset inspections and maintains an excellent record relative to program compliance across the portfolio. Regional property supervisors typically have more than 20 years of affordable multifamily property management experience.

POAH Communities, as property manager, will adopt its standard management plan, adapted as necessary to fit any special aspects of the 107 Main Street community. They place significant

emphasis on resident services and the importance of creating a sense of community at our properties. In our projected operating budget for 107 Main Street, we have included a part-time Community Impact Coordinator and a range of resident services and events that will be developed with input from the future residents.

We feel strongly that resident services cannot be implemented through a one-size-fits-all program. Instead, services must be developed according to the specific needs of the residents at each community. Resident needs and priorities are learned through surveys and discussion sessions regularly conducted by POAH Communities staff. For example, a community with a large component of working households may find value in financial self-sufficiency courses, whereas a community with several single-parent households may place a higher priority on childcare or after-school education.

We anticipate that the resident services to be provided at 107 Main Street will be developed during and after initial lease-up, in collaboration with the residents themselves. Please see the attached company profile of POAH Communities to read more about their approach to management, resident engagement, and their Community Impact program.

The building floor plans include an on-site office for use by property management staff to complete administrative tasks and to meet with tenants for lease signings or other issues.

Marketing Strategy and Lottery

HAC will conduct the initial marketing and lottery process for 107 Main Street. HAC has conducted hundreds of lotteries throughout Cape Cod and the Islands, both for HAC projects and private developers, resulting in affordable homes and apartments throughout the region.

HAC will create a targeted marketing strategy in advance of project completion, drawing on HAC's knowledge of affordable housing compliance and leasing. We anticipate using community meetings – potentially, along with mailings and internet listings, some of which will be provided in foreign languages such as Portuguese and Spanish. All marketing materials will be in compliance with the Affirmative Fair Housing Marketing Plan that HAC will create for the property and file with the Town for the purposes of Orleans's Subsidized Housing Inventory. We would welcome a collaborative approach with the Town to ensure that the lottery is conducted according to any preferences the Town may have. A summarized outline of the anticipated housing lottery timeline is presented below.

107 Main St. Rental Housing - Lottery Milestones

- Approximately six months before the apartments are expected to be completed, a notice of an Information Session is sent to all individuals and organizations on the Affirmative Fair Housing Marketing Plan's list.
- Applications are available immediately upon notice of the date of the Information Session.

- At the Information Session, we will cover topics such as: eligibility criteria, application process, minority applications, asset limits, local preference, and the lottery process itself. An application packet will be distributed. The meeting also provides an opportunity for the development team to describe the apartments being built, display the plot plan and provide a timeline for completion.
- There is a 60-day minimum period for submitting applications.
- All applications are reviewed and determined eligible/non-eligible based on income and assets, with a local preference criterion also noted. Eligible applicants are notified of the lottery process and number by mail.
- Applicant ballots, which contain applicant information and preferences, are put in a ballot pool. We expect that the 107 Main Street lottery may feature a local preference, if applicable. If this is the case, there will be two ballot pools: one for local preference applicants, and one for non-local applicants.
- HAC conducts the lottery. Winners and alternates are chosen from these two pools. If there are different bedroom size and prices, lotteries are held for each unit.
- Applicants who do not receive housing through the lotter will be placed on the community's wait list.

Operating Budget

The proposed operating budget is based on actual numbers from HAC-owned properties that are managed by POAH Communities. Projected revenue is based on the HUD rent limits of units, restricted at 80% AMI. Rent is capped at 30% of the gross income for a household making 80% AMI, including a utility allowance factor.

Rent Schedule

Unit Type	Number of Units	Rent (80% AMI)	Total Rent
1 BR (80% AMI)	9	\$ 1,248.25	\$ 11,234.25
2 BR (80% AMI)	4	\$ 1,421.00	\$ 5,684.00
3 BR (80% AMI)	1	\$ 1,751.00	\$ 1,751.00
			\$ 18,669.25

Annual Revenue Summary

TOTAL MONTHLY Gross Rent (All units)	\$ 18,669.25
TOTAL ANNUAL Gross Rent (All units)	\$224,031.00
Vacancy Factor - 5%	\$ 11,201.55
Effective Gross Income	\$ 212,829.45

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



Other Operating Budget Assumptions:

Debt Service for the project is based on a 4.5% permanent loan amortized over a 30-year period, with an initial term of 10 years.

Trending Assumptions for Expenses				
	Year 2	Year 3	Year 4-5	Year 6-20
Sewer & Water	2.00%	2.00%	2.00%	2.00%
Real Estate Taxes	2.00%	2.00%	2.00%	2.00%
All Other Operating	2.00%	2.00%	2.00%	2.00%
Replacement Reserve	2.00%	2.00%	2.00%	2.00%

Reserve Requirements:

Replacement Reserve Requirement	\$500.00	per unit per year
Operating Reserve Requirement	\$500.00	per unit per year



10-year Projected Operating Budget

REVENUE	Escalation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	1%	\$224,031.00	\$226,271.31	\$228,534.02	\$230,819.36	\$233,127.56	\$235,458.83	\$237,813.42	\$240,191.56	\$242,593.47	\$245,019.41
Vanancy (5%)		\$ (11,201.55)	\$ (11,313.57)	\$ (11,426.70)	\$ (11,540.97)	\$ (11,656.38)	\$ (11,772.94)	\$ (11,890.67)	\$ (12,009.58)	\$ (12,129.67)	\$ (12,250.97)
TOTAL Income		\$212,829.45	\$214,957.74	\$217,107.32	\$219,278.40	\$221,471.18	\$223,685.89	\$225,922.75	\$228,181.98	\$230,463.80	\$232,768.44
EXPENSE	Escalation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Management Fee (4.5%)		\$ 9,577.33	\$ 9,673.10	\$ 9,769.83	\$ 9,867.53	\$ 9,966.20	\$ 10,065.87	\$ 10,166.52	\$ 10,268.19	\$ 10,370.87	\$ 10,474.58
Administrative	2%	\$ 19,770.00	\$ 20,165.40	\$ 20,568.71	\$ 20,980.08	\$ 21,399.68	\$ 21,827.68	\$ 22,264.23	\$ 22,709.52	\$ 23,163.71	\$ 23,626.98
Maintenance	2%	\$ 57,600.00	\$ 58,752.00	\$ 59,927.04	\$ 61,125.58	\$ 62,348.09	\$ 63,595.05	\$ 64,866.96	\$ 66,164.29	\$ 67,487.58	\$ 68,837.33
Utilities	2%	\$ 3,400.00	\$ 3,468.00	\$ 3,537.36	\$ 3,608.11	\$ 3,680.27	\$ 3,753.87	\$ 3,828.95	\$ 3,905.53	\$ 3,983.64	\$ 4,063.31
Reserves	2%	\$ 14,000.00	\$ 14,280.00	\$ 14,565.60	\$ 14,856.91	\$ 15,154.05	\$ 15,457.13	\$ 15,766.27	\$ 16,081.60	\$ 16,403.23	\$ 16,731.30
Taxes and Insurance	2%	\$ 5,575.00	\$ 5,686.50	\$ 5,800.23	\$ 5,916.23	\$ 6,034.56	\$ 6,155.25	\$ 6,278.36	\$ 6,403.92	\$ 6,532.00	\$ 6,662.64
TOTAL Expense		\$109,922.33	\$112,025.00	\$114,168.77	\$116,354.44	\$118,582.86	\$120,854.85	\$123,171.29	\$125,533.05	\$127,941.03	\$130,396.14
DEBT SERVICE		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Service - 1st Mortgage		\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36	\$91,203.36
Debt Service Ratio		\$ 1.13	\$ 1.14	\$ 1.15	\$ 1.16	\$ 1.17	\$ 1.19	\$ 1.20	\$ 1.21	\$ 1.22	\$ 1.23
Cash Flow After Debt Service		\$ 11,703.76	\$ 11,729.39	\$ 11,735.19	\$ 11,720.59	\$ 11,684.96	\$ 11,627.68	\$ 11,548.10	\$ 11,445.57	\$ 11,319.41	\$ 11,168.93
Cash Flow Per Unit After Debt Service		\$ 835.98	\$ 837.81	\$ 838.23	\$ 837.19	\$ 834.64	\$ 830.55	\$ 824.86	\$ 817.54	\$ 808.53	\$ 797.78

ASSISTANCE FROM THE TOWN

HAC is requesting a \$2,000,000 grant from the Town of Orleans to assist in the development of this project. HAC understands that this is a significant request and will take every step to control costs and seek additional funding sources. However, the proposed budget accurately reflects the extremely high construction pricing in today's market and includes ample contingencies and reserves to account for additional increases in the cost of lumber or unexpected cost overruns. If contingency line items are not used, HAC's request to the town can be reduced by that amount. In addition, if construction costs come in under budget, HAC will reduce our request to the Town. HAC has a track record of returning funds to Town's if affordable projects come in under budget, such as was the case for Sachem's Path on Nantucket.

HAC requests that AHT funds be available for both direct construction costs and predevelopment costs.

The request is structured as a grant because all available cash flow from the project is already committed to servicing a first mortgage permanent loan that HAC will secure for the project. HAC is also open to structure the AHT funds as a 0% interest, forgivable loan.

WORK PLAN AND PROJECT TIMELINE

The following is HAC's projected timeline for the 107 Main Street project. This schedule assumes a 40B permitting process through the Orleans Zoning Board of Appeals and funding through the DHCD March 2022 funding round for the Community Scale Housing Initiative (CSHI). With any project of this complexity there is the potential for delays at multiple points in the project, including extended periods for permitting and public hearings, a change in the DHCD funding round schedule, or unanticipated construction delays. HAC has experience successfully completing projects of this scale and we are familiar with these common potential variables outside of our control. We make every effort to avoid delays and HAC will provide regular updates to the Orleans Affordable Housing Trust so that if delays do occur, the Town is made aware of it and HAC's plan to address is.

We have assumed an eight-month construction schedule for this project. However, we are exploring the options of using a modular construction approach, which would significantly reduce the construction period. In addition, HAC will maintain close oversight of the selected general contractor with a strong presence on the site and at weekly construction meetings. HAC's Director of Housing Production, Keith Trott, is a licensed unrestricted general contractor with decades of experience in the building industry and will act as HAC's Clerk of the Works to ensure that construction is progressing in line with HAC's expectations.

Proposed Project Timeline	
Town of Orleans Awards Project	July 2021
Execute Development Agreement with the Town of Orleans	September 2021
Submission of Site Eligibility (40B)	October 2021
First Zoning Board of Appeal (ZBA0 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

OTHER INFORMATION

Proposal Assumptions and Businesses terms

- The development schedule included in this proposal assumes the execution of a development agreement with the Affordable Housing Trust and the Town of Orleans within 60 days of being selected as the developer. This development agreement will help to inform the roles and responsibilities of both the HAC and the Town of Orleans and the timing and terms for the use of AHT funds.
- The financing plan for the development of the project currently relies on an Orleans AHT award of \$2,000,000 in subsidy for the project. HAC is willing to discuss the timing of the funding commitments required to appropriately leverage other funding sources and advance the financing of the project.
- HAC intends to be a partner with the Town of Orleans starting at the time of Developer selection. As such, HAC will be at-risk for up to \$150,000 of expenses related to permitting and project financing. HAC hopes to discuss the use of Orleans AHT funds for predevelopment costs beyond this amount.
- HAC will assume the responsibility for its costs related to the preparation of permitting and funding applications as predevelopment expenses.
- The financing plan for the project currently relies on \$1,700,000 in state funds through the Community Scale Housing Initiative (CSHI) as a subsidy for the project. Should funding for this program change or be reduced, HAC will seek other sources of funding to support the project.
- HAC understands the importance of the role the Town of Orleans will play in advancing the 40B Comprehensive Permit Process and will work collaboratively on a “friendly” process to achieve our common goal for quality affordable rental housing. Should the

Town of Orleans achieve its goal of 10% affordable units on the Subsidized Housing Inventory prior to the start of permitting for this project, HAC assumes that Town of Orleans will voluntary support the use of a 40B Comprehensive Permit Process for zoning approvals.

Legal actions statement

To the best of our knowledge, there are no legal or administrative actions past, pending or threatened that could relate to the conduct of Housing Assistance Corporation, our principals, or any affiliates. To the best of our knowledge there are no local, state or federal taxes due and outstanding for the development team or any constituent thereof.

ATTACHMENTS

Attachments begin on next page



Attachment 1 - Required Disclosures and Forms



Attachment 2 - Developer Team Resumes / Organizational Profiles

Attachment 3 - HAC Real Estate / Rental Properties

Address	Town	Units	Beds	Owner	Prop. Mgr.
31 Captain Baker Rd	Marston Mills	1	3	HAC	HAC
420 West Main Street	Hyannis	2	4	HAC	HAC
422 West Main Street	Hyannis	2	3	HAC	HAC
57 Ridgewood Avenue	Hyannis	8	12	HAC	HAC
o Victory Dr.	Sandwich	1	1	HAC	HAC
50 Summerside Lane	Hyannis	1	2	HAC	HAC
398 W. Main St.	Hyannis	1	2	HAC	HAC
35 Summerside Lane	Hyannis	1	10	HAC	CACCI
44 Summerside Lane	Hyannis	1	0	HAC	CACCI
60 Summerside Lane	Hyannis	1	10	HAC	CACCI
4 Summerside Lane	Hyannis	0	0	HAC	CACCI
77 Winter Street	Hyannis	1	55	HAC	CSS
Rosary Ln. (Commercial)	Hyannis	1	0	HAC	HAC
1252 Rt. 28A	Cataumet	1	18	HAC	HAC
294 Old Main Road	Falmouth	1	8	HAC	HAC
299/309 South Street	Hyannis	2	13	HAC	HAC
299/309 South Street	Hyannis	2	2	HAC	HAC
87 Winter Street	Hyannis	1	7	HAC	HAC
27 Parkway Place	Hyannis	1	5	HAC	HAC
28 Parkway Place	Hyannis	1	1	HAC	HAC
1029 Iyannough Road	Hyannis	1	2	HAC	HAC
120 Massasoit Road	Eastham	2	4	HAC	HAC
30 East Main Street, Unit A	Hyannis	1	2	HAC	HAC
30 East Main Street, Unit B	Hyannis	1	2	HAC	HAC
30 East Main Street, Unit C	Hyannis	1	2	HAC	HAC
300 Falmouth Road	Mashpee	1	2	HAC	HAC
317 Palmer Avenue	Falmouth	3	7	HAC	HAC
428 Main St. Unit 107	W. Dennis	1	2	HAC	HAC
428 Main St. Unit 208	W. Dennis	1	2	HAC	HAC
1025 Falmouth Road	Hyannis	14	30	HAC	POAH
100 Dr Julius Way	Bourne	84		HAC - LP	SLR
2231 Meeting House Rd	W. Barnstable	12		HAC-POAH	POAH
2239 Iyannough Rd	W. Barnstable	28		HAC-POAH	POAH
100 Harmony Road	Bourne	28		HAC-POAH	POAH
100 Harmony Road	Bourne	44		HAC-POAH	POAH
100 Harmony Road	Bourne	45		HAC-POAH	POAH
Melpet - Route 134	Dennis	27		HAC-POAH	POAH
570 Old Barnstable Rd	Mashpee	10		HAC	MHA
6&8 Sachems Village Rd	Dennis	2		HAC	HAC
47 Cedar St.	Hyannis	5	10	HAC	DMH



Attachment 4 - HAC Annual Report

Attachment 5 - Development and Operating Budget in DHCD OneStop+ Format



Attachment 6 - Financing Letter of Support