



**City of Portland
Request for Proposals
For the Sale and Reuse of Property
Located at 65 Munjoy Street**

RFP # 4115

Notice and Specifications

Sealed proposals for furnishing the City of Portland with the Development of Affordable Housing, as specified herein, will be received by the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, until Tuesday, January 13, 2015 at 3:00 p.m. at which time they will be publicly opened. Proposals shall be submitted with the attached forms, and returned in sealed envelopes plainly marked on the outside **“SALE AND REUSE OF 65 MUNJOY STREET.”** Proposals that are late, faxed or submitted electronically will not be accepted. All proposals shall be held open to acceptance for sixty days from opening.

Copies of the above documents will be available at the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, ME 04101. Each prospective proposer will be required to obtain from the City each copy of the proposal form and each set of plans; e-mail jrl@portlandmaine.gov , phone (207) 874-8654, or fax (207) 874-8652. Six (6) complete copies of your proposal submission, including any descriptive literature, shall be submitted on the forms provided and in an envelope plainly marked on the outside with the RFP’s title and number

All questions must be submitted in writing to the Purchasing Office. These may be mailed; hand delivered, faxed to (207) 874-8652 or e-mailed to mff@portlandmaine.gov and be received no later than five (5) business days prior to the opening date. Questions received after this time will not be addressed. Any interpretation, correction, or change of this document will be made only by written addenda. Changes in any other manner will not be binding on the City of Portland.

The disposal of this real estate shall be on the basis of a negotiated proposal, with the City of Portland reserving the right to refuse any or all proposals. *All proposers are advised that the property will be sold “as-is” and “where-is”, in its existing condition, with no warranties either expressed or implied.* The City disclaims any and all responsibility for injury to proposers, their agents or others while examining the property or at any other time.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City of Portland, please contact (207) 874-8654 to ensure that your firm is listed as a vendor for this RFP.

GENERAL INFORMATION

The City of Portland, Maine seeks proposals from qualified developers for the purchase and development of the former Adams School parking lot site located at 65 Munjoy Street (hereafter, “the lot”). The site is designated on the City of Portland Tax Assessor’s Map as Map 3, Block M, Lot 5.

Summary of Request

The City of Portland is committed to provide a balance of housing opportunities and has set a goal to evaluate the use of city-owned property to construct affordable housing. As one step in accomplishing this goal, the City of Portland will accept proposals for the development of affordable housing on the lot located at 65 Munjoy Street, Portland, Maine (Map 3, Block M, Lot 5).

An environmental assessment was conducted at the lot by Crede Associates, LLC through a subcontract with the City. Polycyclic aromatic hydrocarbons (PAHs), lead, and arsenic were detected in soil exceeding Maine Department of Environmental Protection (DEP) regulatory guidelines, which should be considered during preparation of proposals. The property is currently being reviewed for inclusion in the Maine DEP Voluntary Response Action Program (VRAP) and the VRAP Work Plan is attached to this RFP as Exhibit 2.

To facilitate the development of this site, the City of Portland may make funding available from the City resources noted below: However, strong preference will be given where the value of the property is the only source of subsidy provided by the City of Portland.

1. FY 2014-2015 HUD Home Investment Partnership Program (HOME) Funds (which may include a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification). The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).
2. Brownfield Revolving Loan Funds through the City of Portland’s Economic Development Department.
3. FY 2014 City Housing Trust Funds

The City of Portland’s Division of Housing and Community Development uses the RFP process to ensure that public resources are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants.

General Guidelines

Developments shall provide affordable rental or home ownership units. Note that “affordability” is defined by the standards outlined in Division 30 Section 14-485 of the City’s Land Use Code.

Proposals which include the use of HOME funds must meet the income and/or rent restrictions of the HOME program. Rental developments shall provide units to households earning no more than 60% of the area median income and ownership developments shall provide units to households earning no more than 80% of area median income.

Proposals which include the use of City Housing Trust Funds must meet the income and rent restrictions outlined in City Ordinance Chapter 14, Division 30, Section 14-485 which requires that rental developments shall be affordable to households earning no more than 80% of the area median income and ownership developments shall be affordable to households earning no more than 120% of the area median income.

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed.

Redevelopment should incorporate costs and measures to properly manage contaminated soil in compliance with state and federal regulations. In general, any soil disturbance should be conducted in accordance with the requirements of the Maine DEP VRAP Work Plan.

The proposed use of funds, leveraging of other public and private resources, terms of affordability, design compatibility, readiness, financial feasibility, development experience, management capacity, and unit mix are among the scoring factors to be used in the review process.

This RFP outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the proposals.

I. Background

The site at 65 Munjoy Street contains approximately 6,771 square feet. It is located on Munjoy Hill, on the southeast end of the Portland peninsula, in a neighborhood which is largely defined by 19th and early 20th century buildings. A public playground is adjacent to the site. The site is zoned R-6.

An ASTM E 1527-13 compliant Phase I Environmental Site Assessment (ESA) was conducted for the lot by Credere Associates, LLC dated July 1, 2014. The ESA identified surface staining, documented petroleum impacts, and historical industrial use of the lot and surrounding area as conditions of environmental concern. These conditions were assessed during a Phase II ESA conducted in July 2014. Results of the investigation identified approximately 150 to 200 cubic yards of petroleum impacted soil at a depth of approximately 5 to 7 feet, and approximately 950 to 1,250 cubic yards of PAH, lead, and arsenic impacted soil. These results were submitted to VRAP for review and inclusion in the program. These contaminated soils will likely require offsite disposal as special or hazardous waste during development in accordance with the VRAP Work Plan.

II. Goals for This RFP

The goal for the sale and development of the property at 65 Munjoy Street is to promote the development of affordable housing with a high standard of quality, design, and livability. Proposals should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration). Design principles should promote efficient use of land to create infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements that are reflective of the surrounding traditional neighborhood. Heights shall be less than or equal to the surrounding buildings and should minimize the impact of shadows on the adjacent public playground. They should also incorporate high standards of energy efficiency and "green" design criteria.

Proposals should consider the recommendations outlined in the Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group a copy of which is included as Exhibit #3. In summary, the study identifies the preferred design concept as two triple-decker styled flats with flat roofs. The design would create 8 home-ownership units targeted to households with incomes between 100% to 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760). The design concept suggests four units in each building – two 2-bedroom units on the ground floor of approximately 800 net square feet and one 2- 3 bedroom unit of approximately 1,000 square feet on the 2nd and 3rd floors and include two on-site surface parking spaces. Based on a subsequent review of the study at the September 24th meeting of the Housing and Community Development Community, design proposals should include one practical tandem space per unit be included on site.

SCOPE OF SERVICES

General Specifications

All proposals submitted for this funding must meet the following selection criteria to be considered further in the review process.

A. Eligible Projects

- 1) Projects must create affordable ownership housing units targeted to households with incomes between 100% and 120% of the area median income (Family of Two = \$61,875-\$74,250 & Family of Four = \$77,313-\$92,760).
- 2) Projects requesting HOME funds must provide home ownership units to households that meet the income the HOME Program.
- 3) Projects receiving funding through this RFP must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the resident

service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.

- 4) Projects that will properly manage contaminated soil in accordance with state and federal regulations.

B. Site Information and Criteria

- 1) **Purchase Price:** The City of Portland is willing to consider the value of the property as a subsidy source for projects that provide at least six (6) with a preference of eight (8) or more affordable units. The use of the City's Housing Trust Fund will be considered, however, strong preference will be given to proposals where the value of the property is the only source of subsidy by the City of Portland.
- 2) **Local Approvals:** Local land use approval is not required prior to submittal of the proposal.
- 3) The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 4) Proposals must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered, including the potential R-6 Zone changes currently under consideration).
- 5) Proposal must include language indicating the applicant has considered the environmental conditions of the lot and understands the implications of these conditions. The proposal may include a plan summary for addressing said environmental conditions and any planning institutional controls to be applied to the property.

C. Financial Feasibility

- 1) **Financial Projections:** Financial proposals must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.
- 2) **Use of City funding resources:** All projects will be reviewed for the proposed use of City funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. In the case of a proposal for home ownership housing, applicants must demonstrate capacity to market the units for the sale. All proposals must provide evidence of a development team with the capacity to successfully complete the project including;

- 1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.
- 3) An environmental consultant to ensure proper management and handling of contaminated soils as well as establish an environmental management plan after development.
- 4) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project and/or effectively market affordable home ownership housing.
- 5) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.
- 6) A portfolio of current affordable housing projects that are financially sound and meeting their established goals. Projects that successfully redeveloped contaminated properties should be highlighted.
- 7) Support Services: Proposals containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

E. Term of Affordability

The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed. Proposals which include the use of HOME funds for home ownership projects must have a plan for long-term affordability that meets HOME Program recapture or resale regulations.

F. Design Compatibility

Projects must be designed to contribute to the character of the neighborhood and adhere to the following guidelines.

- 1) **Connect the Neighborhood** The development should not be an island unto itself, but rather blend into and enhance the surrounding Munjoy Hill community.

2) Design Considerations

- a. **High Quality Design** Excellence in architectural and landscape design is expected.
- b. **Traditional Design** Design shall be reflective of the surrounding traditional neighborhood and shall create an infill development that reflects and respects the existing pattern, streetscape, density, scale, massing, exterior materials and design elements of the neighborhood. Buildings should orient to the street.
- c. **Green Design** The site and buildings shall be designed to meet the City's Green Building Code.
- d. **Streetscape** The development shall enhance the pedestrian experience and the public realm. Alternative transportation modes shall be accommodated and incorporated in the project.
- e. **Height** Heights shall be less than or equal to the average of structures in the surrounding block and should minimize the impact of shadows on the adjacent public playground.
- f. **Permeability** Design shall be permeable or porous. View corridors are encouraged.
- g. **Heterogeneity** Design of the buildings on the site shall be heterogeneous, not homogenous.
- h. **Accessibility** Universal Design principles shall be incorporated wherever feasible, to ensure that the design is physically accessible to the greatest range of users.

G. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

PROPOSAL REQUIREMENTS

Complete responses to this RFP, should include eight (8) complete copies of each proposal including one original bearing the hand written signature of an officer or employee having authority to bind the organization and the following, in the order outlined below.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of proposal.

i. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the proposal meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

ii. All Proposals Must Provide The Following:

- 1) Conceptual architectural and site plans
- 2) A soil management plan or provision to prepare one including who shall prepare the document and their qualifications upon award
- 3) A project schedule showing critical path events and their timeframe for completion;
- 4) Map showing location of site
- 5) Corporation/partnership articles and by-laws
- 6) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years
- 7) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking HOME CHDO funds)
- 8) A brief development team summary, including:
 - The type of organization/ownership structure
 - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
 - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
 - Brief description of similar projects completed
 - A list of all projects currently in development with status and projected timeframe
- 9) A sources and uses funding statement
- 10) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.
- 11) Applicant must include a marketing plan for the sale of home ownership units.
- 12) An analysis and discussion of market demand justifying the need for the proposed project.

SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the proposals.

I. Point System for Evaluating and Scoring Proposals (Maximum Points 100)

1. Proposed use of resources to achieve the City of Portland's goals and address demonstrated need. **25 points**

Maximum points will be awarded for those proposals that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, include a policy prohibiting smoking and where the value of the property is the only source of subsidy by the City of Portland.

2. Financial feasibility, including cost, development budget, operating pro forma and the provision of secured and leverage funds. **25 points**

Maximum points will be awarded for those proposals that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets.

3. Applicant's ability to complete project, including development team, experience, capacity, project readiness and timeframe for completion. **20 points**

Maximum points will be awarded for those proposals that demonstrate a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and capacity to fulfill their responsibilities and the readiness of the project to proceed.

4. Impact on surrounding neighborhood, including design compatibility and environmental issues. **30 points**

Maximum points will be awarded for those proposals where the design is consistent with neighborhood design characteristics and minimizes the impact of shadows on the adjacent public playground, amenities and unit design are well thought out and appropriate, meet the requirements of the City of Portland's Green Building Code, and where provisions to protect the surrounding community during contaminated soil disturbance are proposed.

II. RFP Evaluation and Selection Process and Timeframe

Proposals will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) Upon closing of the RFP application period, all proposals will be reviewed for completeness.

- 2) Complete proposals will be reviewed under the scoring factors in order to recommend the most qualified proposals based on the information submitted. The proposal review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
- 3) Recommendations, along with all proposals and scoring information, will be forwarded to the City Council's Housing and Community Development Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval. Public presentations may be required.
- 4) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- 5) The evaluation and review process should be substantially complete by January 30, 2015. Applicants will be notified of their proposal status as soon as possible.
- 6) Based on City Council approval, a purchase and sale agreement will be negotiated (see legal requirements) and as appropriate, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

INSTRUCTIONS AND OTHER INFORMATION

- A. The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals for city funding, based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.
- B. Confidentiality: Proposals received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B
- C. Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

- D. All applications seeking HOME Program funding must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92 and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 (PL 112-55).**

LEGAL REQUIREMENTS

The selected developer will be required to provide a performance guaranty in the form of a letter of credit or a performance bond, the performance of the developer's obligations outlined in this Request for Proposal and subsequent contract to be negotiated with the City. This performance guaranty is separate from any performance guaranty that will be required as a result of the City's site plan review process.

The City shall convey the described real estate by quitclaim deed to the developer, or where the City has obtained a warranty deed for the real estate, it shall provide a warranty deed for the same to the developer. Any deed from the City will contain a restriction in the deed that the property must meet the permanent affordability requirements as described in this Request for Proposals.

In the event the City makes a financial contribution to a developer and to secure the developer's obligations, the City shall have a security interest in the form of a mortgage in the real estate to be developed. The terms of the mortgage shall be negotiated with the developer at the time of the commitment of funds.

EQUAL EMPLOYMENT OPPORTUNITIES

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this RFP, as well as reject any and all proposals based on the quality and merits of the proposals received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the bidder is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations. Additionally, all contaminated soil should be managed in accordance with state and federal regulations.

The successful bidder shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

The City of Portland, Maine, reserves the right to waive any informality in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting bids under these specifications, bidders should take into account all discounts; both trade and time allowed in accordance with this payment policy and quote a net price. The City of Portland is exempt from the State's sales and use tax as well as all Federal excise taxes.

November 19, 2014

Matthew F. Fitzgerald
Purchasing Manager

Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

Exhibit #2. VRAP Work Plan

Exhibit # 3. Munjoy Street Affordable Housing Feasibility Study completed by Bluestone Planning Group

PROPOSAL

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their proposal is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this proposal or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this proposal. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered _____
If Applicable

COMPANY NAME: _____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: _____ DATE: _____
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

E-MAIL: _____ FEDERAL TAX ID NUMBER: _____

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. This sheet must be signed and returned with the proposal package.

EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

- ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
 10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.



CREDERE ASSOCIATES, LLC

776 Main Street
Westbrook, Maine 04092
Phone: 207-828-1272
Fax: 207-887-1051

September 17, 2014

Mr. Nicolas Hodgkins
Maine Department of Environmental Protection
Bureau of Remediation and Waste Management
Division of Remediation
Voluntary Response Action Program
17 State House Station
Augusta, Maine 04333-0017

**Subject: Voluntary Response Action Program Work Plan
Adams School Parking Lot (Map 3, Block M, Lot 5)
65 Munjoy Street, Portland, Maine**

Dear Mr. Hodgkins:

On behalf of the City of Portland (the City), Credere Associates, LLC (Credere) has prepared an environmental work plan (the Work Plan) for the property located at 65 Munjoy Street in Portland, Maine (the Site). The Site was formerly the parking lot for the former Marada Adams School, which was located adjoining the Site to the northeast. The current owner of the Site is the City of Portland; however, the City intends to sell the Site to be development as a multi-family residential property. This work plan outlines proposed soil handling practices to be implemented if/when the Site is redeveloped.

Credere is concurrently submitting a Voluntary Response Action Program (VRAP) Application for Technical Assistance to the Maine Department of Environmental Protection (DEP). This work plan will supplement the application in that it provides the means of assuring contaminated soil at the Site will remain beneath the current asphalt cover until redevelopment occurs, and that soil will be properly managed and disposed once redevelopment begins.

Lead and arsenic have been documented in surface soil exceeding the residential Maine DEP Remedial Action Guidelines (RAGs) across the Site. The Phase II investigation concluded that the arsenic and lead impacts were consistent with the observed fill material, which was generally located from 0 to 4 or 5 feet below ground surface (bgs). It was estimated approximately 950 to 1250 cubic yards of lead and arsenic impacted soil, or fill material, is present at the Site's surface.

Additionally, extractable petroleum hydrocarbon (EPH) fractions C11-C22 aromatics were detected in two locations along the northeast side of the Site at a depth of 5 to 7 feet bgs. The petroleum impacted soil at the Site was presumed to have been impacted by the former/historical

USTs associated with the adjacent former Marada Adams School, which was located near the northern corner of the Site. It was estimated approximately 150 to 200 cubic yards of petroleum impacted soil are located at the interval of approximately 5 to 7 feet along the northeast edge of the Site.

The following sections present our cleanup approach to addressing these Site contaminants during redevelopment.

Soil Management

Soil impacted by concentrations of oil and/or hazardous substances at levels that exceed the Maine DEP residential RAGs have been identified at the Site. Current known soil conditions were described in Credere's August 8, 2014, Phase II Environmental Site Assessment (ESA), and is enclosed with the VRAP application.

Based on the currently available information, impacted soil would meet the definition of a "special waste" as presented in the Maine DEP's Maine Solid Waste Management Rules: Chapter 400 upon removal from the Site. Soil at the Site has not been assessed for hazardous waste characterization at this time.

Currently, the Site being used as a parking lot and is covered with an intact layer of asphalt serving as a cover. Based on the nature of the Site and likely structural needs (i.e. sub-grade foundation) of a future multifamily building, the removal of impacted soil will be conducted in certain areas. Due to the size of the Site, onsite reuse is not expected to be feasible and offsite disposal will be necessary. Soil characterization, handling, and offsite disposal should be conducted in accordance with the Soil Management Plan included in **Attachment A**. If contaminated soil remains onsite after redevelopment, a cover system should be installed for areas of the Site not covered by the building footprint.

Following the completion of special waste soil removal and disposal activities and the construction of the cover system over remaining impacted soil, a summary of completed actions and the applicable disposal documentation will be submitted to the Maine DEP.

Groundwater Management

Groundwater impacted by concentrations of oil and/or hazardous substances have not been assessed at the Site; however, based on the documented impacts to soil at the groundwater interface and evident migration of petroleum contamination with groundwater, excess groundwater generated during excavation activities for utilities, foundations, and other subsurface structures will be collected and managed on-site. Following appropriate analysis and facility acceptance, this water will be discharged to the Portland Water District publically owned treatment works (POTW) or other suitable facility.

Please note that groundwater may percolate up to the ground surface during the installation of piles and during the compaction of soils. This groundwater may be infiltrated back into the subsurface environment, however, it must be prevented from entering the storm water system.



Following the completion of groundwater removal and disposal activities, a summary of completed actions and the applicable disposal documentation will be submitted to the Maine DEP.

Closing

We hope that the information included in this document meets the requirements for the development of a NAAL to ensure liability protection for the City, their successors, assigns, lenders, and fiduciaries as provided by the VRAP.

If any questions or concerns arise during your review of this submittal, please do not hesitate to contact the undersigned at (207) 828-1272 extension 15 or adrouin@crederellc.com.

Sincerely,
Creder Associates, LLC


Allison Drouin
Geologist/Project Lead



Robert I. Patten, P.E., L.S.P., LEED-AP
Vice President

cc: Nick Hodgkins, Maine DEP
Mary Davis, City of Portland

Attachment A – Soil Management Plan



Attachment A – Soil Management Plan





CREDERE ASSOCIATES, LLC

776 Main Street
Westbrook, Maine 04092
Phone: 207-828-1272
Fax: 207-887-1051

September 17, 2014

Mary Davis
City of Portland
389 Congress Street
Portland, Maine 04101

RE: **Soil Management Plan
Adams School Parking Lot
65 Munjoy Street, Portland, Maine**

Dear Ms. Davis:

The following document describes methods and procedures to be used during the redevelopment of the Adams School Parking Lot property located at 65 Munjoy Street in Portland, Maine (the Site). The activities and practices described below are necessary to fulfill the applicable regulatory requirements and to manage potential risk to human and environmental receptors associated with contaminated soil. Included in this Soil Management Plan (SMP) are:

- A description of soil conditions and associated regulatory applicability
- A listing of proper health and safety work practices and protective equipment for use during Site work activities
- A description of onsite soil management procedures including soil handling, stockpiling, and dust control for use during Site work activities
- A description of the onsite soil reuse procedures including the soil cover system
- A summary of the methods to be used for the proper transport and disposal of excess soil that may be generated during redevelopment

1. INTRODUCTION & APPLICABILITY

According to previously completed environmental investigations, soil at the Site has been impacted by concentrations of oil and/or hazardous materials exceeding the May 8, 2013, Maine Department of Environmental Protection (DEP) Remedial Action Guidelines (RAGs) and May 23, 2014, RAGs for Petroleum Sites. Maximum contaminant concentrations based on available data are summarized below:

Table 1 - Maximum Known Contaminant Concentrations		
Analytical Group	Analyte	Maximum Concentration (mg/kg)
Carbon Fraction Range Extractible Petroleum Hydrocarbons (EPH)	C11-C22 aromatic hydrocarbons	1,400
Polycyclic Aromatic Hydrocarbons (PAH)	2-Methylnaphthalene	3.9
	Fluorene	2.3
	Phenanthrene	4.6
Total RCRA 8 Metals	Arsenic	24
	Lead	3,300

Bold - exceeds the Maine DEP residential RAG

2. GENERAL HEALTH AND SAFETY PLAN

The following serves as guidelines for health and safety procedures to be employed during general construction activities at the Site. These guidelines should be supplemented by a Site-specific health and safety plan to be prepared by the contractor.

Based on previous environmental assessments completed at the Site, the expected contaminants of concern include, EPH, lead, and arsenic in soil. The primary route for contact with impacted materials at the Site is dermal absorption. Secondary routes include inhalation, dermal absorption, incidental uptake and active ingestion. As such, the utilization of basic personal protective equipment (PPE) will minimize the potential for exposure while conducting construction activities at the Site.

Training

Based on previous environmental assessments completed at the Site, the contaminants of concern include arsenic, lead, PAHs, and petroleum constituents in soil. Consistent with these conditions, all personnel who will be directly handling or otherwise may be exposed to impacted media shall have 40 hour Occupational Safety & Health Administration (OSHA) CFR 1910.120 training, 3 days of supervised field experience, and current 8-hour OSHA refresher training.

Exposure pathways at the Site include dermal absorption (e.g. through contact with soil), incidental uptake (e.g., inhalation of dust), active ingestion (e.g. eating with dirty hands), and inhalation (i.e. inhalation of volatilized vapors). As such, the utilization of basic Level D personal protective equipment (PPE) will minimize the potential for exposure to contaminants while conducting site work activities at the Site.

Personal Protective Equipment

Based on the hazard evaluation, Level D PPE has been initially designated for all personnel who will be directly handling or otherwise may be exposed to impacted media at the Site. The contractor's Health and Safety Officer may upgrade PPE to Level C or higher if additional hazards are identified during Site work.



Specific Level D PPE to be used at the Site includes the following:

- Steel toe work boots with latex over boots as required
- Safety glasses with side shields
- Work gloves
- Nitrile inner gloves
- Hard hat
- Coveralls

Work Zone Monitoring

Due to the potential for impacts to ambient air during construction, the work zone should be monitored periodically using a photoionization detector (PID), particularly when petroleum impacted soil is exposed or disturbed. Ambient air should not exceed 10 parts per million by volume (ppm_v) sustained for a 15 minute period.

Additionally, the property boundaries should be monitored for ambient dust levels to ensure fugitive dust is not migrating from the Site onto adjoining or nearby properties. As a general rule of thumb, visible ambient dust should be controlled using wet suppressant methods and exposed soil should be covered during down time.

General Operating Procedures

In addition to the above basic health and safety guidelines, the following procedures will be followed during activities conducted at the Site which create the potential for exposure to impacted soil:

- Work conducted at the Site shall be directed by a qualified environmental professional.
- The Site shall be surveyed and cleared by DigSafe.
- All equipment used during excavation activities shall be properly cleaned and decontaminated.
- Any indication of conditions more hazardous than those anticipated, or the observation circumstances which would render the above basic health and safety procedures inappropriate, shall result in the evacuation of the work area and a reassessment of health and safety procedures by a qualified environmental professional.

3. ONSITE SOIL MANAGEMENT

The following section will provide procedures for the excavation, storage, and disposal of excess soil generated during construction activities at the Site.



All impacted soil that will remain at the Site, including materials planned for reuse and undisturbed *in situ* impacted soil if identified in the future, will be covered to minimize the direct contact hazard for future Site users.

Onsite Reuse of Soil

All areas of the Site should be covered according to the below specifications:

- All features and subsurface infrastructure will be installed and the grading of impacted materials shall be completed consistent with the design requirements for the Site.
- Any excess or future identified impacted soil that cannot be re-used at the Site will be removed in accordance with **Section 4** of this SMP.
- A permeable geotextile fabric or similar material, such as snow fence (i.e. marker layer), will be placed directly over the impacted soil to indicate the distinction between the cover and the underlying impacted soil to remain at the Site. A separate marker layer will not be necessary below impermeable surfaces such as concrete walkways, asphalt pavement, or concrete foundations, since these materials will serve as the marker layer. The geotextile marker layer will extend from landscaped areas to the exterior limit of these impermeable areas.
- A minimum of 12 inches of clean fill shall be placed as cover material over the marker layer. The covered areas will be loamed, seeded, mulched, or otherwise permanently stabilized to prevent erosion and damage to the soil cover. If the marker layer must be compromised to facilitate landscape installation, a replacement marker layer shall be installed prior to the placement of any new non-impacted material.
- As necessary, existing pavement located atop competent base materials will be removed and properly disposed off-Site. Asphalt removal will be conducted in such a way as to prevent disturbance of the base materials below. Clean gravel may be added to meet finish grades but no soil disturbance will occur unless conducted by appropriate trained personnel and required by Site construction plans. The new pavement or concrete (minimum of 3 inches) will be considered to be the marker layer and cover in these areas.

Soil Stockpiling and Storage

Soil excavated from the Site may be temporarily stored or removed following waste disposal characterization and acceptance at an appropriate receiving facility. Soil stored at the Site will be placed atop 20-mil polyethylene sheeting and securely covered by 10-mil or 20-mil polyethylene sheeting. Berms shall be constructed around the edges of the stockpiles, the base shall be sloped to create leachate collection points, and storm water runoff will be diverted away from any soil stockpile or storage area when feasible.

Due to the size of the Site, soil may be more conveniently live loaded into trucks for offsite disposal at an appropriate facility or temporarily stored within secure, water resistant, DOT-

approved bulk containers. All stockpiled or containerized soil will be stored within a secure area of the Site and properly labeled to minimize potential contact. In addition, all soil stockpiled or otherwise stored at the Site will be inspected daily for tears, holes, or other failures in the polyethylene sheeting or storage container.

Dust Control

Dust control requirements will be a contractual responsibility of the general contractor for the Site and will be documented by the owner's Environmental Professional during redevelopment activities. Dust control measures shall be employed during excavation and grading, and to control dust around stockpiles, haul roads, and any other exposed soils.

- At a minimum, wet suppression shall be used to provide temporary control of dust. Wet suppression will be applied on a routine basis and/or as directed by the owner's Environmental Professional to adequately control dust. Depending upon weather conditions and work activity, several wet suppression applications per day, and/or the use of granular calcium chloride or similar commercially manufactured dust control agents, may be necessary to adequately control dust. Aside from routine wet suppression, alternate dust control measures are subject to approval by the owner's Environmental Professional.
- Water runoff generated by dust control will be retained and disposed in accordance with the requirements of the appropriate regulatory agencies.
- Vehicles leaving the Site shall have no mud or dirt on the vehicle body or wheels. Any foreign matter on the vehicle body or wheels will be physically removed prior to vehicles entering a public roadway. Vehicles will not be permitted to leave the Site with exterior mud or dirt that has the potential to be deposited on public roadways.

4. OFFSITE SOIL DISPOSAL

During redevelopment or if future need arises, all excess impacted soil (e.g. during future landscape installations) shall be transported and disposed offsite in accordance with all applicable federal and state regulations. The following subsections provide appropriate procedures for the characterization and offsite disposal of special waste soil.

Waste Characterization Sampling

Waste characterization sampling will be required in order to meet facility acceptance requirements. As such, the owner's Environmental Professional will collect representative samples from the special waste soil for analysis by an independent, Maine-certified laboratory. At a minimum, and in accordance with disposal facility requirements, laboratory criteria will include, but may not be limited to, the following analyses:



- Total petroleum hydrocarbons (TPH)
- Volatile organic compounds (VOC)
- Semi-volatile organic compounds (SVOC)
- Polychlorinated biphenyls (PCB)
- RCRA 8 Metals
- pH
- Ignitibility, conductivity, and reactivity (sulfide and cyanide)
- Additional toxicity characteristics leaching procedure (TCLP) analysis where necessary

Following the results of the above analyses, an appropriate disposal or recycling method will be selected and a soil disposal acceptance package should be prepared and submitted to the facility.


Soil Transport and Recycling / Disposal


Prior to shipment, an appropriate recycling or disposal application will be submitted to the selected facility to obtain acceptance approval. Following facility acceptance, impacted soil will be removed from the Site for proper recycling or disposal. The loading of impacted soil will be conducted in accordance with the requirements of this SMP. All impacted soil loading and transport activities will be overseen by the owner's Environmental Professional. All equipment used for the transport of impacted soil will be properly licensed in accordance with applicable state and federal regulations. Haul truck cargo areas shall be securely and completely covered during material transport on public roadways.

Each shipment of impacted soil will be accompanied by appropriate transport documentation, such as a hazardous waste manifest or bill of lading. An official record of each shipment of impacted soil from the Site, including tonnage, will be presented to the owner's Environmental Professional following delivery to the receiving facility.

If there are any questions, please contact the undersigned.

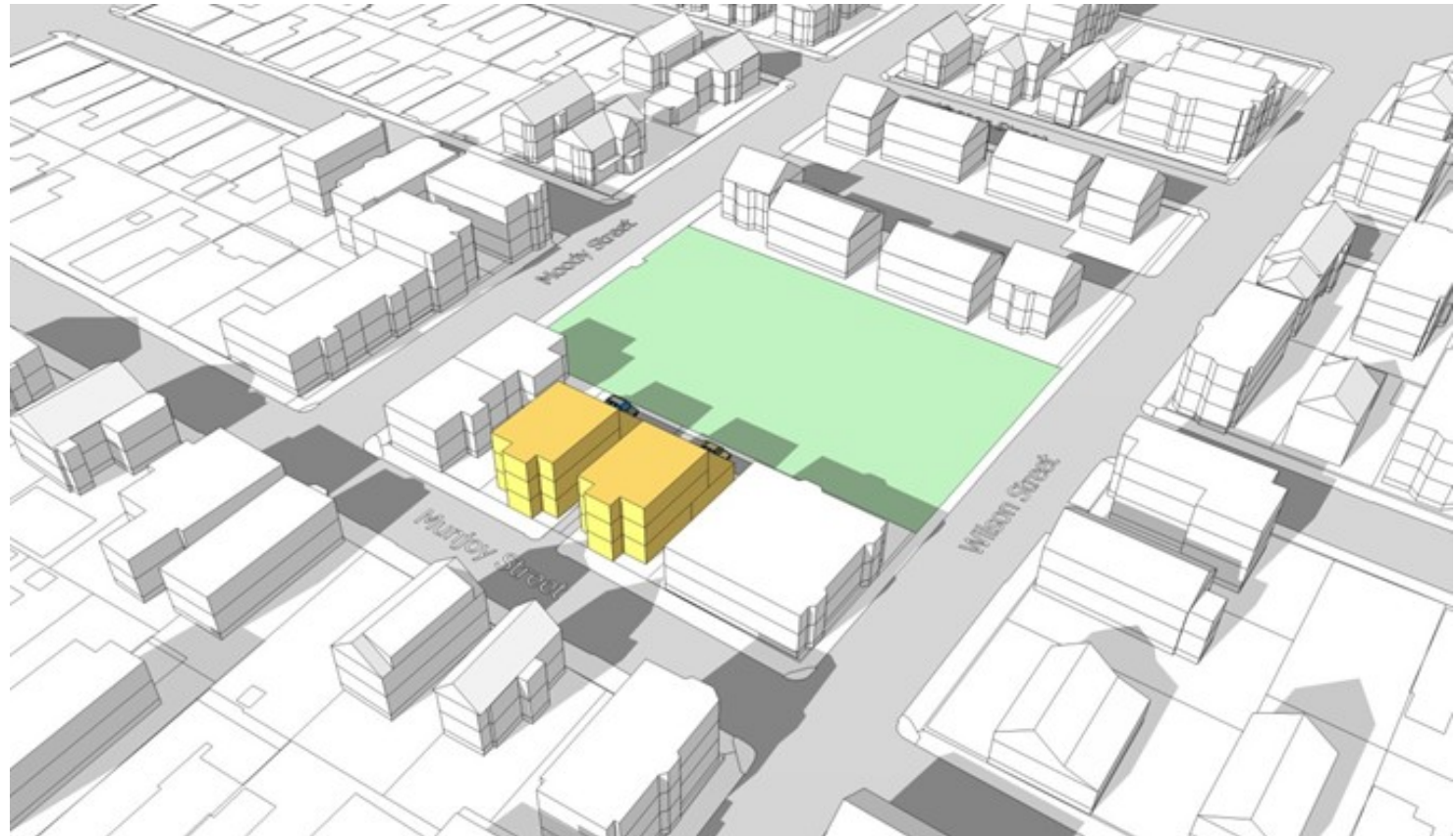
Sincerely,
Crede Associates, LCC


Allison Drouin
Geologist/Project Lead


Rip Patten, P.E., L.S.P., LEED-AP
Vice President

Munjoy Street Affordable Housing Feasibility Study

FINAL DRAFT



City of Portland, Maine
Planning & Urban Development Department

BPG / Bluestone Planning Group
Stantec Consulting Services, Inc.
Stull and Lee, Inc.

August 28, 2014



Munjoy Street Site illustrating the adjoining neighborhood context and scale: This photograph shows the old Adams School before it was demolished and before the new Adams School Condominiums on Vesper Street, and the new midblock playground and park were recently constructed.

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1.0 Introduction & Goals

In July of 2014, the City of Portland Maine and the City Council, via its Planning & Urban Development Department, asked our team of design and real estate financial and funding consultants to examine the feasibility of developing new permanently affordable family-sized housing units on a small city-owned parcel of land on Munjoy Street in a residential neighborhood north of downtown Portland. This small 6,800 sq. ft. (0.15 acre) remnant parcel had been a part of the former Adams School block bounded by Vesper, Moody, Munjoy and Wilson Streets, and was used as that school's parking lot. In 2013 - 2014 most of the block was redeveloped as the Adams School Condominiums on Vesper Street and a new city playground and open space at mid-block.

The assignment given our team was to explore physical alternatives and financial feasibility to maximize affordable housing options on the target site while simultaneously blending in size and scale with the surrounding two and three story multi-family residences on adjoining parcels and blocks. Specifically, the goals of this feasibility exercise were to:

- ❑ Attempt to maximize the number of affordable family size housing units (min. 2 bedroom units), but in no case provide fewer than eight (8) new apartments;
- ❑ Develop housing no taller than three floors in height to fit the scale and height of homes on the surrounding blocks;
- ❑ Design the housing to meet new proposed R-6 District zoning standards and dimensional criteria;
- ❑ Provide only a limited number of on-site parking spaces, in accordance with parking criteria proposed in the new R-6 District zoning amendments. Provide the remainder of required parking on-street;
- ❑ Try to avoid locating new on-site parking spaces along the Munjoy Street frontage. Instead, either place on-site parking at the side or rear of the lot, and/or visually screen parking from street view;
- ❑ Design the new housing to a scale and height so as not to cast extended shadows over a new adjoining playground and green open space; and
- ❑ Examine the financial and funding feasibility of developing this housing for permanent affordable ownership family housing and provide the option of utilizing HOME funds.



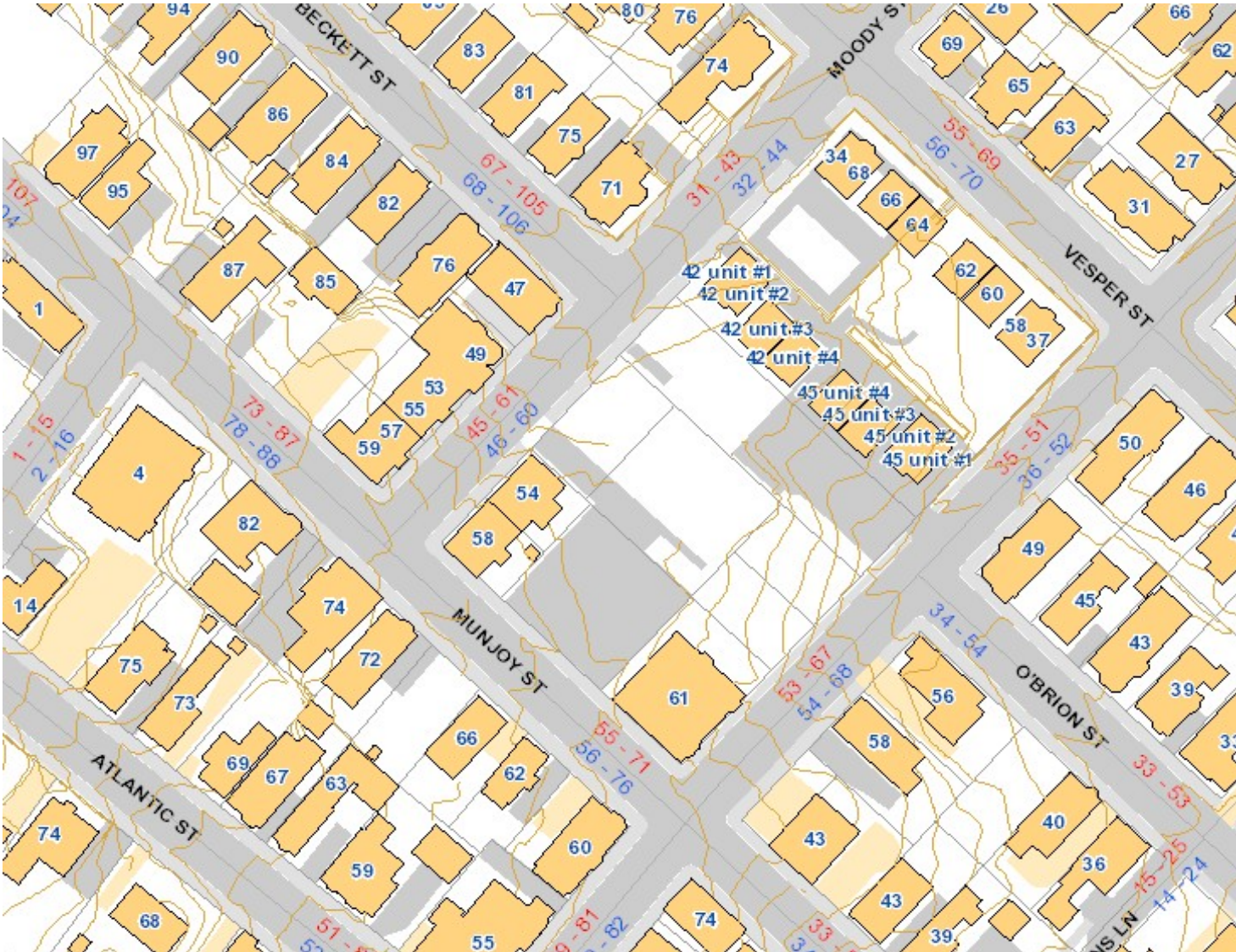
Munjoy Street Affordable Housing Site

2.0 Background and Context

The 6,800 sq. ft. (0.15 acre) Munjoy Street parcel is located in a relatively dense two and three story residential neighborhood north of downtown Portland and is close to the harbor. The site was once part of the city's Adams School property. In recent years, the school was closed and torn down so that the site could be redeveloped for affordable ownership housing, a playground, and open space.



Over the past year, sixteen (16) new family-sized two-story affordable townhouse units - Adams School Condominiums - were completed on the northeast portion of the block adjoining Vesper St. on a significantly larger parcel of land. Immediately to the southeast of this new housing, in the center of the former Adams School block, the City has also developed a new playground and green open space. The target Munjoy Street site is the last remaining undeveloped remnant parcel of the old Adams School. It is adjoined on Munjoy Street, on either side, by two-story privately-owned multi-family residential buildings.

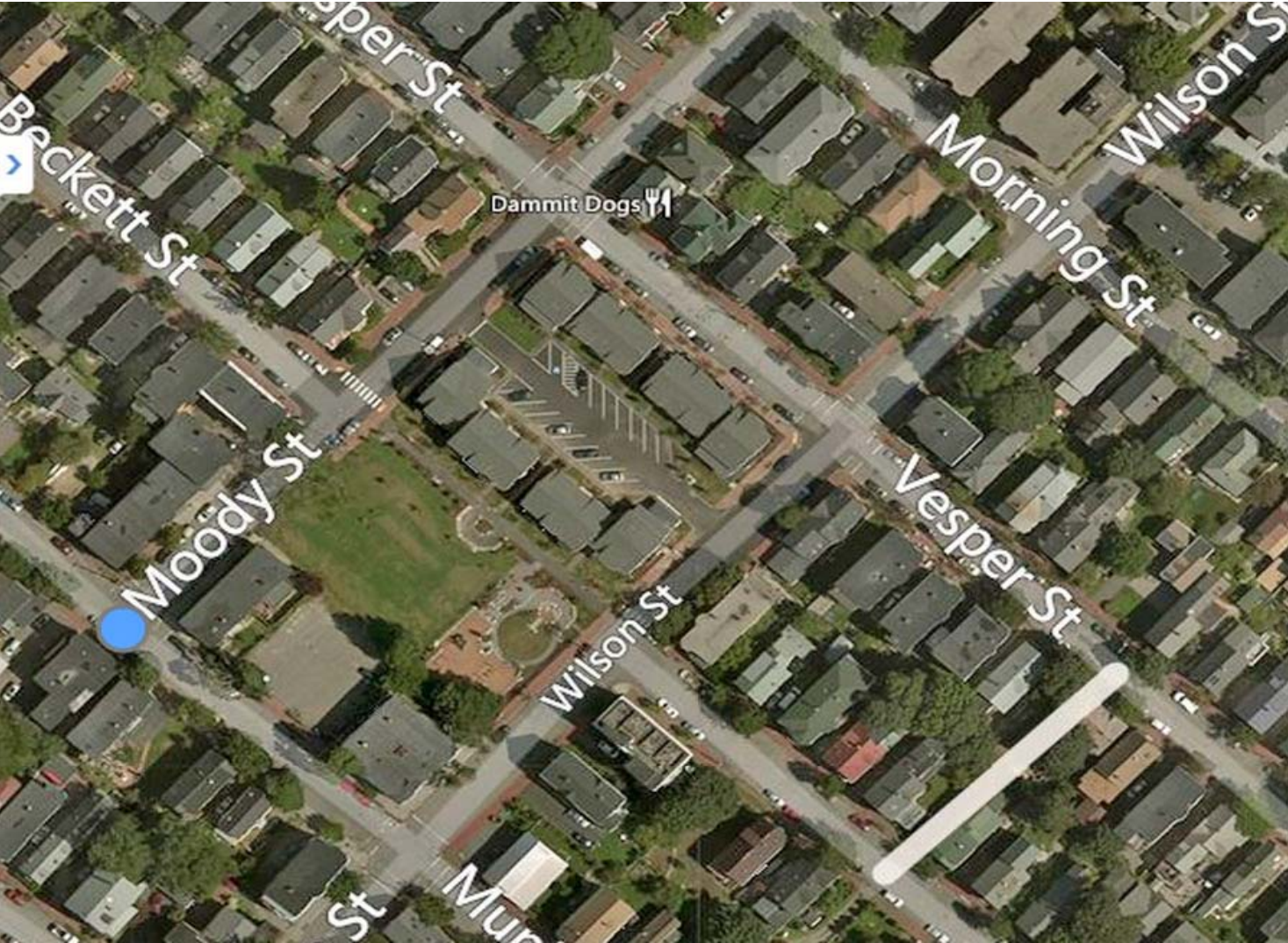


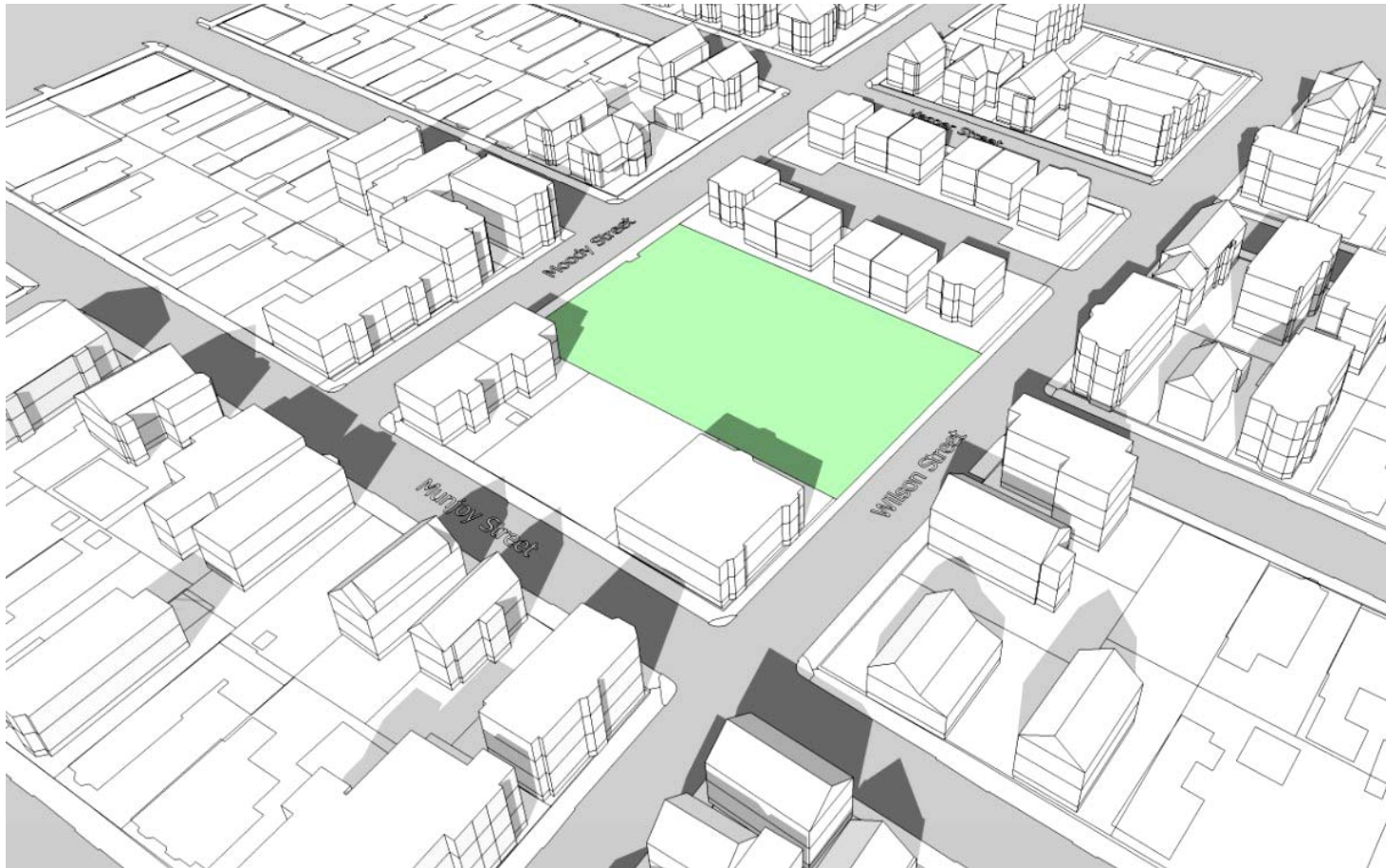
Adams School Condominiums on Vesper Street

3.0 Existing Site Conditions

3.1 The Site

The 6,800 sq. foot site is topographically flat. Approximately 80 feet wide and 85 feet deep, the site is 0.15 acres in size. It is bounded on its northeast by a new city green open space and a playground on Wilson Street.





Aerial view looking northeast with the new Vesper Street affordable housing units to the top of the old Adams School block, the new playground and future park in the middle of the block, and the target site on Mundy Street situated between existing multi-family residential buildings to either side.



*Adams School Condominium
Vesper St. two-story housing:
Architectural elevations*

3.2 Existing & Proposed R-6 District Zoning Standards

In anticipation of new development at this site and elsewhere in the R-6 Zoning District, the City is proposing zoning amendments to allow increased residential densities.

Potential R-6 Amendments to Dimensional Requirements		
Residential Dimensional Requirements	Existing	Proposed
Lot Size	4,500 sf	2,500 sf
Min. Lot Area/Dwelling Unit	1,000-1,200 sf	725 sf
Lot Area/Lodging House Rooming Unit	250 s.f	250 s.f
Street Frontage	40 feet	30 feet
Front Yard Setback	10 feet, or no more than average depths of adjacent front yards	5 feet, or no more than average depths of adjacent front yards
Rear Yard Setback	20 feet	10 feet
Side Yard Setback	10-15 feet, variable by height	5 feet
Side Yard on Side Street	10 feet	0 feet
Maximum Lot Coverage	40-50%, variable by # of dwelling units/lot	60%
Minimum Lot Width	40 feet	30 feet
Maximum Height	45 feet	45 feet
Landscaped Open Space	20-30%, variable by # of dwelling units/lot	20%
Parking	1 space/unit	1 space/unit, except none required for first 3 units

3.3 Phase I Environmental Site Assessment (ESA) Report Conclusions

On July 1, 2014, Credere Associates LLC, working in behalf of the City of Portland, completed a Phase I Environmental Site Assessment of the former Adams School site and target Munjoy Street Site based on a history of earlier identified contaminants on adjoining sites. Credere Associates recommended that a Phase II ESA investigation be conducted at the Site to assess Recognized Environmental Conditions (RECs) identified in the Phase I ESA.

4.0 Issues & Opportunities

4.1 Opportunities

- ❑ Provide an opportunity to build additional affordable family home-ownership housing on Munjoy Street at the site of the former Adams School parking lot.
- ❑ Strengthen, through infill, the residential street frontage on Munjoy Street, instead of a parking lot, to visually enhance the residential character of Munjoy Street.

4.2 Issues

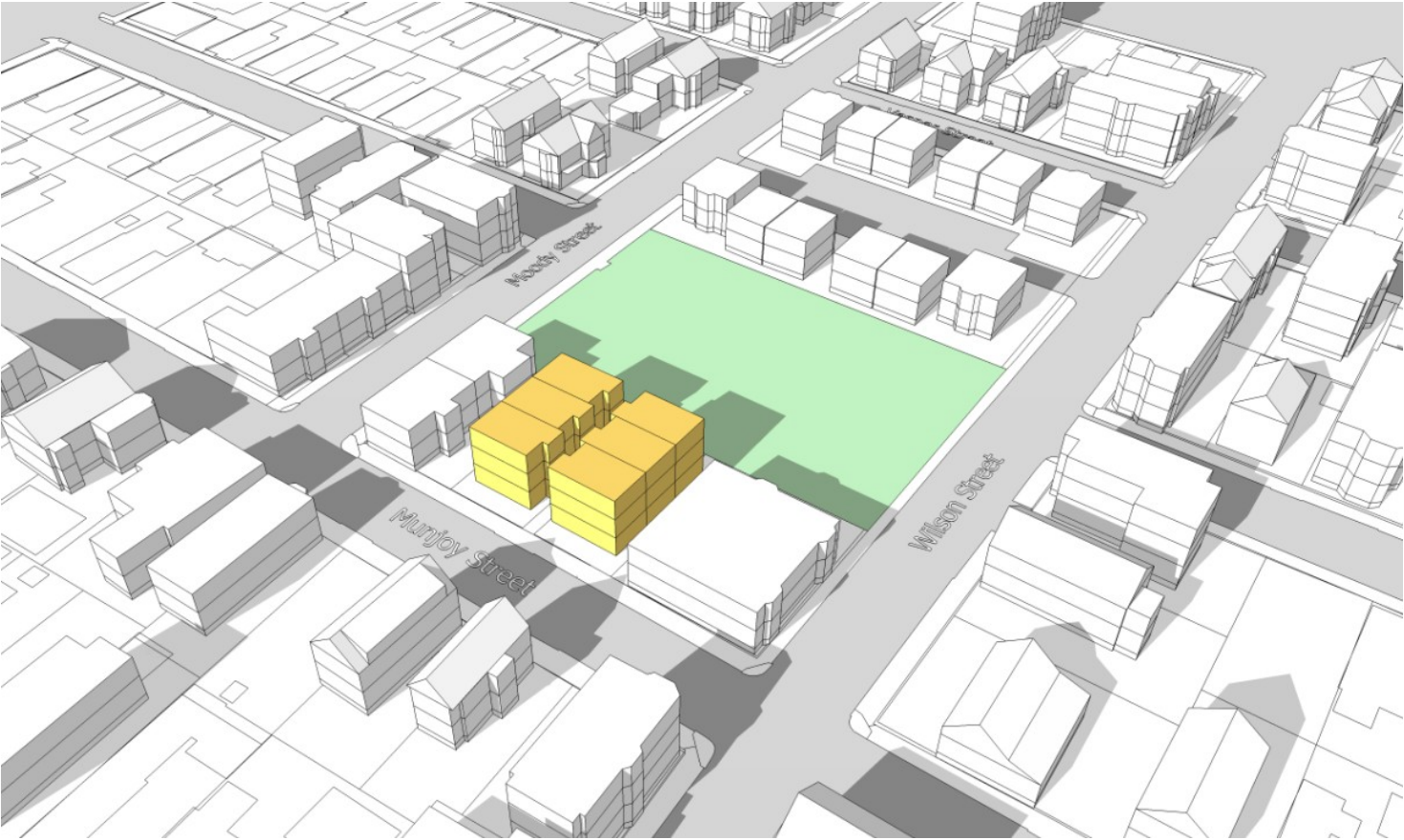
- ❑ Because the site is small (0.15 acres) and dimensionally limited (80 ft. x 85 ft.), it is difficult to fit both the minimum target number of new housing units (8 DUs min.) on the site and a sufficient number of surface on-site parking spaces to support this number of housing units, as required by zoning; *unless*, 1) some spaces are built at grade but under the overhang of upper floors, or 2) the target site is subdivided into two lots so that the 3-car parking space exemption per lot provided for in the proposed zoning can be taken advantage to minimize the total on-site parking requirements.
- ❑ To accommodate the minimum number of target housing units (8DUs), it is likely that three story buildings will be required. Means must therefore be sought (e.g. rear upper story building setbacks adjacent to the park) to minimize shadows cast on the adjacent playground and future park. By further adding pitched roofs as a desired design feature, the length of shadows may be extended.
- ❑ A Phase II Environmental Site Assessment (ESA) may be required for the Munjoy Street site. If contaminants are found, they may have to be remediated or removed.

5.0 Alternative Housing Scenarios

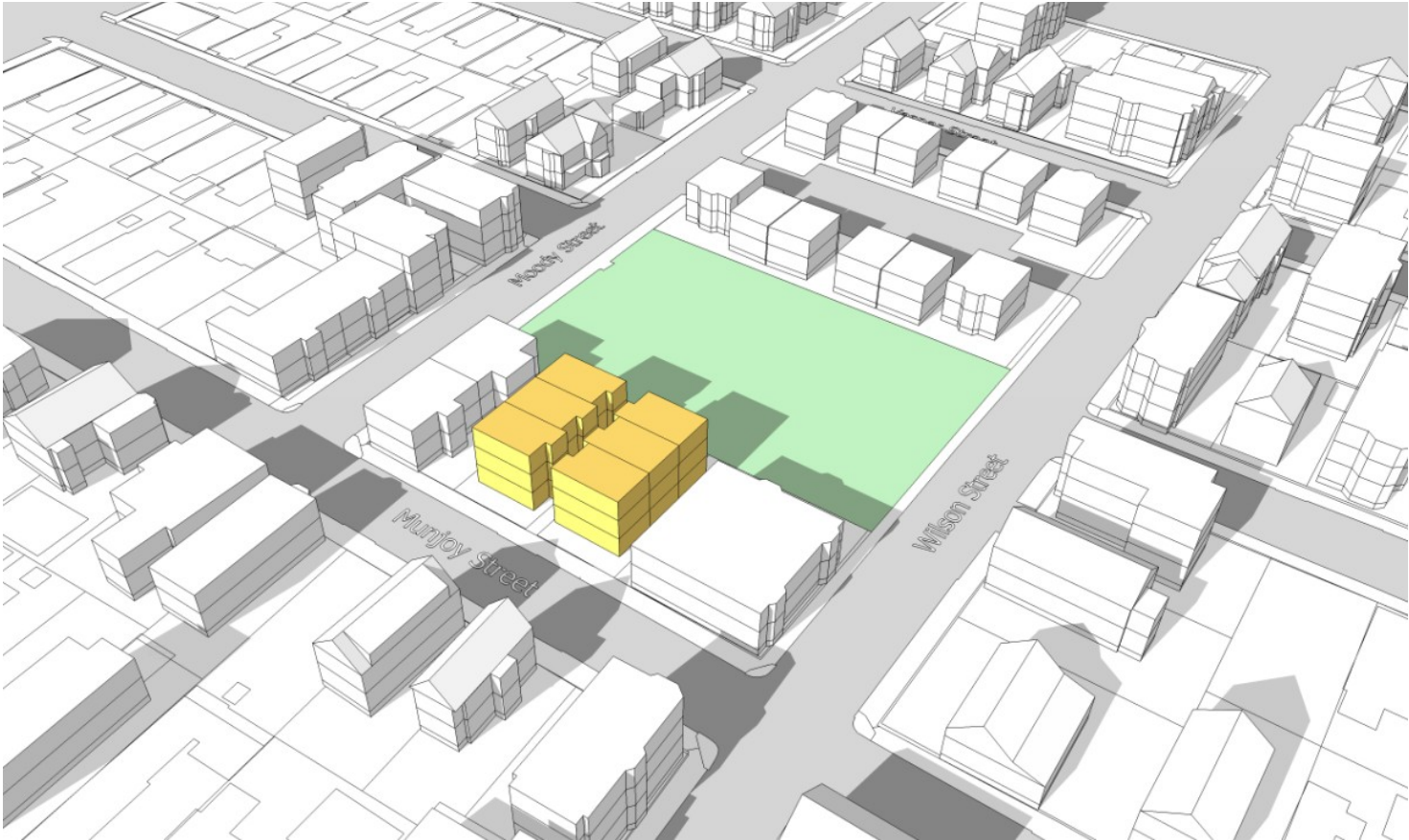
A number of alternative housing typologies were investigated for the Munjoy Street site before a Preferred Alternative was selected. These options are summarized below. Illustrations of each Alternative are shown on the following pages.

Alternative Housing Scenarios: Summary Table					
Alt. No.	Housing Type	No. of Units	No. of Floors	No. of Parking Spaces	Density [DUs / Acre] / Comments
Alt. A	Attached Two-Story Townhouses	6	2	0	40 DUs / acre - Pitched Roof
Alt. B1	Attached two-Story Townhouses over Ground Floor Flats [Facing center walkway]	12	3	0	80 DUs / acre - Flat roofs
Alt. B2	Attached Two-Story Townhouses over Ground Floor Flats [Facing street & facing park]	12	3	4 tandem spaces in 2 driveways	80 DUs / acre - Flat roofs
Alt. C1	Garden Apartment Flats [4 DUs / ea. floor]	12	3	2 tandem spaces in driveway	80 DUs / acre - Flat roof
Alt. C2	Garden Apartment Flats [4 DUs / ea. upper floor + 2 DUs / ground floor]	10	3	6-7 surface spaces underneath upper floors	66 DUs / acre - Flat Roof
Alt. D1	Two 'Triple Decker' Flats [1 DU on ea. upper floor + 2 smaller DUs on ground floor] [Subdivided Lot]	8	3	2 surface spaces at rear or in driveway	52 DUs / acre - Flat roof - Subdivided Lot
Alt. D2	Two 'Triple Decker' Flats [1 DU on ea. upper floor + 2 smaller DUs on ground floor] [Subdivided Lot]	8	3	2 tandem surface spaces in driveway	52 DUs / acre - Pitched Roof - Subdivided Lot

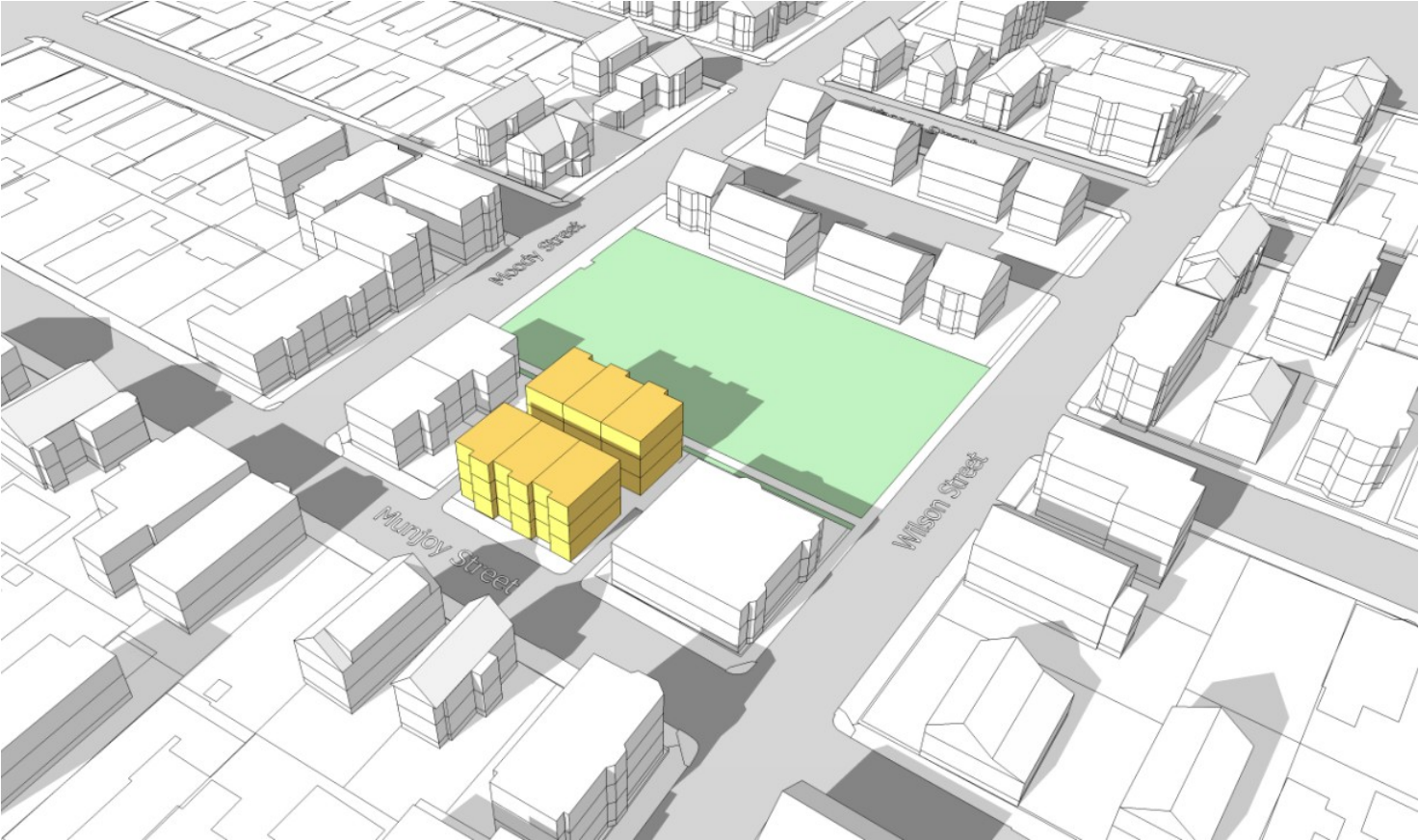
Alternative A: Attached Two-Story Townhouses – 6 DUs



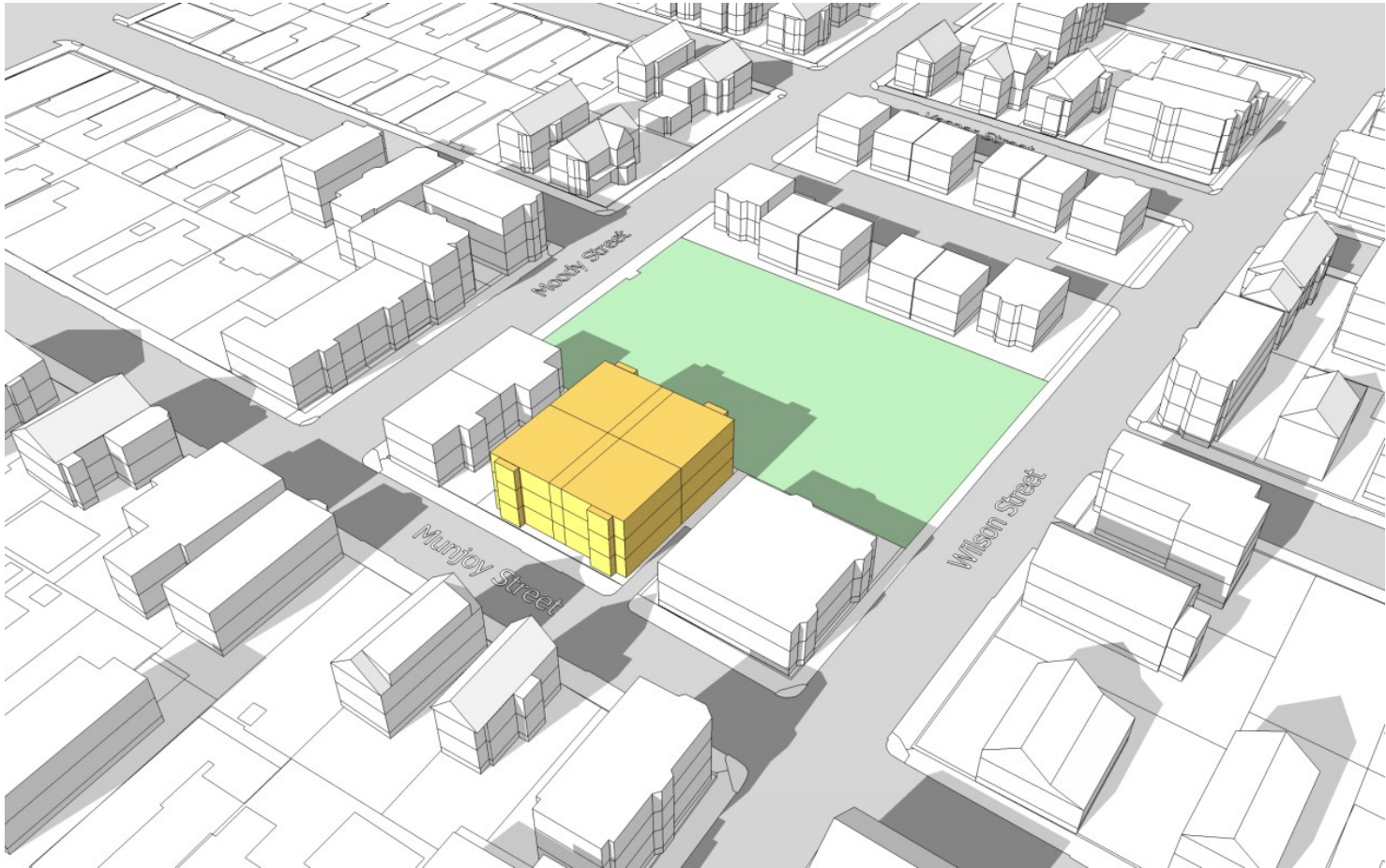
*Alternative B1: Attached Two-Story Townhouses Over Ground Floor Flats – 12 DUs
[Fronts facing internal walkway]*



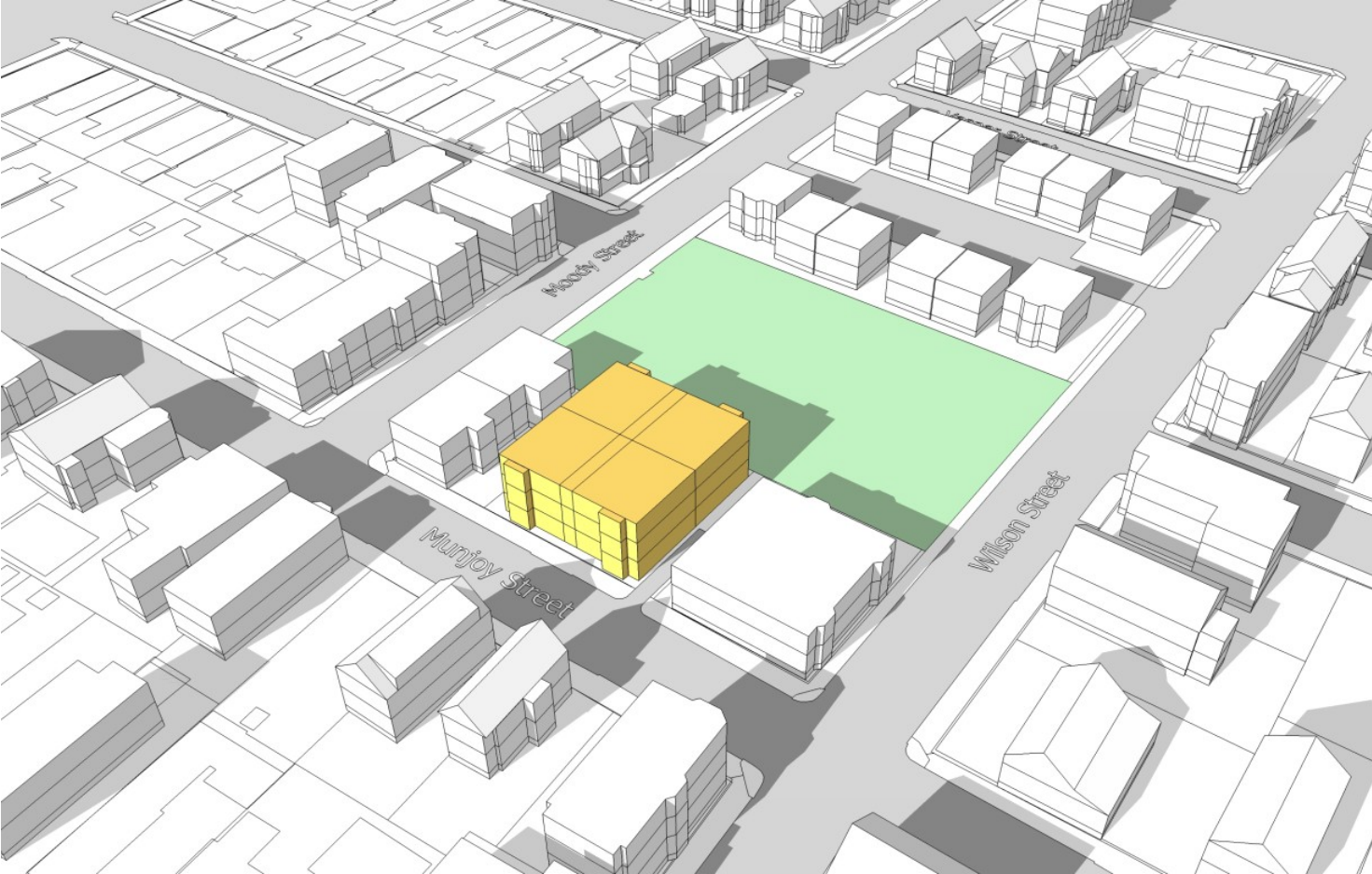
*Alternative B2: Attached Two Story Townhouses over Ground Floor Flats – 12 DUs
[Building fronts facing both Munjoy Street and the Park]*



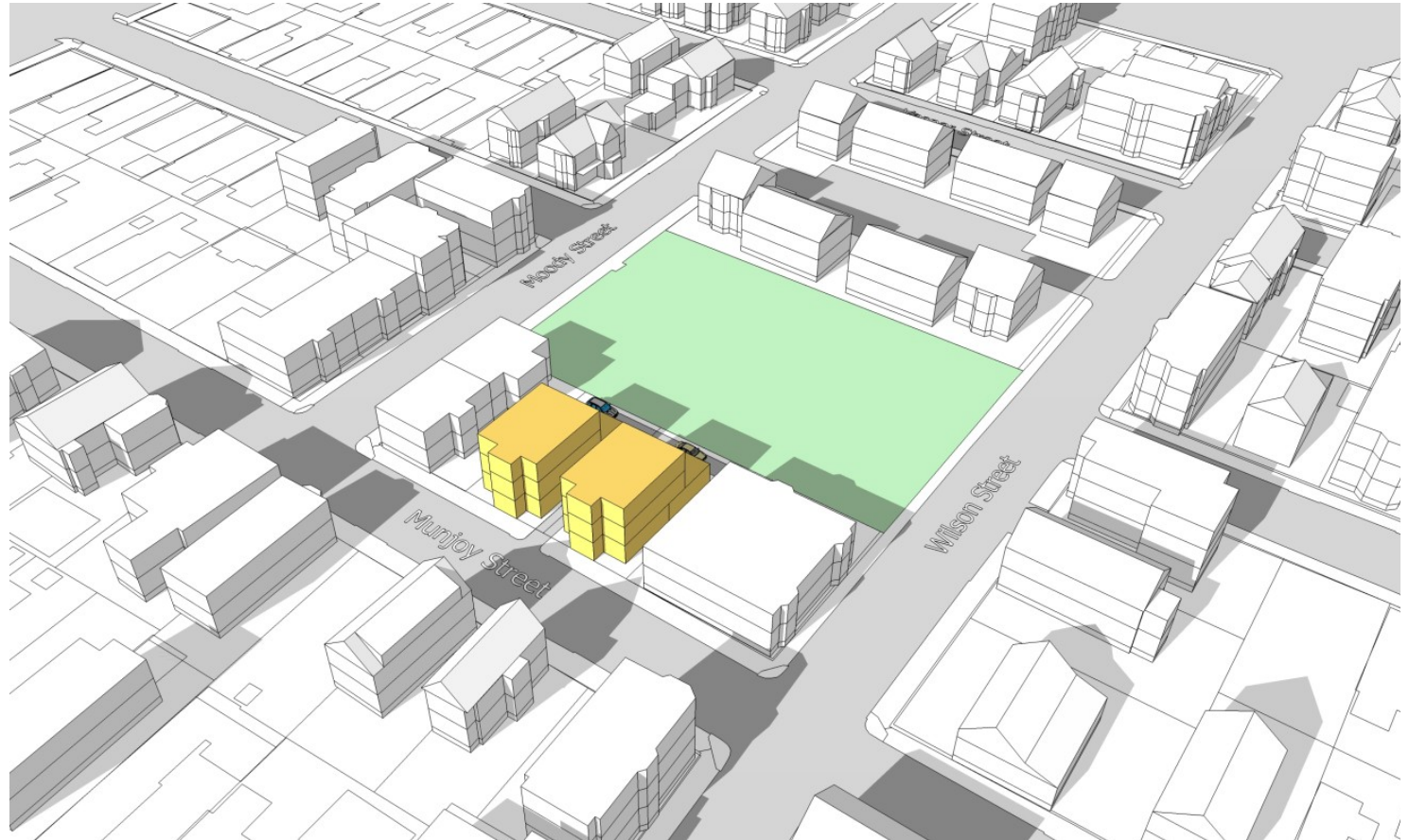
Alternative C1: Garden Apartment Flats (4 DUs / floor) – 12 DUs



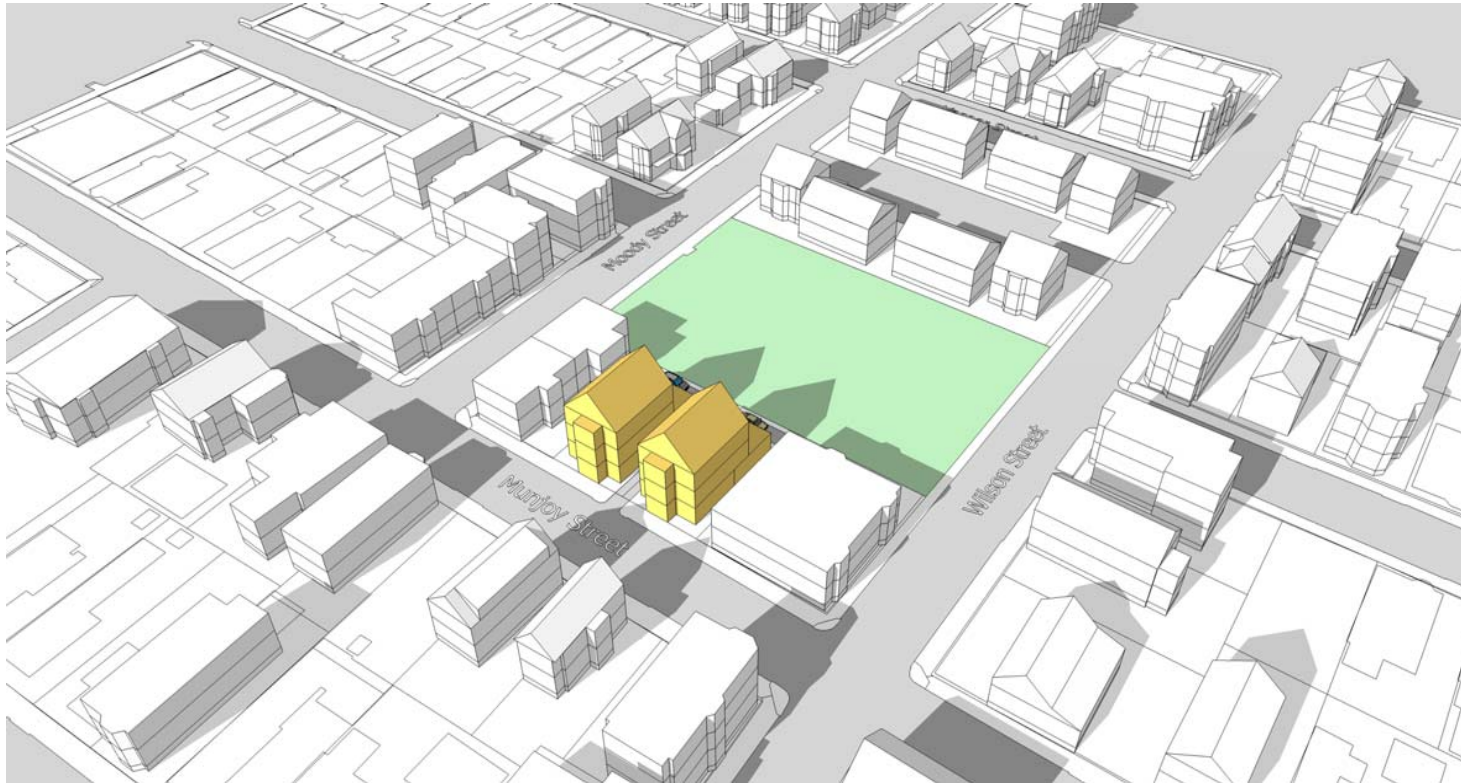
*Alternative C2: Garden Apartment Flats – 10 DUs
[Parking on grade under the overhang of upper floors]*



**Alternative D1: Two 'Triple-Decker' Styled Flats – 8 DUs
[Flat roofs]**



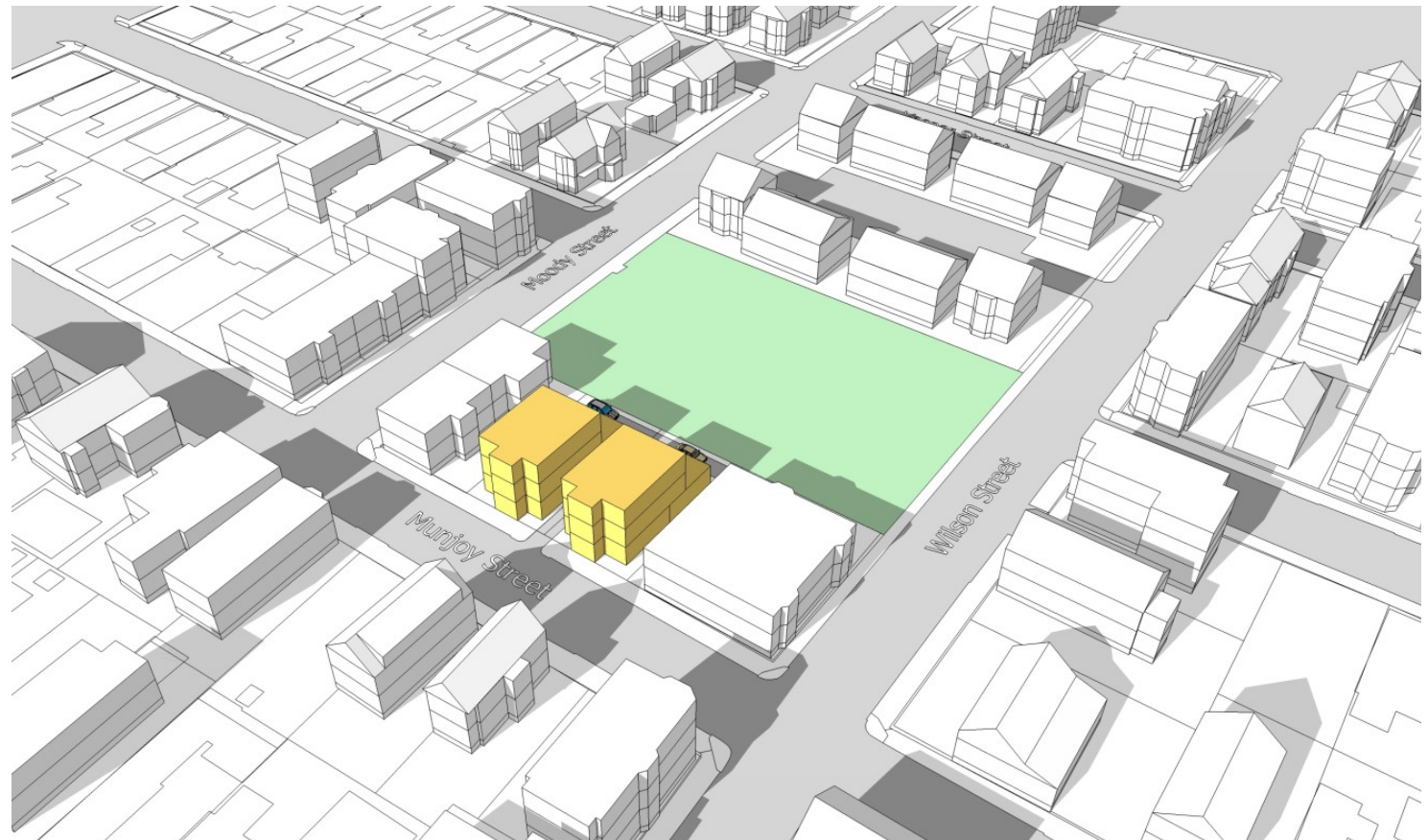
*Alternative D2: Two 'Triple Decker' Styled Flats - 8 DUs
[Pitched roofs]*



6.0 Preferred Housing Alternative – ‘Triple Decker’ Styled Flats [8 DUs]

Based upon the City’s review of the alternatives illustrated on the previous pages, a preference was expressed for Alt. D1 – ‘Two Triple Decker-Styled Flats’ with flat roofs because it best fit the scale and style of surrounding neighborhood residences. This scenario illustrates a larger flat on each of upper floors 2 and 3, and two smaller flats on the ground floor of these three story buildings – for a total of 8 DUs. Each upper story flat is approximately 1,000 net square feet in size (2 or 3 BRs); and each of the smaller ground floor flats are approximate 800 net square feet in size (2 BRs).

A total of two surface parking spaces are provided on-site. In order to meet the zoning parking requirement of 1 parking space / unit, the land parcel is subdivided into two lots – which allows 6 parking spaces in total to be exempted from the parking requirements – thereby leaving a requirement for only 2 on-site spaces.

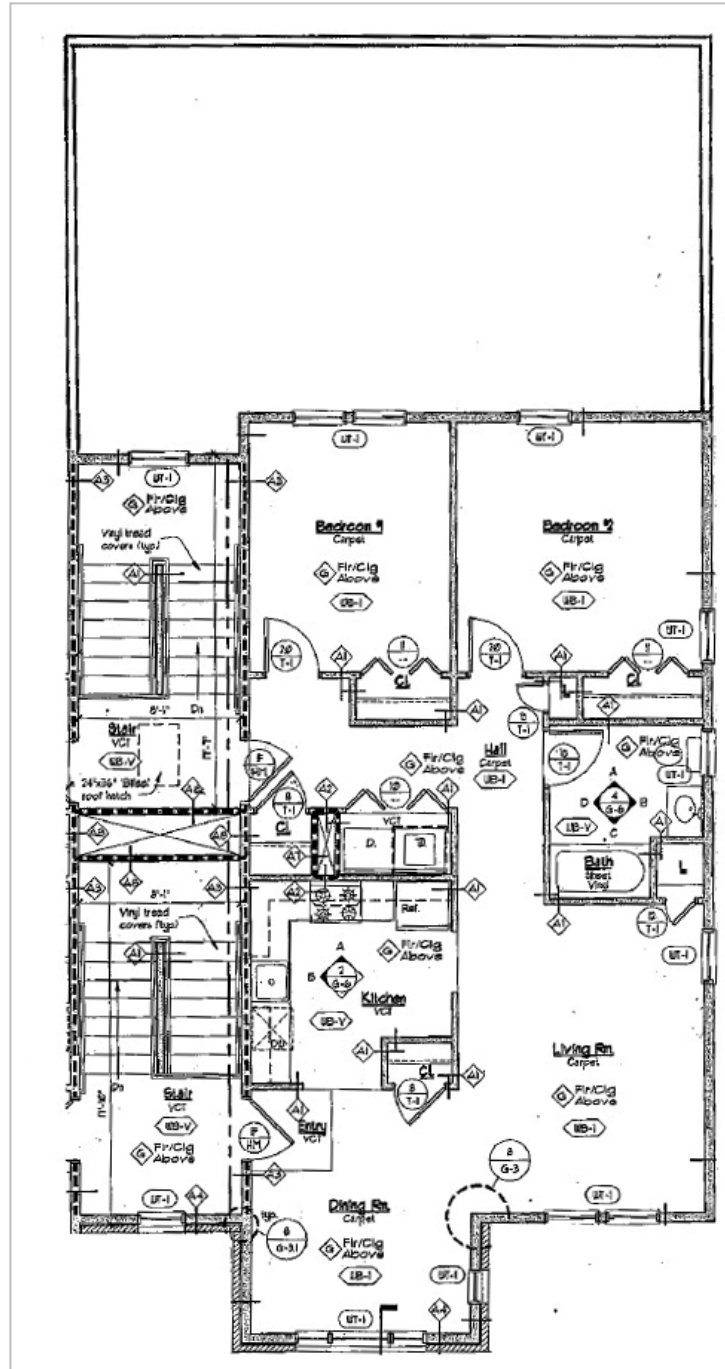


**Preferred Housing Plan:
Example Upper Floor (Floors 2 & 3) Flat Plan**

The prototypical floor plan shown at the right illustrates a typical 2 bedroom apartment flat plan on each of upper floors 2 and 3. (These units are sufficiently large in size to be designed as 3 bedroom units as well).

At the top of the plan is the roof deck over the rear ground floor apartment.

This plan is illustrative only. Other floor plan layouts are of course possible.



*Preferred Housing Plan:
Prototype Triple-Decker
Style Example*

*The photo at right illustrates
two side-by-side three-story
triple-decker styled housing
types that are similar in scale
to the suggested Preferred
Plan.*



7.0 Shadow Impact Evaluation

In order for the City to evaluate the shadow impacts of each housing alternative on the adjacent open space and playground to the north of the Munjoy St. site, all the alternatives were prepared in 3D SketchUp drawing software which allows shadows to be studied on any day of the year and at any time of the day. The illustration below shows the plan-view impact of shadows from the Preferred Alternative on March 21st at 3 pm. *In general, the Preferred Alternative will have very minimal shadow impact on the Playground on Wilson Street, although there may be some shadows cast on the open space at the center of the block.*

Our consultant team has provided the Planning and Urban Development Department with the digital SketchUp models so it can test the alternatives in-house for any time of day and any day of the year.



8.0 Financing, Funding & Implementation Strategies
[Stantec Consulting Services, Inc.]

To: Jeff Levine
City of Portland

From: Carol Gladstone
Stantec Consulting

Cc: Larry Bluestone
Drew Leff

Date: August 27, 2014

As part of the Munjoy Street Affordable Housing Feasibility Study, we reviewed financial feasibility of two alternative scenarios – affordable rental with HOME eligible rental levels (60% AMI), and affordable home ownership at a mix of 100 and 120% AMI.

Primary Findings:

- The preferred plan is relatively inefficient since it is two side-by-side buildings (and thus has two sets of stairs), and the square footage per unit at 1154 GSF is therefore high. The units themselves were also relatively large as one and two bedroom unit. The project is more feasible if these are developed as small two and three bedroom units, which is what we have assumed in the analysis. However, it is noted that these are now relatively small units.
- Because of unit size, costs per unit are relatively high at \$236,000 per unit. The project is too small to consider use of low income tax credits, and HOME funding alone cannot bridge the sizable gap between supportable debt and project cost for affordable rental.
- There is a better fit with affordable home ownership. Assuming units prices half at 100% AMI and half at 120%, the project is roughly break-even on a cost basis. This reflects sales prices that are consistent with prices being achieved in affordable ownership projects currently on the market.
- The financial analysis reflects the assumption that there is no land cost.
- There are two unknowns that should be explored further as the project advances.
 - We did not have information about potential remediation scope and cost, and the budget carried for site development needs verification.
 - The current plans do not include on-site parking for residents. The feasibility of this assumption should be further tested.

Financial Analysis – Assumptions and Summary:

Program: the preferred plan is a building of 9232 gross square feet, and 7312 net rentable square feet, and includes eight units. The average unit size is 1154 GSF/unit, which is relatively high due to the inefficiency of the preferred plan with side-by-side buildings, and thus two internal stairs. The units themselves average 914 NSF, and we suggested that as the plans develop that they be considered as two and three bedroom units rather than one and two bedroom units. Revenue projections are based on this program.

Project Costs: based on current construction costs of comparable projects of \$125/GSF and standard soft costs, we projected total development costs of \$205/ SF, which is consistent with other

current projects. This includes 10% construction contingency and 5% project contingency, to address potential construction cost escalation and other potential scope issues. This assumes land is contributed by the City. The budget does not include potential premiums for site remediation beyond an \$100,000 site development allowance.

Project costs per unit of \$236,600 are relatively high because of the relatively larger unit sizes compared to other affordable housing projects.

Rental Revenue and Debt Capacity: based on rental rates at the 60% AMI level, and operating expenses, taxes and reserves of \$5800/ unit, the net operating income is \$58,000 when stabilized in current dollars. This can support approximately \$784,000 of debt, leaving a sizable funding gap of \$1.1 million, or \$138,000/ unit.

Sales Projections: sales revenue was projected based on supportable prices at the 100 and 120% level, and then adjusted downwards to correspond to prices being achieved **today** in other affordable ownership projections. No price escalation was included in the projections. Based on sales prices of \$217,000 – \$235,000 for two bedroom units and \$245,000 - \$285,000 for three bedroom units, the project is roughly break-even.

Other Assumptions:

- **Land Cost:** land is included at no cost to the project.
- **Remediation:** no premiums for potential remediation costs are included beyond an \$100,000 site development allowance.
- **Parking:** two spaces are provided in the plans, and are designated as visitor parking, not parking for residents.

Financial summary pages follow, including:

Program and Development Cost Summary

Net Operating Income Projection

Gap Analysis: Loan Summary/Debt Capacity and Sales Projection

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**Munjoy Street Affordable Housing
Program & Development Cost Summary**

8/28/2014

Site and Building Area

Site SF			6,800
Gross Building Area SF			9,232
Net rentable SF (NSF)			7,312
Total Usable	79%	net-to-gross	7,312
Site Uses			
Parking Spaces on site	400	SF	2
Lanscaped Areas	2,520		
Building Footprint	3,880	SF	

Building Program

3 Levels/ side-by-side walk up units	NSF	Units	NSF/Unit
Level 1	3,240	4	810
Level 2	2,036	2	1018
Level 3	2,036	2	1018
Total	7312	8	
	<i>Average Unit Size (NSF)</i>	914	
	<i>Average Unit Size (GSF)</i>	1154	

Development Costs Summary

Acquisition			\$0
Construction			
Site Work + Remediation	LS		\$129,200
Construction	\$125	<i>Per GSF</i>	\$1,154,000
Construction Contingencies	10%		\$115,400
		TOTAL:	\$1,398,600
Soft Costs			
A&E + related fees	\$143,664		
Project legal & insurance	\$137,963		
Financing & Interest	\$58,703		
			\$340,330
Developer Fee	4%		\$67,000
Project Contingency	5%		\$86,947
TOTAL DEVELOPMENT COST			\$1,892,877
	Cost/ GSF		\$205
	Cost/ Unit		\$236,610

Net Operating Income Projection - Affordable Rental

Program

	SF	Market	High Home (60% AMI)	Total Units
2 BR	810		4	4
3 BR	1018		4	4
Unit Count		0	8	8
		0%	100%	100%

Monthly Rental Rates

	Market	HUD FMR	High Home
Studio		\$688	
1 BR	\$900-\$1000	\$819	\$831
2 BR	~ \$1250	\$1,012	\$1,019
3 BR	\$1300+?	\$1,339	\$1,273

Rental Revenue

	Market	High Home	All Units
Studio			
1 BR		\$0	
2 BR		\$4,076	
3 BR	\$0	\$5,092	
Total Monthly	\$0	\$9,168	\$9,168
	Market	High Home	All Units
Total Annual	\$0	\$110,016	\$110,016

Parking Revenue

Parking Spaces (Visitor spaces)	2
Monthly Rate	\$0
Monthly Revenue	\$0
Annual Revenue	\$0

Effective Gross Income

	Per Unit	Total
Apartments	\$13,752	\$110,016
Parking	\$0	\$0
Subtotal	\$13,752	\$110,016
Less: Vacancy Loss	5.00%	(\$688)
EGI	\$13,065	\$104,516

Expenses & Utilities

	Per Unit/Annual	Total/Annual
Expenses		
Total Expenses	\$4,450	\$35,600
Utilities		
Total Utilities	\$950	\$7,600
	Per Unit	Total
Total Annual Expenses & Utilities	\$5,400	\$43,200

Annual Net Operating Income (NOI)

	Per Unit	Total
EGI	\$13,065	\$104,516
Less: Expenses & Utilities	(\$5,400)	(\$43,200)
Less: Reserves	per unit (\$400)	(\$3,200)
NOI	\$7,265	\$58,116

Gap Analysis

Loan Summary - Debt Capacity

Loan Amount	
NOI	\$58,116
DSC	115%
Available for Debt Service	\$50,536
Debt Terms	
Rate	5.0%
Amortization (years)	30

Loan Amount	
Loan Amount	\$784,489
Fee	inc in costs
Total	\$784,489
Annual Loan Payment:	\$50,536
Total Development Costs	\$1,892,877
Gap	(\$1,108,388)
Gap per Unit	(\$138,549)

Affordable Home Ownership Sales Projection

	SF	100%	120%	Total Units
Studio	445	n/a		0
1 BR				0
2 BR	810	2	2	4
3 BR	1018	2	2	4
Unit Count		4	4	8
		50%	50%	100%

Sales Prices

	Per Unit	Per Unit	Total
2 BR Units	\$217,000	\$235,000	\$904,000
3 BR Units	\$245,000	\$285,000	\$1,060,000
			\$1,964,000
Less: cost of Sales - 2.0 %		2.0%	(\$39,280)
Total Revenue from sales			\$1,924,720
Project Costs			\$1,892,877
	Gap		\$32,000
	Per unit		\$4,000