



Jeff Levine, AICP
Director, Planning & Urban Development Department

Todd Alexander
Renewal Housing Associates
Three Canal Plaza #501
Portland, ME 04101

August 4, 2016

Re: Request for Determination Regarding Replacement of Housing Units

Dear Mr. Alexander:

This letter is in response to your letter of August 2, 2016, requesting a determination as to whether the development of new units by Tate Partnership LLC will satisfy the obligation under the City's Housing Preservation and Replacement ordinance of Onejoy Place LLC should it remove three units at 1 Joy Place.

Onejoy Place LLC is under contract to purchase a three unit property that it wishes to demolish 1 Joy Place. At the same time, Tate Partnership LLC is completing an 8 unit development nearby at 22 Tate Street.

Some pertinent facts:

- 22 Tate Street development replaces a single family home, and therefore represents a net increase of 7 units on that site.
- 22 Tate Street is located within 1500 feet of 1 Joy Place, as required by the Housing Replacement Ordinance.
- The units are of comparable size as the units being proposed for removal on Joy Place.
- While your letter is dated August 2, you first contacted me with the intent to demolish 1 Joy Place last fall, before 22 Tate Street was permitted and constructed. Therefore these units qualify for replacement as having not undergone Site Plan Review prior to intent to demolish the 1 Joy Place units.

The Housing Replacement Ordinance lists as one of its purposes "[t]o promote and facilitate an adequate supply of housing, particularly affordable housing for all economic groups." You are correct, however, in your statement that "the Ordinance attaches no affordability metrics or requirements to the replacement obligation." The units appear to meet all requirements in terms of location, timing and size as outlined Section 14-483.

For these reasons, three units at 22 Tate Street can serve as replacement units for the 3 units at 1 Joy Place, subject to the following conditions:

1. Certificates of Occupancy must be granted for at least 4 units at 22 Tate Street. The first unit will replace the single family home on site, and the next three units would replace the three units at 1 Joy Place. The exact number of units that need to receive Certificates of Occupancy will depend on, and be proportional to, the common interest as identified below;
2. Receipt of an executed version of the Onejoy Place LLC company agreement documenting ownership of the LLC;
3. Receipt of an executed version of the Tale Partnership LLC company agreement documenting no less than 43% (8-1=7 new units, with 3 units needed) common interest with Onejoy Place LLC;

In addition, the demolition of 1 Joy Place will have to receive Administrative Authorization from my office. That process can be completed simultaneously with issuance of a demolition permit.

Please let me know if you have any questions.

Sincerely,



Jeff Levine, AICP

cc: Jon Jennings, Portland City Manager
Danielle West-Chuhta, Portland Corporation Counsel
Mary Davis, Housing and Community Development Director
Stuart O'Brien, Planning Division Director
Barbara Barhydt, Development Review Services Manager
Michael Russell, Director of Permitting and Inspections
Ann Machado, Zoning Administrator

Enc. (2)

Letter from T. Alexander dated August 2, 2016
Email communications between J. Levine and T. Alexander

RENEWAL HOUSING ASSOCIATES, LLC
THREE CANAL PLAZA, SUITE 501
PORTLAND, MAINE 04101

August 2nd, 2016

Jeff Levine, AICP
Director
Planning & Urban Development Department
389 Congress Street 4th Floor
Portland, Maine 04101

RE: Demolition of Housing Units at 1 Joy Place | Replacement Housing Units at 22 Tate Street

Dear Jeff:

I am submitting this letter as a follow up to our correspondence last October regarding housing replacement units involving the above referenced properties.

The purpose of this letter is to provide formal notification of our company's intent to demolish a residential three-unit building at 1 Joy Place and to replace the housing units through a new project, West Port Lofts, that we are developing in the West End neighborhood. In addition to this letter, we are preparing a full demolition application that will be submitted to the Permitting and Inspections Department. By way of background, I am providing information on both projects and the ownership structure for each property.

1 Joy Place (CBL: 45-E-48, 45-E-49):

Our company, Renewal Housing Associates LLC ("RHA"), through a single purpose entity, Onejoy Place LLC, has entered into a purchase and sale agreement to acquire 1 Joy Place. We expect to close on the acquisition within the next 30 to 45 days.

The property consists of a 3-unit residential building and two accessory structures. The residential building has been vacant and uninhabitable for a number of years. The two accessory structures are in significant disrepair.

Our long term plan is to redevelop the property for residential use. However, given the condition of the existing structures, we are seeking to demolish the buildings as soon as possible after closing—and, before we are ready to submit a Site Plan application for the new development.

Onejoy Place, LLC has a single member, Renewal Housing Associates LLC. RHA is a multifamily affordable housing development company that is owned by three members; David Lakari & Associates LLC ("DLA"), West Port Development LLC ("WPD") and Leon N. Weiner & Associates Inc. David Lakari is the sole member of DLA. Todd Alexander is the sole member of WPD.

22 Tate Street, aka West Port Lofts (CBL: 44-E-15, 17 and 19):

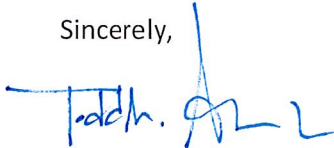
West Port Lofts is an 8-unit, new construction housing development at 22 Tate Street. The project is located in close proximity to 1 Joy Place and consists of 1 studio, 5 one-bedroom and 2 two-bedroom units. The project will serve a similar housing market as Joy Place – middle income households located in the West End neighborhood.

West Port Lofts is owned by Tate Street Partnership LLC, which consists of three owners. The members and their ownership interests are; David Lakari & Associates (37.5%), West Port Development LLC (25%) and Random Orbit LLC (37.5%).

As a result of DLA and WPD's combined 62.5% interest in Tate Street Partnership, we request that DLA and WPD are credited with 5 replacement housing units at West Port Lofts ($62.5\% \times 8 \text{ units} = 5 \text{ units}$) to offset the 3 units of housing that will be demolished at 1 Joy Place.

The operating agreements for Onejoy Place LLC and Tate Street Partnership LLC are available upon request.

Sincerely,



Todd M. Alexander
Vice President



Jeff Levine <jlevine@portlandmaine.gov>

FW: Application for Demolition of Housing Units at Joy Place and Replacement Units at Tate Street

1 message

Todd Alexander <TAlexander@renewalhousing.com>
To: Jeff Levine <JLEVINE@portlandmaine.gov>

Tue, Aug 2, 2016 at 3:27 PM

Fyi...this is the email trail that I had...sounds like you found the same thing but for your records. Working on letter now.

Todd M. Alexander

Renewal Housing Associates, LLC | Leon N. Weiner & Associates, Inc.

p. 207 347-3018 | c. 207 749-7257

From: Jeff Levine [mailto:JLEVINE@portlandmaine.gov]
Sent: Friday, November 20, 2015 10:31 AM
To: Todd Alexander <TAlexander@RenewalHousing.com>
Cc: Tyler Norod <TNN@portlandmaine.gov>
Subject: RE: Application for Demolition of Housing Units at Joy Place and Replacement Units at Tate Street

Todd,

Attached is the letter I sent in the last similar case (although in this case they already had demolished the buildings and had funds in escrow.) This should give you an idea of how we would structure an approval to this proposed course of action.

Jeff

>>> Todd Alexander <TAlexander@RenewalHousing.com> 11/20/2015 9:19 AM >>>

Hi Jeff: Just following up on the voicemail tag from last week. Could you let me know what information you will need and when to process/document the replacement housing request for Joy Place. At this stage, our plan is the following:

- a. Proceed with Site Plan approval for West Port Lofts, an 8 unit housing project located at 22 Tate Street. We are currently scheduled for a December 8th Planning Board meeting.
- b. Start construction on West Port Lofts in early Spring. Completion/CO anticipated for September, 2016
- c. At the time that we receive a CO for West Port Lofts, we will file for a demolition permit on 1 Joy Place (3 units).

I'm available for a call today if it's easier to walk through the details by phone.

Thanks, Todd

Todd M. Alexander

Renewal Housing Associates, LLC | Leon N. Weiner & Associates, Inc.

p. 207 347-3018 | c. 207 749-7257

From: Jeff Levine [<mailto:JLEVINE@portlandmaine.gov>]

Sent: Thursday, October 29, 2015 1:33 PM

To: Todd Alexander <TAlexander@RenewalHousing.com>

Subject: RE: Application for Demolition of Housing Units at Joy Place and Replacement Units at Tate Street

Sounds good.

>>> Todd Alexander <TAlexander@RenewalHousing.com> 10/29/2015 12:23 PM >>>

Tomorrow works. I'm back on the road next week. I'll stop by your office at 11:30, ok?

Todd M. Alexander

Renewal Housing Associates, LLC | Leon N. Weiner & Associates, Inc.

p. 207 347-3018 | c. 207 749-7257

From: Jeff Levine [<mailto:JLEVINE@portlandmaine.gov>]

Sent: Thursday, October 29, 2015 12:17 PM

To: Todd Alexander <TAlexander@RenewalHousing.com>

Cc: Peter Bass <pbass@maine.r.com>; David Lakari <DLakari@RenewalHousing.com>

Subject: RE: Application for Demolition of Housing Units at Joy Place and Replacement Units at Tate Street

Could meet tomorrow (Friday) from 11:30-12 or we could find a time next week when my schedule is more open. Let me know.

>>> Todd Alexander <TAlexander@RenewalHousing.com> 10/23/2015 4:51 PM >>>

Jeff: Thanks for the background information. I don't think we have a problem meeting the ownership requirement. The owners of 1 Joy Place have a 66.66% combined interest in Tate Street. I can't speak to the census block group – although, I'm fairly certain both projects are in the same census tract. But, that may be a moot point if the policy hasn't been considered by the Planning Board or adopted by the Council yet.

I'm in town Wed, Thurs and Friday next week. Generally available except for Wednesday afternoon.

Todd

Todd M. Alexander

Renewal Housing Associates, LLC | Leon N. Weiner & Associates, Inc.

p. 207 347-3018 | c. 207 749-7257

From: Jeff Levine [<mailto:JLEVINE@portlandmaine.gov>]
Sent: Friday, October 23, 2015 4:37 PM
To: Todd Alexander <TAlexander@RenewalHousing.com>
Cc: Peter Bass <pbass@maine.rr.com>; David Lakari <DLakari@RenewalHousing.com>
Subject: Re: Application for Demolition of Housing Units at Joy Place and Replacement Units at Tate Street

Todd-

Perhaps it's worth sitting down and walking through this request. What is your availability the week after next?

In similar circumstances in the past we have held an escrow of the housing replacement cost until the new units receive C of O's. We have also asked for documentation that the equity investment in the substitute project is proportional to the number of units being replaced. In this case, that would mean you would have to show that the owner of 1 Joy Place provided 3/8 of the equity investment in the replacement project. We would have to trace the equity through the various LLCs to verify that there is a direct correlation between the members of the LLC removing the units and the LLC adding the units. Some developers are not comfortable with the level of financial detail we ask for in this situation, but we believe it's necessary to document the replacement.

Also, at their last meeting, the HCDC voted to forward changes to the Housing Replacement Ordinance to the Planning Board and full Council. The changes would require that all replacement units be in the same Census Block Group as the units being removed. That amendment will go to the Planning Board shortly.

Jeff

>>> Todd Alexander <TAlexander@RenewalHousing.com> 10/22/2015 3:04 PM >>>

Hi Jeff:

I am contacting you to start the process of providing notice to you, in your capacity as the Planning Authority, of my company's intent to demolish a residential three-unit building at 1 Joy Place and to replace the housing units through a new project that we are developing on Tate Street. By way of background, I am providing information on both properties and transactions. Once you have reviewed this information, we would like feedback on what additional steps are required to meet the City's replacement housing requirements.

Joy Place:

Our company, Renewal Housing Associates LLC ("RHA"), through an single purpose entity, Onejoy Place LLC, has entered into a purchase and sale agreement to acquire 1 Joy Place. RHA consists of three members, two of which are David Lakari & Associates LLC ("DLA") and West Port Development LLC ("WPD"). David Lakari is the sole member of DLA. I am the sole member of WPD.

Joy Place currently consists of a 3 unit residential building and two accessory structures. As you are aware, the property is part of our company's affordable housing redevelopment proposal for 157 Brackett Street. Our intent is to close on the purchase of 1 Joy Place in 2016—most likely before we are prepared to file a site plan application with the city for the redevelopment of 157 Brackett. In other words, there is likely to be a period in which we own 1 Joy Place, but have not yet submitted a site plan application for the development at 157 Brackett. During that hold period, we intend to demolish the structures at Joy Place due to their deteriorated and unsafe condition. We are unable to demolish the buildings until we take title through the acquisition. We will not close on Joy Place until we have entered into a purchase and sale agreement with the City for 157 Brackett.

Tate Street:

DLA and WPD are two members, along with a third member, Random Orbit LLC (Peter Bass), in a company called Tate Street Partnership LLC ("TSP"). TSP has entered into an agreement to purchase and redevelop a property located at 22 Tate and 24 – 28 Tate Street, which consists of a single family house (vacant) and two vacant lots. TSP's redevelopment proposal consists of 8 units of housing. These housing units are located within the West End neighborhood in close proximity to 1 Joy Place. The replacement units will be of comparable size to the units demolished at 1 Joy Place.

Under this request, DLA and WPD are proposing that three of the housing units within TSP's 8-unit housing development serve as the replacement housing for the three units of housing that will be demolished at 1 Joy Place.

Thank you for consideration of this request. We appreciate your and your department's assistance on both of these redevelopment efforts that involve long-standing troubled properties in the West End neighborhood.

Best, Todd

Todd M. Alexander

Renewal Housing Associates, LLC | Leon N. Weiner & Associates, Inc.

p. 207 347-3018 | c. 207 749-7257

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