



CITY OF AUBURN, MAINE

WEBSTER SCHOOL REDEVELOPMENT AFFORDABLE HOUSING MUNICIPAL TAX INCREMENT FINANCING DISTRICT #16 DEVELOPMENT PROGRAM

NOVEMBER 1, 2010

Prepared by:
Tracey Steuber, Community & Business Specialist
Roland Miller, Community & Economic Dev. Director

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APPLICATION
Affordable Housing Tax Increment Financing

All applications to MaineHousing for approval of an affordable housing development district and associated development program must use this form.

Before submitting the form the Applicant's municipal legislative body must approve the substantive contents of the form and its attachments.

Section 1 - Applicant Information


1-1. **Applicant:** City of Auburn

1-2. **Application submittal date:** 11/3/2010

1-3. **Municipal official submitting this application:**

Glenn Aho

Printed name



Signature

11/3/10

Date

The person signing above attests that the information contained in this application is true and correct to the best of his or her knowledge.

Title

City Manager

Mailing address

60 Court Street

Phone number

(207) 333-6601 Ext. 1212

Email address

gaho@auburnmaine.gov

1-4. **Name of Affordable Housing Development District and Development Program:**

Webster School Redevelopment Afforrdable H ousing TIF District #16

1-5. **Date of public notice:** October 22, 2010 *(Notice must be published at least 10 days prior to the public hearing. The actual newspaper page containing the notice and showing the newspaper name and date must be provided as Attachment 1.)*

1-6. **Date of public hearing:** November 1, 2010 *(A copy of the meeting record must be provided as Attachment 2.)*

1-7. Municipal official with authority to submit annual reports on the status of the Affordable Housing Development District on behalf of the municipal legislative body:

Name	Tracy Roy
Title	Finance Director
Phone number	(207) 333-6601 Ext. 1404
Email address	troy@auburnmaine.gov

1-8. Did the municipal legislative body:

- a. Specifically consider and approve the substantive contents of this form and attachments, after the required 10 day public notice and public hearing? (yes or no) yes
- b. Consider comments received at the public hearing? (yes or no) yes (If an interested party claimed that the district or development program will be detrimental to that party's existing property interests, the legislative body must consider the evidence presented and whether any adverse economic effect is outweighed by the availability of affordable housing or health, welfare or safety improvements for the municipality's residents.)
- c. Consider whether the district and development program will expand affordable housing opportunities or improve the health, welfare or safety of municipal residents? (yes or no) yes (The municipal legislative body must take these factors into account.)

1-9. Date of municipal approval: November 1, 2010 (A copy of the municipal resolution or order and vote must be included as Attachment 3.)

Section 2 - Affordable Housing Development District Characteristics

2-1. General description of District (such as existing residential and nonresidential land uses, adjacent streets, etc. A municipal map or photo showing District boundaries must be included as Attachment 4.)

The proposed district is within the municipal boundaries of the City of Auburn. The district is located within a predominantly residential, in-town, neighborhood. This proposed TIF district is a short walk from the downtown and the largest in-town park in the City of Auburn.

Approximately 1/2 of the land area of the proposed district is occupied by a 90-year-old masonry building that has suffered from many years of deferred maintenance. The building was vacated by the Auburn School Department in 2006. It is a blighting influence on the neighborhood. All of the property within the proposed district is suitable for residential use and is in need of rehabilitation.

The proposed TIF district is in the multi-family urban (MFU) zoning district, the purpose of which is to "stabilize and protect high density residential areas by providing for a varied, denser, urban pattern made suitable to the built-up portions of the City. This multi-family zone has a maximum density of 26 dwelling units per net acre, yet retains the open character of residential areas..." The standards of the district will encourage the upgrading of the existing neighborhood by removing blight and vacancy, providing an opportunity for new

residential development, and fostering a sense of community and place through the provision of neighborhood meeting and gathering space. Multi-family housing is a permitted use within the zoning district and Head Start is a continuation of the school function previously established at this location.

A copy of the multi-family urban zoning district ordinance is attached as Attachment 13.

Within the City of Auburn municipal boundaries there are approximately 41,430 acres. The proposed TIF district is 1.4 acres in size, which is 0.0034% of the total acreage of the municipality, well under the 2% cap.

City of Auburn has approved 15 TIF districts of which 3 are retired and 12 are currently active. Combined acreage of those districts plus the acreage to be included under this TIF proposal is 598.84 acres, or 1.45% of the City's total acreage, well within the 5% cap.

2-2. Tax map and lot number (and block no. if applicable): Map 250, Lot 354 *(A tax map with district boundaries shown must be provided as Attachment 5.)*

2-3. Acreage of the District: 1.4 acres

2-4. District duration: 30 years *(Up to 30 full tax years maximum beginning on the April 1 following the date of MaineHousing approval.)*

2-5. Municipal fiscal years during which tax increment will be used for approved project costs:

First fiscal year start date: 2012

Last fiscal year end date: 2041

2-6. Original assessed value (OAV) and OAV date: \$522,800 as of March 31, 2010. *(The OAV date must be the March 31 immediately preceding MaineHousing approval. A certified letter from the tax assessor with OAV and OAV date must be provided as Attachment 6.)*

2-7. Zoning of District land and allowed uses: *(Please provide a description of any contract zone, if applicable.)*

Auburn's comprehensive plan was adopted in 1995 and is being updated in 2010. Because of the size of the City of Auburn (66 square miles) the comprehensive plan broke the community into 68 neighborhood study areas. The proposed TIF district is located within neighborhood #42, Central Auburn High Density Residential. The plan says: "This is the central, high density residential core of Auburn, consisting of high density single-family and multi-family developments. The growth of this core area was characterized by higher density development towards the central portion, and lower density development towards the outer portions. Many of the City's schools are located in this area. There are a number of large open spaces in this area including Pettengill Park. There is the potential for additional infill development."

Under the housing goals portion of the comprehensive plan, policy number three speaks directly to this project. It states "continue and expand efforts to provide affordable housing opportunities". The comprehensive plan echoes the recommendations of the adopted 1993 Comprehensive Housing Affordability Strategy (CHAS).

The City of Auburn has continued to update its ongoing efforts to provide safe and affordable housing for all those in need. The project that is the subject of this TIF program directly meets the goals of the comprehensive plan for suitable development within this neighborhood. It also addresses the mutual goal of the Webster School Associates LP and the City of Auburn in providing long-term affordable housing.

As shown above, the proposed project is in compliance with Maine Statute 30-A sub-section 4349-A.1A, which specifies that state growth related capital investments must occur in a locally designated growth area as identified in a community's Comprehensive Plan.

On October 14, 2008., the Auburn Planning Board met to consider this project. Attached as Attachment 12 are copies of the Planning Board staff report, the Planning Board meeting minutes and the notification of approval to the consultants representing the Webster School Associates LP. Therefore, it was a unanimous (6-0) finding of the Auburn Planning Board that this development was appropriate for this neighborhood and was consistent with the City's Comprehensive Plan.

2-8. Description showing that at least 25% of District area is suitable for residential use; blighted; or in need of rehabilitation/redevelopment:

The area surrounding the district is primarily residential with a mix of single and multi-family housing. Housing, educational/cultural services and parking are the only uses that will be provided in the district. Therefore, the proposed development is suitable for the neighborhood. The proposed housing project is a very efficient use of land. The multi-family urban zoning district requires 5,000 square feet of land for the first unit and 1,500 square feet of land for each additional unit for multi-family dwelling projects; for an average

square footage requirement for a project of 28 units of 1,675 square feet per unit. The proposed project has 2,178 square feet of land area per unit.

2-9. **District area as a percentage of total municipal acreage:** *District acreage divided by total municipal acreage = 0.0034% (Cannot exceed 2%)*

2-10. **Total area of all development districts as a percentage of total municipal acreage:** *Existing and proposed affordable housing + municipal development district acreage divided by total municipal acreage = 1.45% (Cannot exceed 5%)*

2-11. **OAV of all affordable housing development districts as a percentage of all taxable property value:** *Aggregate OAV of existing and proposed affordable housing development districts divided by aggregate taxable property value at April 1 preceding MaineHousing approval date = 0.0011% (Cannot exceed 5%)*

Section 3 - Affordable Housing Development Program

Development Characteristics

3-1. **General description of the intended development:** *(Overall character of uses in the District must be primarily residential, i.e., housing and related uses such as child care, recreational and small-scale commercial facilities serving District residents.)*

The Webster School Associates LP has requested that the City of Auburn establish an Affordable Housing Tax Increment Finance (TIF) district, development program and financial plan to assist in financing the operational and maintenance costs of the 28 units of affordable housing to be built in downtown Auburn. All of the units will be occupied by households earning not more than 60% of the area median income, with not less than 18 of the units occupied by households earning less than 50% of median household income.

The project will be located at 95 Hampshire St. It will be located on a 1.4 acre site most recently occupied by Webster Elementary School. The building was built in 1916 and vacated by the School Department in 2006. A recent structural report determined the building was structurally sound but in need of significant repairs and renovation.

The City of Auburn and the Webster School Associates LP agreed on a plan to redevelop the property in September of 2008. A market study has determined that there is a substantial demand for affordable housing.

The proposed project will be 52,948 square feet in size. Of that square footage 41,455 will be for living spaces, 4,189 square feet will be leased to Head Start and approximately 7,304 square feet will be shared community and tenant meeting space, which is comprised entirely of the former school auditorium. There will be six one-bedroom units, 16 two-bedroom units and six three-bedroom units.

The proposed TIF district is 1.4 acres in size. It includes the site for affordable housing and a 45 space parking lot. The parking lot will serve the needs of the housing project. A map of

the district and a map of the location of the district within the City of Auburn are attached as Attachments 4 & 5.

The total estimated cost of the project is \$7.762 million. Details of the sources and uses the money will be discussed in the Financial Plan section.

3-2. Number and type of housing units to be developed within the District:

	Market rate units		Affordable units		
	Number of units	Unit size (# of BR)	Number of units	Unit size (# of BR)	Income Limit(s) (% of AMI)
New rental units			28	(6) - 1 BR (16) - 2 BR (6) - 3 BR	50% - 18 units 60% - 10 units
Rehabilitated rental units					
New homes, including condos					
Rehabilitated homes, including condos					
Total units within the District:					

3-3. Affordable housing units as a percentage of total housing units within the District:
100% (Minimum of 33%).

3-4. Schedule for development:

If tax credits are made available construction of the housing project is expected to begin in November 2011. The project is expected to be complete and ready for occupancy in November 2012.

3-5. Length of affordability period(s): *(Minimum of 10 years for owner-occupied homes and condos and 30 years for rental units).* 90 years

3-6. Mechanism(s) for ensuring ongoing affordability: *(Copies of covenants or restrictions for ensuring affordability to households at or below 120% of area median income must be provided as Attachment 7.)*

All apartment units will be rent and income restricted for 90 years. The limited partnership will enter into an Extended Low Income Housing Commitment with MSHA which contains restrictive covenants that run with the land, and are binding on the project owner and successors, and are enforceable by MSHA. The commitment agreement will be recorded at the Registry of Deeds.

3-7. Name of affordable housing developer: Webster School Associates LP

3-8. Description of how the housing and facilities to be funded with tax increment revenues will be operated, including responsible entity and funding:

Proposed financing structure for the project will allow it to operate without debt service payments. Rents charged to the tenants will directly be associated with the operational costs of the project. As part of the Development Program the City of Auburn will return 60% of the incremental tax revenue generated within the proposed housing TIF district to Webster School Associates LP. This revenue stream is to be used to offset operational expenses and will have a direct impact on Webster School Associates LP's capacity to keep the rental rates within the affordable requirements dictated by the terms of project financing. Examples of operational expenses include but are not limited to: utility costs, administration, insurance, taxes, maintenance, repairs and capital reserves.

The percentage of TIF revenues, used to help offset operational expenses, will be fixed at 60% over the term of the TIF district. The City of Auburn Tax Assessor estimates that the assessed value of the project when complete will be \$2,874,200. The significantly lower assessed value compared to construction cost is attributable to the long-term rent control restrictions that will run with the title to the property.

Attachment 9 shows an estimate of the Captured Assessed Value (CAV) within the district over the term of the TIF. It also shows the estimated amount of tax revenue (via the credit enhancement agreement) to be used to offset operational costs and the amount of taxes going into the City's tax increment from the project.

Related Requirements

3-9. Description of local affordable housing need and how proposed Development Program meets the need:

In October, 2008 Gill Group of Dexter, Missouri completed a market study of the proposed redevelopment of Webster School into affordable housing, following guidelines established by MaineHousing. The purpose of the market study was to determine if the community has a need for the proposed units at Webster School. It was the conclusion of the Gill Group that, "of the rent-restricted developments within the primary market area, all maintain lengthy waiting lists, and as a result, it is believed a market exists for the proposed project."

Waiting lists for comparable developments operated by Auburn Housing Authority have an average ratio of 4.79 applicants for each unit, with vacancy rates under 1%. The average ratio of applicants to units for all developments owned by Auburn Housing Authority is 2.75 to one.

The proposed project will add one, two and three-bedroom rental apartments into the housing stock. All of the units will be occupied by households earning not more than 60% of the area median income with 18 units occupied by households earning less than 50% of median income. Target rents, not adjusted for utility allowances, are between \$471 - \$576 for the one-bedroom units, between \$565 - \$675 for the two-bedroom units and between \$648 - \$783 for the three-bedroom units. These rents may increase in dollar terms over time as permitted by federal regulations, but they will always be capped at the affordable rates for a

period of 90 years, and these restrictions will be recorded as covenants that run with the property.

3-10. Date of comprehensive plan final adoption 1995, whether the proposed development is consistent with the plan (yes or no) yes, and whether the Development Program complies with Maine law limiting growth-related capital investments (see 30-A M.R.S.A. §4349-A), (yes or no): yes

3-11. Potential conflict with municipal charter (yes or no): no

3-12. Description of plan for relocation of persons displaced by development activities (or statement that no relocation is necessary):

The building at 95 Hampshire Street is vacant, therefore there will be no displacement of persons.

3-13. Description of environmental controls to be applied (or statement of commitment to appropriate environmental controls, such as permitting and licensing, adherence to laws and regulatory conditions, and use of qualified contractors):

The redevelopment, development, and improvement project will comply with all requirements of the City's ordinances, including its Zoning Ordinance. With the exception of any building or other construction permits to be applied for, no further zoning permits, licenses or other local approvals are anticipated to be necessary in conjunction with the improvements.

The developer will take all steps required by the Maine Department of Environmental Protection in order to ensure that the installation, construction, and operation of the improvements comply with all State of Maine environmental rules and regulations. The developer will be responsible to comply with all permit conditions set forward in the permit.

Financial Plan

3-14. General explanation of how development within the District will be financed and accomplished, including cost estimates for the Development Program and all sources of anticipated funds: *(An itemized development budget showing all sources and uses of funds for development in the District must be provided as Attachment 8.)*

The sources of anticipated revenues generated by the district that will be used to pay the developer under the credit enhancement agreement are: 1) municipal tax increment revenues on captured assessed value for the real estate within the district which will be deposited, as received, into the Developers Project Cost Account of the District's Development Program Fund, and 2) earnings on such amounts. The developer will be responsible for making all arrangements for payments with respect to all additional monies needed to fund the project.

Separate sub-accounts in the Project Cost Account shall be established for the project (credit enhancement agreement) and funds to be transferred to the Webster School Redevelopment Tax

Increment Financing District Development Plan (TIF #16). Upon receipt of each payment of property tax from the developer, the City shall, within 15 days: 1) deposit that portion of each property tax payment allocated to the project to the Project Cost Account; and 2) deposit will satisfy the obligations of the credit enhancement agreement from the City of Auburn to the Webster School Associates LP. The tax increment revenues from this project, to the developer, under the division as noted in this financial plan, will be paid for 30 years. The annual tax obligation, for all property within the City of Auburn, is paid in two installments. The City will disburse the project cost proportion to the Webster School Associates LP twice annually beginning in tax year 2012 and continuing through tax year 2041.

3-15. Captured assessed value (CAV): *(List the percentage of increased assessed value of the District to be retained as CAV, or describe the method or formula for determining the percentage of CAV. Annual estimates of captured assessed value must be provided as Attachment 9.)*

60% of CAV will be retained to satisfy credit enhancement and is estimated to be 1,410,840.00.

Estimated tax shifts from the designation of captured assessed value *(Annual estimates of tax shifts for each year the District is in effect must be provided as Attachment 10, using the formulas provided in Attachment 10-A.)*

\$ 72,312.00 Total revenue sharing tax shift
\$380,927.00 Total education subsidy tax shift
\$9,369.00 Total county tax shift

3-16. Estimated total tax increment revenues: *(Must be consistent with amounts shown in Attachment 9.)*

\$970,305.00

3-17. Portion of total tax increment revenues to be allocated to the Developer 60% and Municipality 40% *(May be defined in dollars, percentages, or by formula. A copy of the associated formal agreement such as a Credit Enhancement Agreement, if applicable, must be included as Attachment 11.)*

3-18. Itemized description of specific project costs that may be funded in whole or in part with tax increment revenues (listed in order of priority for using tax increment revenues): *(A general list of potential uses is not sufficient.)*

(Allowable uses within the District include the capital, financing, real property, professional services or ongoing operating costs associated with the affordable housing development; relocation costs; costs of recreational facilities; costs of child care facilities; costs associated with small scale non-residential uses that contribute to a specific, identified betterment of the health, welfare or safety of the inhabitants of the municipality, including specific benefit to the residents of the District; and administrative and organizational costs associated with establishing or implementing the District.)

(Allowable uses outside the District must be directly related to or made necessary by the District, including but not limited to: costs of infrastructure or public safety improvements, costs to mitigate any adverse impact of the District

on the municipality and its constituents, including school costs; and costs to establish permanent housing development revolving loan funds or investment funds.)

Specific improvements or activities to be funded with tax increment revenues	Timing of each planned improvement	Amount (\$ to be funded with tax increment revenues	Amount to be funded by other sources		Location within or outside District?	Resulting public benefit
			Amount (\$)	Source		
Operating Costs	January 2012	\$27,229.00	\$240,150.00	Rental Income	Within	Lower rents to 50% & 60% income households
Total costs:						

3-19. Potential alternative uses of tax increment revenues and the circumstances under which these alternatives would be pursued:

N/A

3-20. Justification for any use of tax increment revenues outside of the District boundaries, if applicable: *(Be specific about how improvements located outside of the District are directly related to or made necessary by the creation or operation of the District. Attach related studies, if applicable.)*

N/A

3-21. If one of the intended uses of tax increment revenues is a housing development revolving loan or investment fund, provide the following information:

- a. A description of the fund, including type, purpose, operation, and provisions for repayment or return of fund proceeds to the fund:

N/A

- b. Timing for establishing and using the fund:

N/A

- c. The property to be purchased or the housing to be developed with fund proceeds:

N/A

3-22. If municipal debt financing will be used to finance approved project costs:

- a. Principal amount, maturity (*maximum 20 years*) and type of each municipal debt issuance (*i.e. general obligation bonds, revenue bonds, notes or other evidences of indebtedness*):

N/A

- b. Aggregate principal amount of municipal general obligation debt relating to affordable housing development districts (including proposed District) within county in which municipality is located: (*Cannot exceed \$50 million.*)

N/A

- c. List of improvements to be financed with municipal bonds:

N/A

- d. Timing of improvements financed with municipal bonds: (*Must be completed within 5 years from MaineHousing approval date.*) N/A

Attachment 1

CITY OF AUBURN

PUBLIC NOTICE

CITY OF AUBURN

PUBLIC NOTICE

Notice is hereby given that the City of Auburn, Maine, will hold a public hearing on Monday, November 1, 2010 at 7 PM or as soon as possible thereafter at the City Council Chambers in the Auburn Hall building for purposes of receiving public comments on the designation of its proposed Webster School Redevelopment Affordable Housing Tax Increment Financing District #16 and the adoption of a development program for said Municipal Development and Affordable Housing Tax Increment Finance District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Municipal Development and Tax Increment Financing District consists of certain property, approximately 1.4 acres, located along the north-easterly side of the corner of Hampshire and Willow Streets.

A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed at the offices of the city clerk during normal business hours. All interested parties are invited to attend the public hearing and will be given an opportunity to be heard at that time.

Lewiston, Maine, Friday, October 22, 2010

**CITY OF AUBURN
PUBLIC NOTICE**

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A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed at the offices of the city clerk during normal business hours. All interested parties are invited to attend the public hearing and will be given an opportunity to be heard at that time.



CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE: November 1, 2010

Order #: 16-11012010-06

TITLE: RESOLVE: Authorize the City Manager to Execute Documents – Tax Increment Finance District #16 – Webster School Redevelopment Affordable Housing and Submit to MaineHousing (Maine State Housing Authority).

WHEREAS, the City of Auburn, Maine ("City") is considering whether to designate the Webster School Redevelopment Affordable Housing Tax Increment Financing District #16 Development Program and adopt the Development Program for the District presented to the City Council, designation and adoption to be pursuant to the following terms and provisions; and

WHEREAS, the City is authorized pursuant to Chapter 206 of Title 30-A Subchapter 3: Municipal Affordable Housing Development Districts of the Maine Revised Statutes, as amended, to designate a specified area within the City as an Affordable Housing Development and Tax Increment Financing District (the "District") and to adopt a Development Program for such District; and

WHEREAS, there is a need for affordable housing development in the City; and

WHEREAS, there is a need to broaden the tax base of the City and to improve the general economy of the City, the surrounding region and the State of Maine; and

WHEREAS, the development will broaden the tax base in the City, and improve the economy of the City and the State of Maine; and

WHEREAS, there is a need to encourage the development, improvement and continuation of housing facilities through the establishment of Municipal Affordable Housing Development and Tax Increment Financing Districts in accordance with the provisions of Chapter 206 of Title 30-A , Subchapter 3; and

WHEREAS, on November 1, 2010 the City held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5253, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the Webster School Redevelopment Affordable Housing and Tax Increment Financing District #16 Development Program for such District; and

WHEREAS, when passed TIF #16 – Webster School Redevelopment Affordable Housing will be submitted to MaineHousing (Maine State Housing Authority) (Maine State Housing Authority) for approval of the designation of the District and the adoption of the Development Program for the District;



CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE: November 1, 2010

Order #: 16-11012010-06

NOW, THEREFORE, BE IT HEREBY ORDERED BY THE CITY COUNCIL OF THE CITY OF AUBURN:

Section 1. The City hereby finds and determines that:

- a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for housing sites as defined in 30-A M.R.S.A. 5247; and
- b. The total area of the District does not exceed two percent (2%) of the total acreage of the City, and the total area of all development district within the City (including the District) does not exceed five percent (5%) of the total acreage of the City; and
- c. The total equalized value of taxable property within the District as of April 1, 2010 together with the equalized value of taxable property in other existing districts measured as of the April 1 preceding the designation of each such district, does not exceed five percent (5 %) of the total equalized value of taxable property within the City as of the date hereof, and
- d. The aggregate value of municipal indebtedness financed by the proceeds from tax increment financing districts within Androscoggin County, including the proposed District, does not exceed \$50 million; and
- e. The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.
- f. The proposed District and Development Program will make a contribution to the economic growth or well-being of the City.

Section 2. Pursuant to Chapter 206 of Title 30-A, Subchapter 3: Municipal Affordable Housing Development Districts of the Maine Revised Statutes, as amended, the City hereby designates Webster School Redevelopment Affordable Housing Tax Increment Financing District #16 Development Program, designated and described as more particularly set forth in the " Webster School Redevelopment Affordable Housing Tax Increment Financing District #16 Development Program" presented to the City Council in the form attached hereto and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5250-A, the percentage of captured assessed value for the real estate to be retained in accordance with the Development Program is hereby established as set forth in the Development Program.

CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE: November 1, 2010

Order #: 16-11012010-06

Section 4. The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to MaineHousing (Maine State Housing Authority) (Maine State Housing Authority) for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5247.

Section 5. The City Manager be and hereby is authorized and empowered, at his discretion, from time to time, to make such technical revisions to the Development Program for the District as may be reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Maine Housing (Maine State Housing Authority), or for any other reason, so long as such revisions are consistent with these resolutions or the basic structure and intent of the Development Program.

Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the City of approval of the designation of the District in adoption of the Development Program by the Department of Maine Housing, without requirements of further action by the City, the City Council, or any other party.

Section 7. The City Manager be and hereby is authorized and directed to enter into the Webster School Development Affordable Housing Agreement and the Credit Enhancement Agreement contemplated by the Development Program, and in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, consistent with the Development Program, as the City Manager may approve, such approval to be conclusively evidenced by such execution thereof.

Motion for acceptance: Councilor Hayes

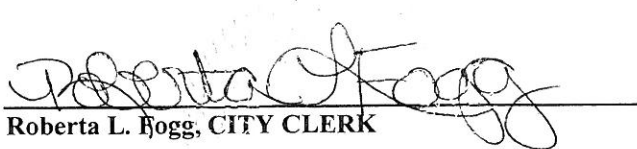
Seconded by: Councilor Berube

Vote: 7 Yea's - 0 Nay's

Motion carried

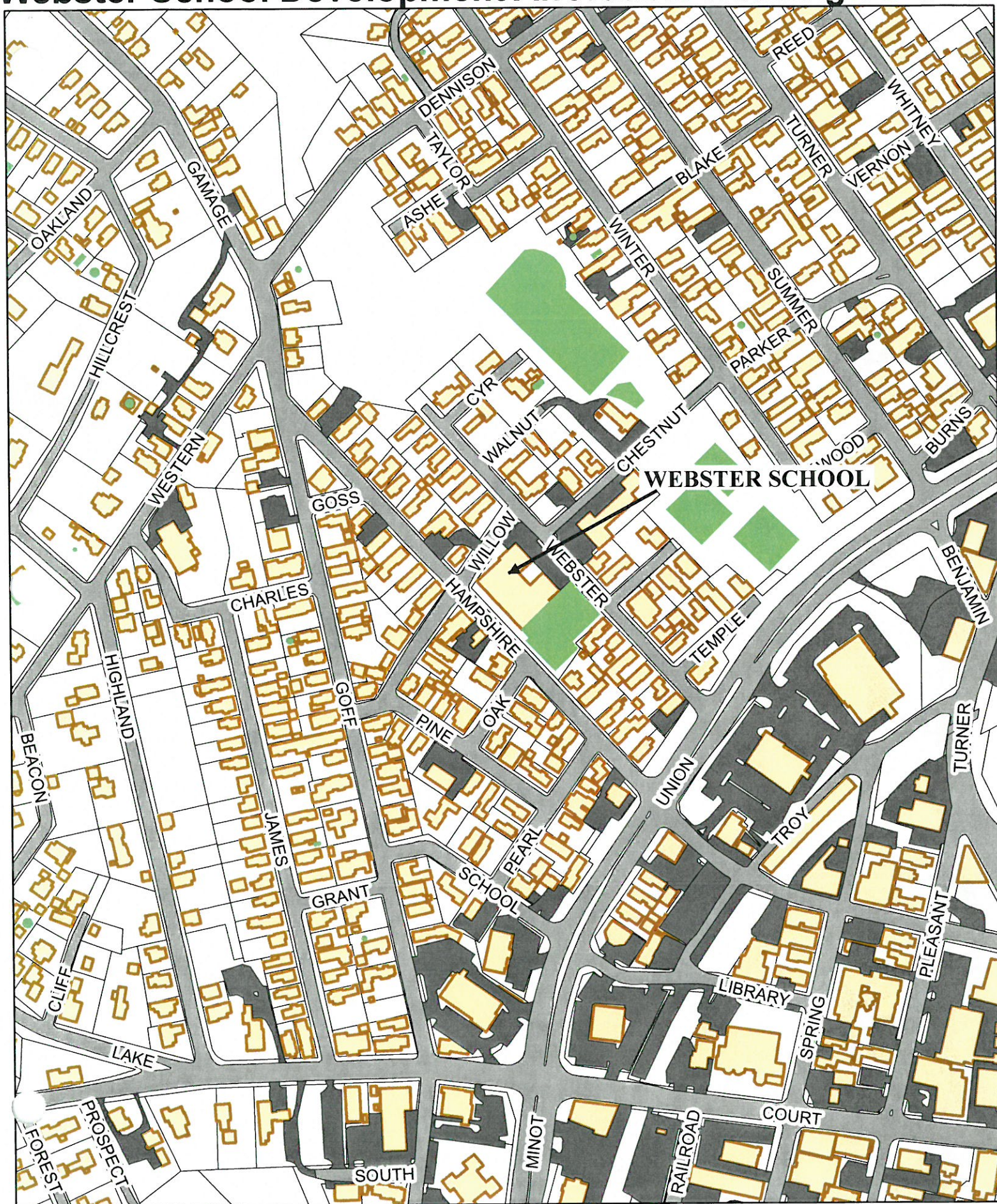
Action by the City Council: **November 1, 2010**

ATTEST:

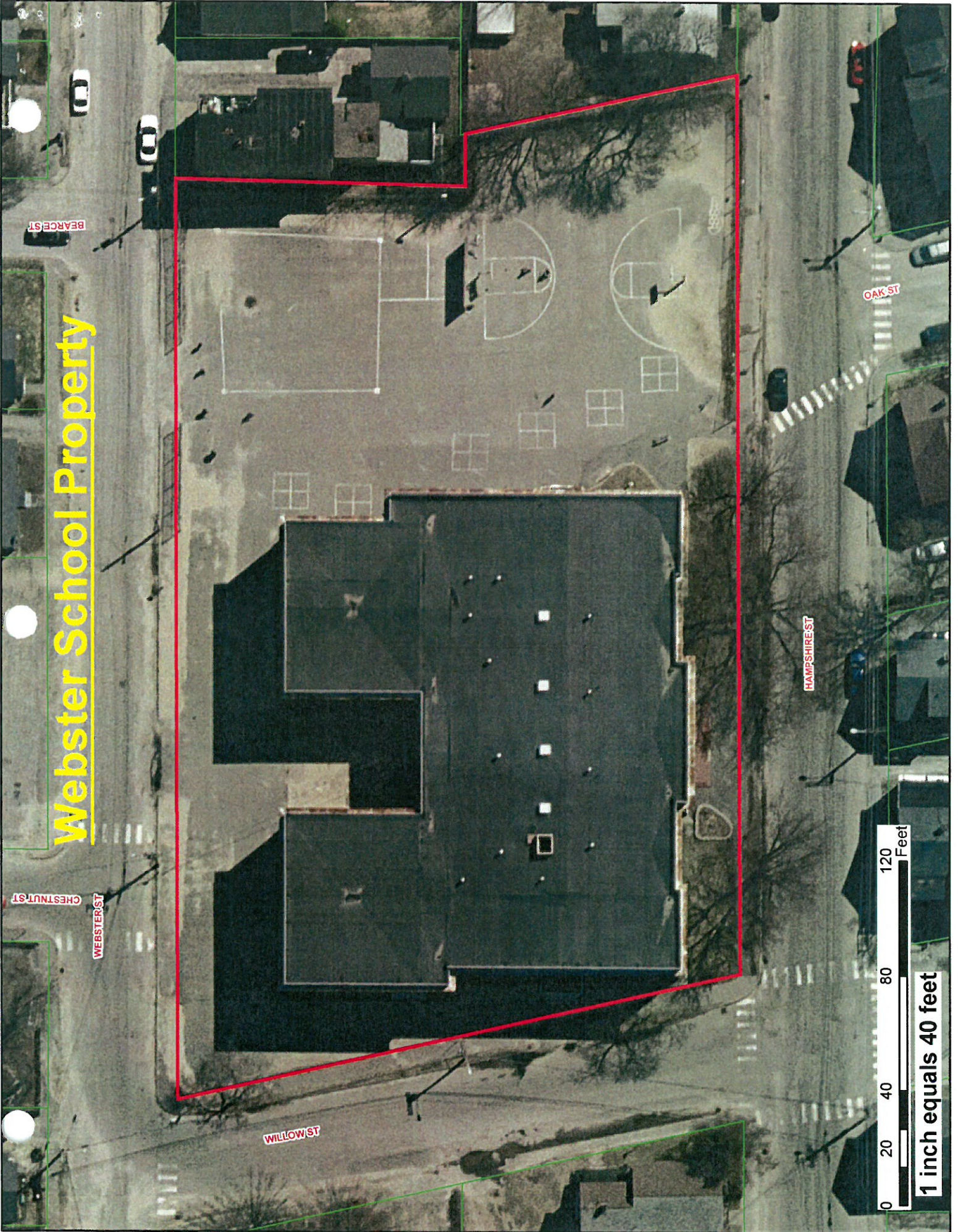

Roberta L. Fogg, CITY CLERK

NOV 03 2010

Webster School Development Affordable Housing TIF #16



Webster School Property



ATTACHMENT 6

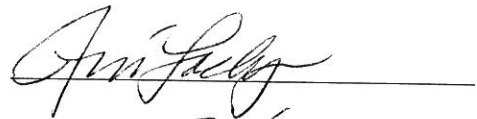
WEBSTER SCHOOL REDEVELOPMENT AFFORDABLE HOUSING MUNICIPAL
DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT #16 DEVELOPMENT PROGRAM

CERTIFICATE OF
CITY ASSESSOR
CITY OF AUBURN, MAINE

The undersigned City Assessor for the City of Auburn, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5254 that the assessed value of the Webster School Redevelopment Affordable Housing Municipal Development Tax Increment Financing District #16, as described in the Development Program to which this Certificate is included, was \$522,800 as of March 31, 2010.

IN WITNESS WHEREOF, this Certificate has been executed as of this 22nd day of October, 2010.

CITY ASSESSOR

A handwritten signature in cursive script, appearing to read "Renée Lachapelle", written over a horizontal line.

Print Name: Renée Lachapelle

ATTACHMENT 7

**WEBSTER SCHOOL REDEVELOPMENT AFFORDABLE HOUSING
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT #16 DEVELOPMENT
PROGRAM**

Language for Area Median Income (AMI)



MaineHousing

Maine State Housing Authority

RECEIVED

2009 OCT -1 A 9: 00

NOTICE TO PROCEED
THIS IS NOT A COMMITMENT

September 25, 2009

Mr. Rick Whiting
Auburn Housing Development Inc., General Partner
Webster School Associates, LP
P.O. Box 3027
Auburn, Maine 04212-3037

Re: Webster School Apartments, Auburn, Maine
2009 Tax-exempt Debt with Subsidy Financing Program

Dear Mr. Whiting:

Maine State Housing Authority ("MaineHousing") is pleased to inform you that the application (the "Application") submitted on September 4, 2009 to the 2009 Tax-exempt Debt with Subsidy Financing Program (the "Program") for a 28-unit qualified residential rental project for families to be known as Webster School Apartments, to be located at or near 95 Hampshire Street, Auburn, Androscoggin County, Maine (the "Project") and to be owned by Webster School Associates, LP (the "Developer") has been selected for further processing.

The Application was selected based on the number of points it received during the selection process set forth in the Program. A copy of the scoring memorandum identifying the total score and summarizing the commitments made by the Developer in the Application for which the Developer was awarded points during the selection process is attached as Exhibit A and made a part of this notice. MaineHousing will deem the Application withdrawn if there is any change in the commitments made by the Developer in the Application which results in a net reduction in the score the Developer received as set forth in the attached scoring memorandum.

The maximum amount of subsidy an applicant is eligible to receive under the Program is \$100,000 per low-income unit. The Developer applied for and is eligible to receive up to \$2,800,000, subject to underwriting and the availability of funding under the Program.

This is not a commitment of debt financing or subsidy. This is a notice to proceed. MaineHousing will continue its underwriting process which includes, but is not limited to, commissioning a real estate appraisal, performing an environmental review, conducting a site visit, reviewing technical construction submissions, reviewing operating budgets and finalizing underwriting. In order to continue processing the Application and complete the underwriting process, the Developer must provide the following information promptly and in form and substance acceptable to MaineHousing:

- an appraisal supporting the financing for the Project within the parameters of the Program;
- evidence that Developer has all permits, licenses and approvals required for the construction, use and operation of the Project under applicable federal, state and local laws, ordinances, codes, rules and regulations with the expiration or resolution of all appeals thereof;
- evidence that the design and construction of the Project satisfy the requirements of all applicable local, state and federal accessibility laws, regulations and standards;
- current ALTA survey of the Project prepared by a registered land surveyor, showing the dimensions of any improvements, easements, rights-of-way, encroachments and the extent thereof, established building and street lines, adjoining sites, utilities, location in any flood plain, and such other details required by MaineHousing;
- final construction plans and specifications approved by all applicable parties, including the construction lender and MaineHousing;
- bids for the final plans and specifications as approved by MaineHousing;
- final construction budget approved by all applicable parties, including the construction lender and MaineHousing;
- construction contract(s) for the final plans and specifications;
- written construction financing commitment(s) in the amount of the entire construction budget;
- certification by the National Park Service Maine Historic Preservation Commission that the Project is a "certified historic structure" and that the rehabilitation of the Project is consistent with the historic character of the Project and that the Project is eligible for state and federal historic tax credits;
- written commitment from an equity provider(s) to purchase the low-income housing tax credits, the state historic tax credits and the federal historic tax credits;
- written commitments from all other construction and permanent funding sources necessary to complete the Project, including without limitation permanent financing from the City of Auburn and project-based Section 8 vouchers for 10 units in the Project from Auburn Housing Authority; and
- any other information that is necessary or convenient for MaineHousing to decide whether to issue a financing commitment and a tax credit reservation.

After receipt of the following information and documentation and completion of the underwriting process, MaineHousing will decide whether to issue a financing commitment for the Project, and if so, the amount, terms and conditions of any debt, subsidy and low income housing tax credits made available for the Project. The issuance of a financing commitment is subject to satisfaction of the requirements of the Program and the 2009 Qualified Allocation Plan, including without limitation the following requirements.

Affordability and Use

The Developer made an irrevocable election to keep at least 40% of the units in the Project (i.e. 12 units) occupied by individuals and families with income at or below 60% of area median income and to keep said units rent-restricted in accordance with Section 42 of the

Internal Revenue Code of 1986, as amended (the "Code") in the Original Tax Credit Application. In addition, the Developer pledged in the Applications to keep all of the units in the Project occupied by individuals and families with income at or below 60% of area median income and to keep all of the units in the Project rent-restricted in accordance with Section 42 of the Code for a period of 90 years.

Extended Low Income Housing Commitment Agreement

The Developer will be required to enter into an extended low income housing commitment agreement (commonly referred to as "extended use agreement"). The extended use agreement will be recorded in the appropriate registry of deeds, will be enforceable by MaineHousing and the residents of the Project and will obligate the Developer, its successors and assigns, to perform the commitments made by the Developer in the Application, including without limitation, greater affordability and certain commitments for which the Developer was awarded points during the selection process as described in the attached scoring memorandum, and offering resident service coordination for the residents of the Project in accordance with the Program.

Federal Home Investment Partnerships Program – Match

All or a portion of the financing, including subsidy, and any other funding for the Project may be eligible as matching funds for federal funds governed by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 USC § 12,701 *et seq.*, and the HOME Investment Partnerships Program Rule, 24 CFR, Part 92, all as amended (collectively "FedHOME"). Any financing commitment will identify any eligible matching funds for FedHOME, designate the FedHOME match units and require the Developer to comply with all applicable FedHOME requirements.

Design and Construction Requirements

The Project shall be designed and constructed in accordance with all applicable federal, state and local laws, codes, regulations and ordinances. In addition, the design and construction of the Project shall comply with *MaineHousing's Design & Construction Manual* and *MaineHousing's Green Building Standards* in effect on the date of the Application, and if applicable, the greater level of accessibility pledged in the Application. The parking for the Project shall include at least one space per residential unit in the Project, unless approved by MaineHousing in its sole discretion based the unique facts and circumstances of the Project, and shall provide the requisite number of accessible parking spaces pursuant to applicable accessibility laws and any additional pledge of accessibility made in the Application. All construction contractors and subcontractors and material suppliers involved in the construction of the Project shall comply with *MaineHousing's Contractor Standards for MaineHousing-Financed Multifamily Housing*.

Greenhouse Gas Emission Reductions

The Developer will be required to assign all of its right, title and interest in and to all greenhouse gas emission reductions including carbon offsets and credits representing greenhouse gas emission reductions (collectively, the "GHG Emission Reductions") arising from or related to the Project, including but not limited to the installation and operation of energy improvements pursuant to *MaineHousing's Green Building Standards* and any other energy improvements. Such assignment will include an agreement by Developer that MaineHousing shall at all times own, be entitled to, and have the right to trade, sell or otherwise control all rights and interests in all GHG Emission Reductions, including but not limited to all related certificates and value, whether in existence, verified or verifiable, or now or in the future part of a mandatory or voluntary greenhouse gas reduction program and that Developer shall not at any time assert or claim any right or interest in or to, or exercise any control over, the GHG Emission Reductions. Developer will be required provide to MaineHousing information necessary to establish and verify the baseline from which GHG Emission Reductions will be determined and to verify the GHG Emission Reductions.

Permanent Funding Only

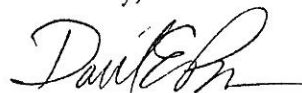
Any MaineHousing funding will only be available at the permanent loan closing, unless otherwise agreed to by MaineHousing in writing. The Developer will be expected to secure construction financing in the amount of the total construction budget for the Project from a source other than MaineHousing.

Upon issuance of any financing commitment, MaineHousing will expect the Developer to proceed promptly to construction loan closing.

MaineHousing will deem the Application withdrawn if (1) there is any change in the commitments made in the Application as described in the attached scoring memorandum which result in a net reduction in the total score the Application received, (2) there is a change in location of the Project identified in the application, (3) the Application is assigned or there is any change in the Applicant, (4) there is any change in the design of the Project that will result in a substantial increase in the amount of low-income housing tax credits or other MaineHousing funding for the Project, or (5) there is any other material or substantive change to the Application.

If you have questions, please contact Victoria Dute, the Multifamily Loan Officer assigned to the Project, at (207) 626-4679 or at vdute@mainehousing.org, or Norm Fecteau, the Construction Analyst assigned to the Project, at (207) 624-5707 or nfecteau@mainehousing.org.

Sincerely,



Daniel Brennan
Director of Development

ATTACHMENT 8

**WEBSTER SCHOOL REDEVELOPMENT AFFORDABLE HOUSING
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT #16 DEVELOPMENT
PROGRAM**

Itemized Budget

Webster School Apartments										Development Budget, Tax Credit/Equity Raise Calculation					Program Requirements/Line Item Comments	
Development Budget		Total	Per Unit	Credit Eligible LIHTC	Credit Eligible Fed'l and State Historic TC	Amortized or Expensed	Capitalized									
ACQUISITION(S)																
Land		50,000	1786							50,000						
Purchase of Building		300,000	10714	300,000												
Subtotal Acq./Demolition		350,000	12500	300,000	-					50,000	Option Agreement from City of Auburn					
CONSTRUCTION																
Construction		4,767,340	170262	4,457,463	4,767,340						Portland Builders Apparent low Bidder					
Lead Abatement		32,000	1143	29,920	32,000						Estimate-City Funds Available for offset					
Asbestos Removal		96,075	3431	89,830	96,075						Bid, includes oversight by Credere Associates					
Site Work-Depreciable		25,000	893	25,000							Possible extra site work due to water main work by City					
UST-Removal		12,000	429	11,220							Estimate					
PCB Removal		118,500	4232		118,500						Estimate from Credere; being reviewed by EPA.					
Water Main (Site)		60,000	2143	60,000							Estimate from City					
FFE		15,000	536	15,000	15,000						Furniture/Fixtures-Previous MSA/AHA project was \$12k					
Construction Contingency		480,134	17148	480,134	480,134						10% Contingency required by MSHA					
Subtotal Construction		5,505,049	200216	5,168,567	5,509,049											
PROF SERV. (A&E, Leg., Acctg.)																
Architect/Engineering		285,000	10179	266,475	285,000						includes civil					
Survey		15,000	536	14,025	15,000						Estimate-Previous AHAMSHA project was \$16k					
Environmental Oversight		32,000	1143	29,920	32,000						Contract with Credere Associates					
Accounting/ Cost certification		8,000	286	7,480	8,000						Required at end of project					
OTJ Training		21,000	750	19,635	21,000						Estimated by MSHA					
Commissioning		11,900	425	11,127	11,900						Estimated by MSHA					
Real Estate Attorney		20,000	714	18,700	20,000						Estimate for Steven Beale Attorneys					
Subtotal Prof. services		392,900	14032	367,362	392,900											
INTERIM COSTS																
Constr. Loan Orig. Fee		95,000	3393	88,825	95,000						50 basis points on Construction Loan plus MSHA fee					
Construction Lender Counsel		20,000	714	18,700	20,000						Estimate by Kim Twitchell (TDB)					
Construction Interest		75,000	2679	70,125	75,000						\$4.8m w/60% MSHA participation @5.5% with 1/2 hold					
Lender Inspections		4,800	171	4,488	4,800						TD-\$400 per inspection-12 months					
Construction Insurance / Tax		15,700	561	14,680	15,700						Builder's Risk quote \$15,700 from Arcadia.					
Subtotal Interim Costs		210,500	7518	196,818	210,500											
FINANCING EXPENSES																
Perm. Loan Orig. Fee		35,505	1268		-	35,505.00					Bridge Loan Fee					
Subtotal Financing		35,505	1268	-	-	35,505										
OTHER SOFT COSTS																
Appraisal/Market Study		9,800	350	9,163	9,800						Market Study=\$3500; update=\$1,500; Appraisal=\$4800					
Environmental Report		3,500	125	3,273	3,500						Phase I update being performed by Weston/Sampson					
Tax Credit Fees		10,500	375		10,500						3% of Reservation amt; plus commitment fee; plus app fee					
Title Insurance & Recording		10,000	357	9,350	10,000						Estimate					
Organizational (L.P.)		35,000	1250			35,000					Estimate for Curtis Thaxter					
Soft Cost contingency		15,000	536	14,025	15,000											
Subtotal Other		83,800	2993	35,811	38,300	45,500										
DEVELOPER'S FEES																
Developer's Ovhd. & Profit		400,000	14286	374,000	400,000						Deferred fee brings fee down to net amt.					
Subtotal development fees		400,000	14286	374,000	400,000											
PROJECT RESERVES																
Marketing Reserve		10,000	357		-	10,000					Lease-up reserve to start marketing before completion					
Tax/Insurance Escrow		35,000	1250		-	35,000					Required by MSHA					
Operating Reserve		116,000	4143		-	-				116,000	NNEHIF Amount					
Prerefunded Replacement Reserves		55,526	1983		-	55,526					1% of Construction as required by MSHA					

MacDonald Associates

Lease-up reserve to start marketing before completion
Required by MSHA
NNEHIF Amount
1% of Construction as required by MSHA

Sources and Uses of Development Funds

SOURCES OF FUNDS		Terms / Comments		
First Mortgage		7.75%	360	mo.
MSHA Subsidy	1,630,551	0.00%	360	deferred
CDBG	250,000	0.000%		
1602 Exchange Funds	1,169,449			
City Lead Funds	32,000			
General Partner-Deferred Fee	69,740			
Federal Historic Equity	1,179,135	2,375,295		
State Historic Equity	1,775,245			
Federal LIHTC Equity	1,196,161			
TOTAL SOURCES	7,302,280			

Construction Loan 4,732,305

USES OF FUNDS		Comments
Acquisition/Demo	350,000	
Construction	5,606,049	
Professional services	392,900	
Interim Costs	210,500	
Financing Fees	35,505	
Other Soft Costs	83,800	
Development Fee	400,000	
Reserves	223,526	
TOTAL USES OF FUNDS	7,302,280	
DEVELOPMENT CONTINGENCY	0	

Estimated

SOURCES OF FUNDS		Construction Loan Close	50% Completion	Upon Completion	Perm Loan Close	Rental Achievment	Variance
Balance Forward			\$ (0)	\$ 0	\$ (0)		
Construction Loan	\$ 4,732,305	\$ 1,109,768	\$ 2,346,025	\$ 1,276,512			\$ 4,732,305
First Mortgage	\$ -				\$ -		
MSHA Subsidy	\$ 1,630,551				\$ 1,630,551		
CDBG	\$ 250,000		\$ 125,000	\$ 125,000			
1602 Exchange Funds	\$ 1,169,449	\$ 1,169,449					
City Lead Funds	\$ 32,000		\$ 32,000				
General Partner-Deferred Fee	\$ 69,740				\$ 69,740		
Federal Historic Equity	\$ 1,179,135	\$ 150,000	\$ 150,000		\$ 766,635	\$ 112,500	\$ 1,179,135
State Historic Equity	\$ 1,775,245				\$ 1,775,245		
Federal LIHTC Equity	\$ 1,196,161	\$ 150,000	\$ 150,000		\$ 783,661	\$ 112,500	\$ 1,196,161
TOTAL SOURCES	\$ 7,302,280	\$ 2,579,217	\$ 2,803,025	\$ 1,401,512	\$ 5,025,832	\$ 225,000	
USES OF FUNDS							
Acquisition/Demo	\$ 350,000	\$ 350,000					
Construction	\$ 5,606,049	\$ 1,401,512	\$ 2,803,025	\$ 1,401,512			
Professional services	\$ 392,900	\$ 392,900					
Interim Costs	\$ 210,500	\$ 210,500					
Financing Fees	\$ 35,505	\$ 35,505					
Other Soft Costs	\$ 83,800	\$ 83,800					
Development Fee	\$ 400,000	\$ 105,000			\$ 70,001	\$ 225,000	\$ 400,001
Reserves	\$ 223,526				\$ 223,526		
Payoff Construction Loan					\$ (4,732,305)		
TOTAL USES OF FUNDS	\$ 7,302,280	\$ 2,579,217	\$ 2,803,025	\$ 1,401,512	\$ 5,025,832	\$ 225,000	
Variance	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ -	\$ -	

Rent Schedule and Operating Expense Budget

RENT SCHEDULE & AFFORDABILITY ANALYSIS

Affordability Analysis			
Unit Type	HHLD Size	Income	
1BR	1	\$24,180	60%
2BR	3	\$31,080	60%
3BR	5	\$37,260	60%

Rent Schedule					
Unit Type	# Units	Net Rent	Utility Allow.	Gross Rent	Afford. @ % Med. Inc.
1BR	4	\$486	\$39	\$525	50%
1BR	2	\$591	\$39	\$630	60%
2BR	10	\$580	\$50	\$630	50%
2BR	6	\$706	\$50	\$756	60%
3BR	4	\$664	\$62	\$726	50%
3BR	2	\$810	\$62	\$872	60%
10 units are anticipated to be covered by PBV					
TOT/AVG.	28				

Calculation of Effective Gross Income			
	Monthly	Annual	
Gross Potential Rental Income	17,438	209,256	
Commercial Income (RENT)		30,895	
Plus Laundry, Other Income	TIF=\$27,229	0	30,500
Less Vacancy & Collection Loss	5.0%	(872)	(10,463)
Effective Gross Income	16,566	260,188	

Comparison of Rents						
	PROJECT	FMR	HOME	LIHTC MAX		
1BR	\$ 525	\$ 560	\$ 525	\$ 525		50%
1BR	\$ 630		\$ 560	\$ 630		60%
2BR	\$ 630	\$ 684	\$ 684	\$ 630		50%
2BR	\$ 756		\$ 867	\$ 756		60%
3BR	\$ 726	\$ 867	\$ 960	\$ 726		50%
3BR	\$ 872		\$ 1,082	\$ 872		60%

Line Item Operating Expense Justification

Mgt. & Administration	
Management Fee	
Legal	Estimate
Acctg./audit	Annual LIHTC audit
Marketing	Estimate
Admin	Includes bookkeeping, site telephone, Internet access (solar monitor), bank fees, postage, admin contracts (copiers, etc)
Utilities by Owner	
Water/Sewer	Per Rick -AHA -Comparables
Electric	Per Rick -AHA -Comparables
Heat/HW (by owner)	Per Rick -AHA -Comparables
Maintenance & Repairs	
Repairs/Other	Maint payroll 15 hrs/wk
Trash Removal	Estimate
Building Maint / Service Contracts	Contracts for sprinkler/elevator,, etc
Snow Removal/Grounds	Lawn Care and Snow removal
Taxes, Insurance, Other	
Property taxes	Estimate from Assessor
Insurance	Insurance Comp
Resident Services	7 hours per week-Services to be performed by existing staff at AHA
Replacement Reserve	\$300/unit

OPERATING EXPENSE BUDGET

Annual Expenses				
	Owner's Estimated	Owner's Est per unit	Owner's Est as % of EGI	Commerical Area
Mgt. & Administration				
Management Fee	17,787	635	7%	1500
Legal	500	18	0%	
Acctg./audit	4,500	161	2%	250
Marketing	1,500	54	1%	
Admin	4,850	173	2%	
Misc		0	0%	
Subtotal Mgt. & Admin.	29,137	1,041	11%	1750
Utilities by Owner				
Water/Sewer	10,500	375	4%	3500
Electric/Internet	10,000	357	4%	PBT
Heat/HW (by owner)	30,500	1,089	12%	9600 est. by M/E .80psf
Subtotal Utilities	51,000	1,821	20%	13100
Maintenance & Repairs				
Repairs/Other	14,000	500	5%	0
Trash Removal	2,750	98	1%	750 20% of total
Building Maint / Service Contracts	26,200	936	10%	1190
Snow Removal/Grounds	4,800	171	2%	1200 20% of total
Subtotal Maint & Repairs	47,750	1,705	18%	3140
Taxes, Insurance, Other				
Property taxes	44,377	1,585	17%	11095 20% of total
Insurance	11,690	418	4%	1810 20% of total
Resident Services	9,050	323	3%	0
Subtotal Taxes & Ins.	65,117	2,326	25%	12905
Replacement Reserve	8,400	300	3%	
TOTAL OPERATING EXP.	201,304	7,189	77%	30,895
				TOTAL EXPENSES 232,199

First Year Income/Expense

Income	260,188
Operating Expense	232,199
NOI	27,989
Debt Service Payment	0
Cash Flow	27,989
Debt Coverage Ratio	#DIV/0!
Cash Flow per unit	\$ 1,000

Income and Expense Sensitivity Analysis

		If Rental Income is reduced 2%	If Rental Income is reduced 5%	If Operating Expenses Increase by 2%	If Operating Expenses Increase by 5%
First Year Rental Income	\$ 260,188	\$ 254,984	\$ 242,235	\$ 260,188	\$ 260,188
First Year Operating Expense	\$ 232,199	\$ 232,199	\$ 232,199	\$ 236,843	\$ 243,809
Est First Year NOI	\$ 27,989	\$ 22,786	\$ 10,036	\$ 23,345	\$ 16,380
Debt Service Payment	\$ -	\$ -	\$ -	\$ -	\$ -
Est First Year Cash Flow	\$ 27,989	\$ 22,786	\$ 10,036	\$ 23,345	\$ 16,380
Est First Year Debt Coverage Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Est First Year Cash Flow per Unit	\$ 1,000	\$ 814	\$ 358.44	\$ 833.77	\$ 584.98

Lease up Schedule			
Months	Units leased	Cumulative Units	% leased
1.0	3	3	11%
2.0	3	6	21%
3.0	4	10	36%
4.0	4	14	50%
5.0	5	19	68%
6.0	5	24	86%
7.0	4	28	100%

Attachment 9

Webster School Redevelopment Affordable Housing TIF #16

Base Value:
FY 2011 \$ 522,800.00

Year	Mil Rate	Assessed Value	Tax Revenue	Captured Assessed Value (60%)	Credit Enhancement to Developer	Unsheltered 40% plus Base
FY12	0.01930	\$ 2,874,200.00	\$ 55,472.06	\$ 1,410,840.00	\$ 27,229.21	\$ 28,242.85
FY13	0.01955	\$ 2,874,200.00	\$ 56,190.61	\$ 1,410,840.00	\$ 27,581.92	\$ 28,608.69
FY14	0.01980	\$ 2,874,200.00	\$ 56,909.16	\$ 1,410,840.00	\$ 27,934.63	\$ 28,974.53
FY15	0.02005	\$ 2,874,200.00	\$ 57,627.71	\$ 1,410,840.00	\$ 28,287.34	\$ 29,340.37
FY16	0.02030	\$ 2,874,200.00	\$ 58,346.26	\$ 1,410,840.00	\$ 28,640.05	\$ 29,706.21
FY17	0.02055	\$ 2,874,200.00	\$ 59,064.81	\$ 1,410,840.00	\$ 28,992.76	\$ 30,072.05
FY18	0.02080	\$ 2,874,200.00	\$ 59,783.36	\$ 1,410,840.00	\$ 29,345.47	\$ 30,437.89
FY19	0.02105	\$ 2,874,200.00	\$ 60,501.91	\$ 1,410,840.00	\$ 29,698.18	\$ 30,803.73
FY20	0.02130	\$ 2,874,200.00	\$ 61,220.46	\$ 1,410,840.00	\$ 30,050.89	\$ 31,169.57
FY21	0.02155	\$ 2,874,200.00	\$ 61,939.01	\$ 1,410,840.00	\$ 30,403.60	\$ 31,535.41
FY22	0.02180	\$ 2,874,200.00	\$ 62,657.56	\$ 1,410,840.00	\$ 30,756.31	\$ 31,901.25
FY23	0.02205	\$ 2,874,200.00	\$ 63,376.11	\$ 1,410,840.00	\$ 31,109.02	\$ 32,267.09
FY24	0.02230	\$ 2,874,200.00	\$ 64,094.66	\$ 1,410,840.00	\$ 31,461.73	\$ 32,632.93
FY25	0.02255	\$ 2,874,200.00	\$ 64,813.21	\$ 1,410,840.00	\$ 31,814.44	\$ 32,998.77
FY26	0.02280	\$ 2,874,200.00	\$ 65,531.76	\$ 1,410,840.00	\$ 32,167.15	\$ 33,364.61
FY27	0.02305	\$ 2,874,200.00	\$ 66,250.31	\$ 1,410,840.00	\$ 32,519.86	\$ 33,730.45
FY28	0.02330	\$ 2,874,200.00	\$ 66,968.86	\$ 1,410,840.00	\$ 32,872.57	\$ 34,096.29
FY29	0.02355	\$ 2,874,200.00	\$ 67,687.41	\$ 1,410,840.00	\$ 33,225.28	\$ 34,462.13
FY30	0.02380	\$ 2,874,200.00	\$ 68,405.96	\$ 1,410,840.00	\$ 33,577.99	\$ 34,827.97
FY31	0.02405	\$ 2,874,200.00	\$ 69,124.51	\$ 1,410,840.00	\$ 33,930.70	\$ 35,193.81
FY32	0.02430	\$ 2,874,200.00	\$ 69,843.06	\$ 1,410,840.00	\$ 34,283.41	\$ 35,559.65
FY33	0.02455	\$ 2,874,200.00	\$ 70,561.61	\$ 1,410,840.00	\$ 34,636.12	\$ 35,925.49
FY34	0.02480	\$ 2,874,200.00	\$ 71,280.16	\$ 1,410,840.00	\$ 34,988.83	\$ 36,291.33
FY35	0.02505	\$ 2,874,200.00	\$ 71,998.71	\$ 1,410,840.00	\$ 35,341.54	\$ 36,657.17
FY36	0.02530	\$ 2,874,200.00	\$ 72,717.26	\$ 1,410,840.00	\$ 35,694.25	\$ 37,023.01
FY37	0.02555	\$ 2,874,200.00	\$ 73,435.81	\$ 1,410,840.00	\$ 36,046.96	\$ 37,388.85
FY38	0.02580	\$ 2,874,200.00	\$ 74,154.36	\$ 1,410,840.00	\$ 36,399.67	\$ 37,754.69
FY39	0.02605	\$ 2,874,200.00	\$ 74,872.91	\$ 1,410,840.00	\$ 36,752.38	\$ 38,120.53
FY40	0.02630	\$ 2,874,200.00	\$ 75,591.46	\$ 1,410,840.00	\$ 37,105.09	\$ 38,486.37
FY41	0.02655	\$ 2,874,200.00	\$ 76,310.01	\$ 1,410,840.00	\$ 37,457.80	\$ 38,852.21
			\$ 1,976,731.05		\$ 970,305.21	\$ 1,006,425.84

Mil Rate Assumptions: Mil rate increases 0.00025/year

Valuation Assumption: FY 11 Baseline Value \$522,800

Investment Assumptions: Build Out Timeline FY 12

Attachment 10
Webster School Redevelopment Affordable Housing
TIF 16

County Tax Shift

\$	1,410,840.00								
\$	1,410,840.00	\$	8,396,850,000.00	\$	8,398,260,840.00	0.000167992	\$	0.00	
	2009	\$	1,804,820.00				\$	1,858,964.60	
	2008	\$	1,969,765.00		-0.083738415		\$	312.29	County Tax Shift
	2007	\$	1,877,972.00		0.048878791		Total 30 years	\$	9,368.73
	2006	\$	1,699,945.00		0.104725153				
	2005	\$	1,745,129.00		-0.025891496				
					1%	3%			

Revenue Sharing Shift

23203	\$	37,877,406.00	\$	878,869,451,418.00	\$	427.79	Current Factor	
			\$	2,054,450,000.00				
23203	\$	37,877,406.00	\$	878,869,451,418.00	\$	427.49	Adjusted Factor	
\$ 2,054,450,000.00	\$	1,410,840.00	\$	2,055,860,840.00				
				\$ 3,510,000.00	1.000686724	0.000686724	\$	2,410.40
							Total 30 years	\$ 72,312.03

Education Tax Shift

\$	1,410,840.00	0.009	\$	12,697.56	\$	380,926.80
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Attachment 10-A -- Tax Shift Formulas

To calculate the state education subsidy tax shift: The current state education subsidy formula is adjusted each year that the District is in effect to include the increased valuation within the municipality based on the annual Captured Assessed Value. All other factors affecting the subsidy calculation are held constant. The difference in the actual education subsidy and the adjusted education subsidy represents the projected state education subsidy tax shift for that year.

To calculate the state revenue sharing tax shift: Collect the following information, available from the State Treasurer's office and at www.state.me.us/treasurer/revenue.htm:

- Projected total municipal revenue sharing pool for the current fiscal year.
- Municipality's "current factor".
- Municipality's "computed number," and the three figures used to calculate the current computed number: Municipality's population, local assessment, and State valuation.

1. Calculate the *Aggregate Computed Number*:

$$\frac{\text{Computed Number}}{\text{Current Factor}}$$

2. Calculate the *Adjusted Local Computed Number*:

$$\frac{\text{Municipal Population} \times \text{Local Assessment}}{\text{State Local Valuation} + \text{Projected Annual CAV}}$$

3. Calculate the *Adjusted Aggregate Computed Number*:

$$\text{Aggregate Computed Number} - \text{Computed Number} + \text{Adjusted Local Computed Number}$$

4. Calculate the *State's Adjusted Current Factor*:

$$\frac{\text{Adjusted Local Computed Number}}{\text{Adjusted Aggregate Computed Number}}$$

5. Calculate *Municipality's Current Projected Revenue Sharing*:

$$\text{Projected Total Municipal Revenue Sharing Pool} \times \text{Municipality's Adjusted Current Factor}$$

6. *Calculate the Projected Municipal Revenue Sharing for each year:*

Step 5 in given TIF District year – Step 5 in the Base Year

Note that the Projected Municipal Revenue Sharing calculation for the base year should be the same as the Municipality's Current Projected Revenue Sharing.

To calculate the County tax shift: Collect the following information

- From Maine Revenue Services, obtain the most recent State County Valuation and the State Local Valuation.
- From the County office obtain the County Tax Levy and the County budget for the current year and for five or more years past.

1. *Calculate the Current Municipal Percent of County Value:*

$$\frac{\text{Current State Local Valuation}}{\text{Current State County Valuation}}$$

2. *Calculate the Projected County Budget:* Using the current County budget and historic County budgets, calculate the average annual increase in the county budget. Using the average annual increase, project the annual budget for each year of the TIF District.

3. *Calculate the Municipal Share of County Tax without CAV:*

$$\text{Current Percentage of County Value} \times \text{Projected County Budget}$$

4. *Adjust the projected State County Valuation and the State Municipal Valuation to include the projected CAV.*

5. *Using values from Step Four, calculate the Adjusted Municipal Percent of County Value.*

6. *Calculate the average Municipal Share of County Tax with the CAV:*

$$\text{Adjusted Municipal Percent of County Value} \times \text{Projected County Budget}$$

7. *Calculate the County Tax Shift:*

$$\text{Municipal Share of County Tax with CAV} - \text{Municipal Share of County Tax without CAV}$$

Repeat for each year's Projected Annual CAV.