

Economic Development

Auburn, Maine

An application for an Affordable Housing Development and Tax Increment Financing District

**Amendment to 477 Minot Avenue Affordable Housing Development and Tax Increment Financing
District (#21)**

Presented to the City of Auburn City Council

November 20, 2017

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MAINE STATE HOUSING AUTHORITY

APPLICATION

Affordable Housing Tax Increment Financing

The Municipal Affordable Housing Development Districts statute, 30-A M.R.S.A. §§5245 – 5250-G, referred to as the "TIF Statute" in this Application, applies to affordable housing tax increment financing in Maine. The TIF Statute provides that before a municipality's designation of an affordable housing development district and its adoption of the associated affordable housing development program for the district become effective, MaineHousing must review the proposed district and development program to ensure compliance with the TIF Statute.

All applications to MaineHousing for review of an affordable housing development district and its associated development program must be on this form and include all eight Attachments noted below.

Sections 1 and 2 below are in fillable PDF format and may be completed on-line. After you have completed Sections 1 and 2, please print the Application and sign where indicated in Section 1.

This Application, with Attachments 1 through 8, may be submitted to MaineHousing in one of two ways:

By e-mail to Anne Paré sent to apare@mainehousing.org, *or*

By mail to: Anne Paré, MaineHousing, 353 Water Street, Augusta, Maine 04330

In this Application "district" means an affordable housing development district and "development program" means an affordable housing development program.

SECTION 1 – APPLICANT INFORMATION

1-1 Name of applicant city or town: Auburn

1-2 Municipal official submitting this Application:

Peter Crichton

Printed name

City Manager

Title

60 Court Street

Mailing address

207-333-6601

Phone number

pcrichton@auburnmaine.gov

E-mail address

The municipal official named above certifies that he/she has the authority to submit this Application to MaineHousing and further certifies that to the best of his/her knowledge, the information contained in this Application and its Attachments is true.

Signature

Date

1-3 Municipal official with authority to submit annual reports to MaineHousing on the status of the district:

Peter Crichton

City Manager

Printed name

Title

60 Court Street

Mailing address

207-333-6601

Phone number

pcrichton@auburnmaine.gov

E-mail address

SECTION 2 – NOTICE AND HEARING

Before designating a district or adopting a development program, the municipal legislative body must

- (a) hold at least one public hearing,
- (b) publish notice of the hearing at least 10 days before the date of the hearing in a newspaper of general circulation in the municipality,
- (c) at the hearing, consider
 - (i) whether the district and development program will contribute to the expansion of affordable housing or the betterment of the health, welfare or safety of the residents,
 - (ii) any claim by a party that the district or development program will be detrimental to that party's property interests for which substantial evidence is produced, and whether any adverse economic effect is outweighed by the availability of affordable housing or the betterment of resident health, welfare or safety.

2-1 Date of public notice: June 9, 2017, November 10, 2017

Attachment 1 – Newspaper Notice

*Include as **Attachment 1** a copy of the newspaper page showing the public notice and the newspaper name and date.*

2-2 Date of public hearing: Jun 19, 2017, November 20, 2017

Attachment 2 – Public Hearing Record

Include as Attachment 2 the record of the meeting at which the public hearing was held, certified by the municipal clerk.

Attachment 3 – Additional Documents

Include as Attachment 3 all documentation submitted to, or prepared by, the municipality relating to items (c)(i) and (c)(ii) above.

SECTION 3 – MUNICIPAL APPROVAL

Conditions of municipal approval of district and development program

The TIF Statute sets out conditions for the designation of a district and adoption of a development program by a city or town. A municipality must designate a district and adopt a development program meeting these conditions.

To assist municipalities in ensuring that districts and development programs comply with the conditions of the TIF Statute, we have set out below a Checklist in Appendix A that can be used in designating a district and adopting a development program. The Checklist covers the conditions in the TIF Statute that need to be met in approving the district and development program. While MaineHousing does not require municipalities to fill in or follow the format of the Checklist, in reviewing a district and development program approved by a municipality, we will look for specific information in the Application materials (including the Attachments) the city or town submits to us showing compliance with all the conditions of the TIF Statute.

IMPORTANT NOTE: Because the TIF Statute defines a district as "a specified area within the corporate limits of a municipality that has been designated . . . to be developed" under a development program, a development program must, at a minimum, include new construction of affordable housing or rehabilitation of existing housing inside the district, or both. A municipality may not create a district for the sole purpose of capturing tax increment revenues that would result only from inflationary adjustments to property values with no development of new housing or rehabilitation of existing housing in the district.

Attachment 4 – Municipal Approval

Include as Attachment 4 a copy of the order or resolution and vote of the municipal legislative body approving the district and development program, certified by the municipal clerk.

Attachment 5 – District Maps

Include as Attachment 5 a municipal map and tax map showing the district boundaries.

Attachment 6 – Certification of Original Assessed Value of District

Include as Attachment 6 a dated certification signed by the municipal assessor showing the original assessed value of the district. "Original assessed value" means the taxable assessed value of the district as of the March 31" before municipal approval of the district.

Attachment 7 – Development Program

Include as Attachment 7 a copy of the development program approved by the municipality's legislative body.

Attachment 8 – Credit Enhancement or Other Agreement

Include as Attachment 8 a copy of the credit enhancement agreement or other tax increment revenue sharing agreement, whether or not executed.

**See Appendix A below for
Checklist for Approval of District and Development Program**

Appendix A

Checklist for Approval of District and Development Program

The TIF Statute sets out conditions for the designation of a district and adoption of a development program by a city or town. A municipality must designate a district and adopt a development program meeting these conditions.

To assist municipalities in ensuring that districts and development programs comply with the conditions of the TIF Statute, we have set out below a **Checklist** that can be used in designating a district and adopting a development program. The Checklist covers the conditions in the TIF Statute that need to be met in approving the district and development program. While MaineHousing does not require municipalities to fill in or follow the format of the Checklist, in reviewing a district and development program approved by a municipality, we will look for specific information in the Application materials (including the Attachments) the city or town submits to us showing compliance with all the conditions of the TIF Statute.

- ☐ District description
 - _____ Physical description of district
 - _____ Municipal map showing district boundaries
 - _____ Tax map showing district boundaries

- ☐ At least 25% of district acreage is suitable for residential use, blighted, or in need of rehabilitation/redevelopment
 - _____ % acreage suitable for residential use
 - _____ % blighted
 - _____ % in need of rehabilitation/redevelopment
 - _____ Physical description of district to support above
 - _____ Zoning designation where district is located
 - _____ Allowed uses in that zone

- ☐ District acreage divided by total municipal acreage is not more than 2%
 - _____ Total district acreage
 - _____ Total municipal acreage
 - _____ District acreage as a percent of total acreage

- ☐ Total acreage of all existing and proposed development districts (affordable housing and DECD districts) in municipality divided by total municipal acreage is not more than 5%

_____ Total acreage of all development districts
_____ Total municipal acreage
_____ Total development district acreage as a percent of total acreage

- ☐ Original assessed value (OAV)* of district

_____ Dated certification signed by municipal assessor showing OAV amount and date

* OAV means the taxable assessed value of the district as of the March 31st before municipal approval of the district.

- ☐ OAV of all existing and proposed affordable housing development districts in the municipality divided by aggregate taxable property value as of the April 1st before MaineHousing approval is not more than 5%

_____ Aggregate OAV of existing and proposed districts
_____ Aggregate taxable property value as of the April 1st before MaineHousing approval
_____ Aggregate OAV as a percent of total taxable value

- ☐ Development program start and end dates

_____ First tax year (i.e., April 1 – March 31) of development program *

* May be any tax year specified in municipal approval. If none is specified, the development program will start during the tax year of approval.

_____ Last tax year of development program **

** Not more than 30 years after tax year of MaineHousing approval.

_____ Municipal fiscal year ***

*** Example: July 1 – June 30

- ☐ The development program meets an identified housing need in municipality

_____ Description of need
_____ Description of how development program meets need
_____ Number of new rental units to be constructed

- _____ Number of existing rental units to be rehabilitated
- _____ Number of new single-family homes, including condominiums, to be constructed
- _____ Number of existing single-family homes, including condominiums, to be rehabilitated

- ☐ District must be a primarily residential * development

- _____ Description of residential and non-residential uses in district and acreage of each
- _____ Description of accessory uses relating to residential use

* A district is primarily residential if the overall character of the uses in the district is residential. Residential uses include both housing and uses related to residential uses, such as recreational facilities and child care facilities available to the residents of the district and small-scale nonresidential uses that are intended to provide services primarily to the residents of the district.

- ☐ At least 33% of the housing units in the district must be affordable housing *

- _____ Number of affordable single-family owner-occupied homes, including condominiums, in district
- _____ Number of affordable rental units in district
- _____ Total number of housing units in district
- _____ Affordable housing units as a percent of total units

* Affordable housing is an owner-occupied single-family home or condominium or a rental unit for a household earning no more than 120% of area median income (AMI). The housing must be decent, safe and sanitary. Affordable housing does not include facilities such as emergency shelters, nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories, regardless of income level. No purchase price limits on homes or rent restrictions on rental units are required to establish that a unit is affordable.

2015 AMI for counties and other designated areas in Maine can be found at http://www.huduser.org/portal/datasets/il/il15/Section8_IncomeLimits_Rev.pdf. After scrolling down to the Maine pages, use the information in the first column at "FY 2015 MFI: _____" for the county or other area of interest. Multiply that MFI figure by 120% to determine the maximum income level.

HUD updates AMI annually. 2015 AMI will remain in effect until HUD publishes AMI for 2016.

- ☐ Mechanism to ensure ongoing affordability of 33% of the housing units in district for required time

_____ Length of affordability period for owner-occupied single-family homes and condominiums *

* The minimum affordability period for single-family owner-occupied homes and condominiums is 10 years.

_____ Description of affordability mechanism for single-family owner-occupied homes and condominiums

_____ Length of affordability period for rental units **

** The minimum affordability period for rental units is 30 years.

_____ Description of affordability mechanism for rental units

A district may contain only homeownership units or only rental units or a combination of both, but a minimum of 33% of the total number of housing units in the district must be affordable for the required time, i.e., 10 or 30 years, depending on the housing type.

The affordable units can be fixed (particular units are subject to the affordability requirements and never change, i.e., those specific units must remain affordable during the applicable affordability period and other units cannot be substituted for them) or they can float (units initially designated as affordable may change over time and other affordable units can be substituted in their place) provided that at least 33% of the total number of housing units in the district are affordable housing at any given point in time.

Whether the units are rental or homeownership units, the affordability period begins to run when the units have been constructed or rehabilitated into decent, safe and sanitary housing and (i) are available for occupancy if the development is subject to a declaration of covenants and restrictions that requires the units to be affordable (i.e., restricted to households with income not exceeding 120% of AMI), or (ii) when the units are occupied by a household with income not exceeding 120% of AMI if the development is not subject to a declaration. The development program needs to include timing information on the development and availability for occupancy of the affordable units in the district. To comply with the TIF Statute's requirement that at least 33% of the housing units in the district be affordable housing, in a mixed-income development, the development program must provide for the construction/rehabilitation of the affordable units within a reasonable timeframe during the construction phase of the project and not leave them to the end of the project if the units will be made available for occupancy or sale as they are constructed or rehabilitated.

- ☐ Operation of housing and facilities in district

_____ Description of how housing and facilities in the district will be operated after completion

_____ Entity responsible for operation

_____ Source of operating funds

☐ Specific planned uses of tax increment revenues from the district *

* See §5249 of the TIF Statute for eligible uses of tax increment revenues from the district.

IMPORTANT NOTE: Municipalities are cautioned that a broad recitation in a development program of all or substantially all the authorized project costs listed in the TIF Statute will not be accepted by MaineHousing.

A non-residential use included in a development program may be funded with tax increment revenues from the district, provided that the non-residential use contributes to a specific, identified improvement of the health, welfare or safety of the residents of the municipality, including a specific, identified benefit to the residents of the district, or to the expansion of affordable housing within the municipality. The district and development program must otherwise comply with the requirements of the TIF Statute, including the requirement that the district be a primarily residential development. Tax increment revenues may not be used to construct new "pure" commercial facilities within a district or to rehabilitate those facilities.

_____ Description of each improvement, facility, program, or other activity included in the development program that may or will be funded in whole or in part with tax increment revenues *

* Include all intended uses and potential alternative uses.

_____ List which of these improvements, facilities, programs, or other activities are inside the district

_____ List which of these improvements, facilities, programs, or other activities are outside the district **

** To be funded with tax increment revenues, costs outside the district must be *directly related to or made necessary* by the creation or operation of the district. Include any supporting studies, research, estimates, and assumptions.

_____ Amount of tax increment revenues to be used for each improvement, facility, program or other activity inside and outside the district ***

*** Only the proportion of costs outside the district that are *directly related to or made necessary* by the creation or operation of the district may be paid with tax increment revenues.

Attachment 1: Public Notice

**CITY OF AUBURN
PUBLIC NOTICE**

Notice is hereby given that the City Council of the City of Auburn will hold three public hearings on November 20, 2017 at 7:00 p.m. or as soon as possible thereafter at the City Council Chambers in the Auburn Hall Building at 60 Court Street, Auburn Maine, for purposes of receiving public comments on the following:

Amendment to Downtown Development and Tax Increment Financing District #10 The amendment is proposed to remove a portion of the district including a parcel on Troy Street. (Municipal Tax Map 240 Parcel 212 and surrounding areas) pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes.

The proposed amendment will allow for the adoption of the Hampshire Street Apartments Municipal Affordable Housing Development and Tax Increment Finance District on the parcel located at (Municipal Tax Map 240 Parcel 212).

Establishment of an Affordable Housing Development and Tax Increment Financing District #22 to designate a parcel on Hampshire Street and Troy Street. (Municipal Tax Map 240 Parcel 212 and surrounding areas) pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Hampshire Street Apartments Municipal Affordable Housing Development and Tax Increment Finance District consists of approximately 0.64 acres and is intended to offset operating costs in an affordable housing project proposed for the parcel. The proposed district consists of property within the Downtown Traditional District T-5.1.

Amendment of the Affordable Housing Development and Tax Increment Financing District #21 to amend the Affordable Housing Development and Tax Increment Financing District #21 located at 477 Minot Ave, (Municipal Tax Map 209-Parcel 058) and to amend the development program for said Municipal Development and Tax Increment Finance District pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed amendment will allow for changes to the Development Program for the 477 Minot Avenue Affordable Housing Development and Tax Increment Financing District. The proposed changes to the Development Program will allow for a date change to the Development Program and Credit Enhancement Agreement.

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

Attachment 2: Public Hearing Record

Attachment 4: Municipal Approval

James Pross, Ward One
Robert Stone, Ward Two
Andy Titus, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Grady R. Burns, At Large
David C. Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL
November 20, 2017

Order XX-

WHEREAS, the City of Auburn (the "City") designated the **477 Minot Avenue Municipal Development and Tax Increment Financing District (#21)** (the "District") and adopted a development program (the "Development Program") for the District on June 19, 2017; and

WHEREAS, in the course of reviewing the application before submittal to MaineHousing, it was determined that the City should hold an additional public hearing and vote on this Council Order to verify items about the District prior to submittal of the Tax Increment Financing application and Credit Enhancement Agreement to MaineHousing.

ORDERED AS FOLLOWS:

Section 1. Authorize and direct the City Manager to (1) amend the term of the District, the Development Program, and the District's credit enhancement agreement to reflect a term of years that begins with the Tax Year April 1, 2017 in order to ensure a full 30-year District term; (2) to submit such amended documentation to Maine State Housing Authority; and (3) to otherwise fulfill all the requirements and authorities provided for in the original City Council approval from June 19, 2017.

IN CITY COUNCIL, JUNE 19, 2017

WHEREAS, there is a need for economic development and for the development of affordable, livable housing in the City of Auburn (the "City"), in the surrounding region, and in the State of Maine; and

WHEREAS, implementation of the development program for the new affordable housing municipal development and tax increment financing district will help improve and broaden the tax base in the City and improve the economy in the City and the region by attracting business development and creating affordable housing in the area of these districts; and

WHEREAS, pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City desires to designate a new affordable housing municipal development and tax increment financing district entitled the *477 Minot Avenue Municipal Affordable Housing Development and Tax Increment Financing District* (the "Minot Avenue District") and adopt a development program for the Minot Avenue District; and

WHEREAS, it is expected that approval will be obtained from the Maine State Housing Authority approving the designation of the *477 Minot Avenue Municipal Affordable Housing Development and Tax Increment Financing District Development Program*; and

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

Section 1 Pursuant to Chapter 206, Subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates the *477 Minot Avenue Municipal Affordable Housing Development and Tax Increment Financing District* and hereby adopts the Minot Avenue District development program described as more particularly set forth in the documents presented to the City Council in conjunction with this Order.

Section 2 Pursuant to the provisions of 30-A M.R.S.A. § 5250-A, the percentage of captured assessed value to be retained in the Minot Avenue District is hereby established as set forth in the Minot Avenue District development program.

Section 3 The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed designation of the Minot Avenue District and the proposed development program for the Minot Avenue District to the Maine State Housing Authority for review and approval pursuant to the requirements of 30-A M.R.S.A. Chapter 206, Subchapter 3; and further is authorized to execute a Credit Enhancement Agreement consistent with the provisions of the Minot Avenue District development program as presented and approved herein, and to create the accounts and take all the actions described in such agreements.

Section 4 The City Manager be and hereby is authorized and empowered at his direction from time to time to make such revisions to the Minot Avenue District development program for the Minot Avenue District as he deems reasonably necessary or convenient in order to facilitate the process of review and approval of the Minot Avenue District by the Maine State Housing Authority, or for any other reason, so long as such provisions are not inconsistent with

these resolutions or the basic structure and intent of the Minot Avenue District development program. The City Manager is also hereby authorized and directed to submit any reports to the Maine State Housing Authority regarding the Minot Avenue District and development program throughout the term of the District.

Section 5 The foregoing designation of the Minot Avenue District and the adoption of the development program for the Minot Avenue District shall automatically become final and shall take full force and effect upon receipt by the City of approval of the proposed Minot Avenue District by the Maine State Housing Authority without requirements of further action by the City, City Council or any other party.

Section 6 The City hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the Minot Avenue District, as hereinafter designated, is suitable for residential use, blighted area, or is in need of rehabilitation or redevelopment; and

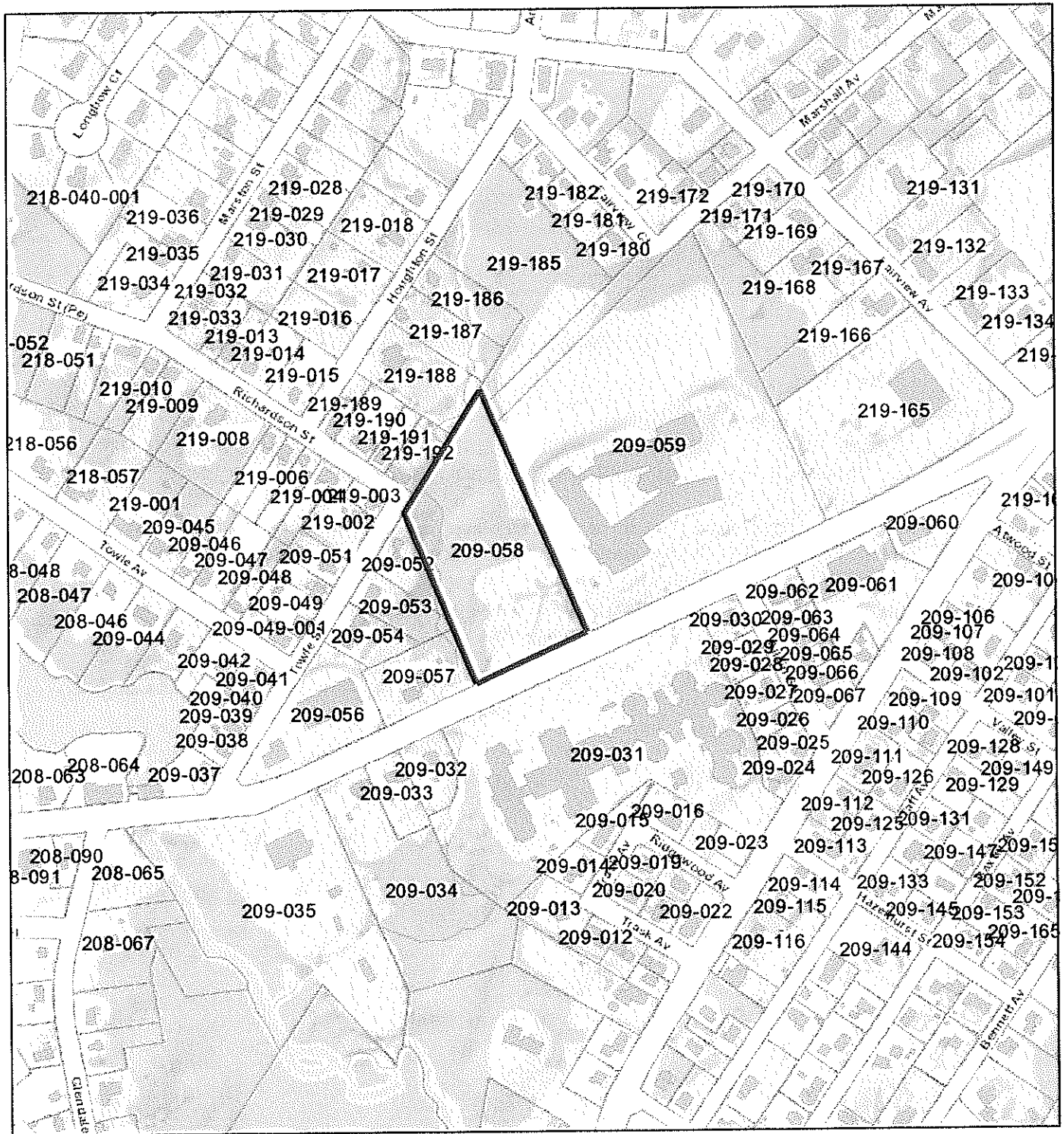
b. The total area of the Minot Avenue District does not exceed two percent (2%) of the total acreage of the City, and the total area of all development districts within the City does not exceed five percent (5%) of the total acreage of the City; and

c. The original assessed value of the Minot Avenue District plus the original assessed value of all existing affordable housing development districts within the City does not exceed five percent (5%) of the total value of taxable property in the City.

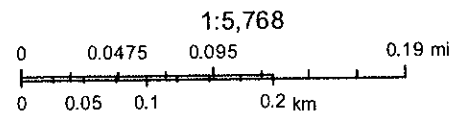
d. The Minot Avenue District and pursuit of the Minot Avenue District development program will contribute to the expansion of affordable housing opportunities within the municipality or to the betterment of the health, welfare or safety of the inhabitants of the City. The City has considered all evidence, if any, presented to it with regard to any substantial detriment to another party's existing property interests in the City and has found and determined that such interested party's property interests in the City are outweighed by the contribution made by the Minot Avenue District or its development program to the availability of affordable housing within the City or to the betterment of the health, welfare or safety of the inhabitants of the City.

Attachment 5: District Maps

477 Minot Avenue, Auburn Parcel Map

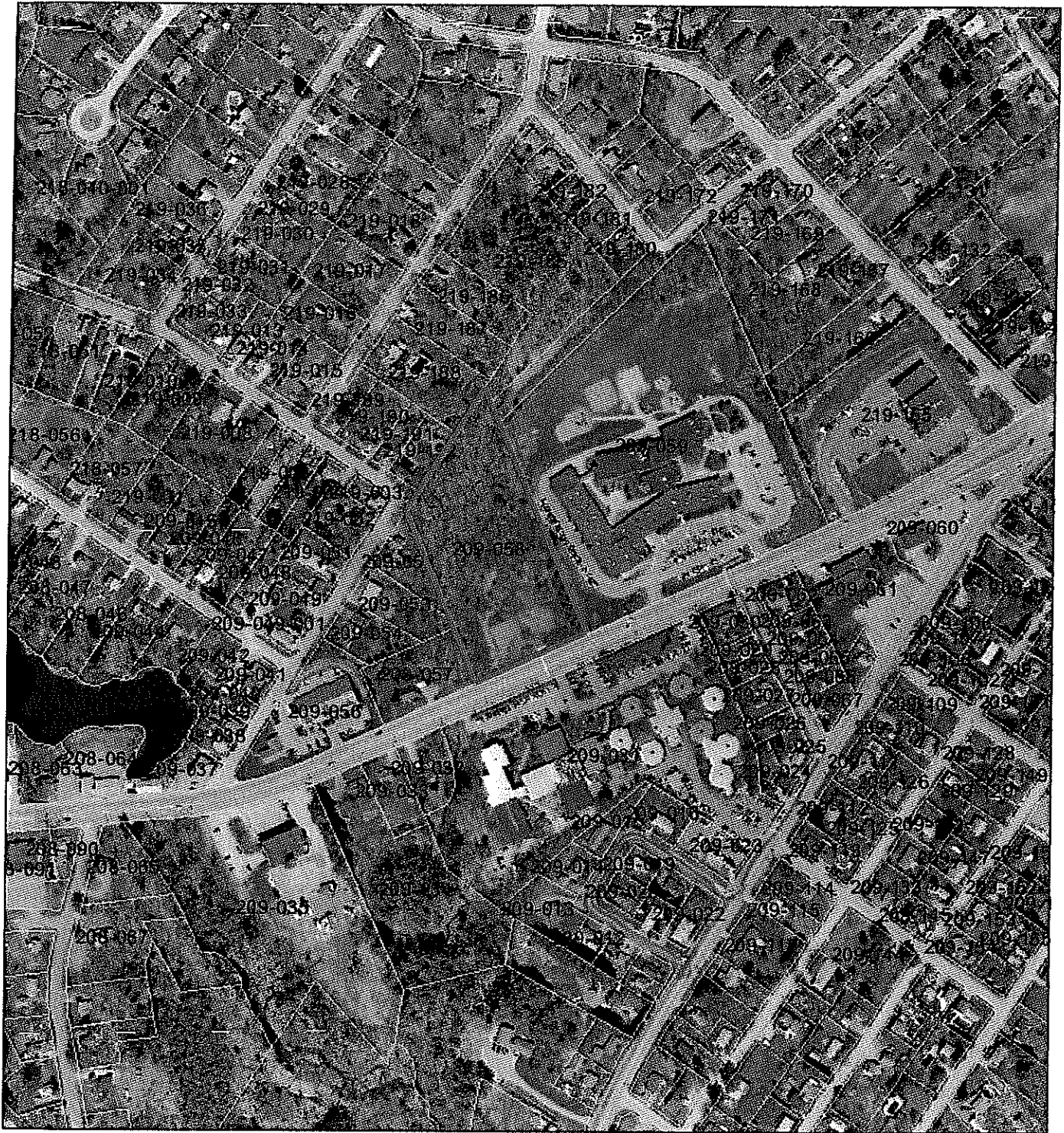


June 6, 2017



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

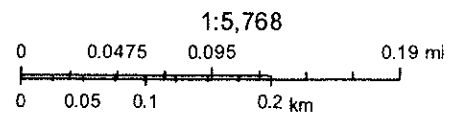
477 Minot Avenue, Auburn Parcel Map



June 6, 2017

GeoLibrary_6in_2013_2ft

GeoLibrary_3in_2013_1ft



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

Attachment 6: Certificate of Original Assessed Value of District



City of Auburn, Maine

Office of the Assessor

www.auburnmaine.gov | 60 Court Street

Auburn, Maine 04210

207.333.6601

ASSESSOR'S CERTIFICATE OF ORIGINAL ASSESSED VALUE

CITY OF AUBURN

477 MINOT AVENUE AFFORDABLE HOUSING MUNICIPAL DEVELOPMENT DISTRICT AND TAX INCREMENT FINANCING DISTRICT

The undersigned Assessor for the City of Auburn, Maine, does hereby certify that the tax map showing the boundaries of the proposed 477 Minot Avenue Affordable Housing Development District and Tax Increment Financing District, as shown in Attachment 5, is an accurate depiction of the proposed District. The Original Assessed Value of the proposed District as of March 31, 2017 (April 1, 2016) was One Hundred Seventy Thousand One Hundred Dollars (\$170,100).

IN WITNESS WHEREOF, this Certificate has been executed as of this 6th day of June, 2017.

CITY OF AUBURN ASSESSOR

Karen V. Scammon CMA

By: Karen V. Scammon

Printed name:

Attachment 7: Development Program

477 MINOT AVENUE MUNICIPAL AFFORDABLE HOUSING DEVELOPMENT
AND TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM &
FINANCIAL PLAN MATERIALS

1. District 21 (the "District") is located at 475-477 Minot Avenue in Auburn (Tax Map 209, Lot 058). The District is approximately 3.83 acres of vacant land.

A municipal map and a tax map showing district boundaries are attached.

2. 100% of District acreage is suitable for residential use, and in need of rehabilitation/redevelopment. The District is well-located for housing as it is located off of Minot Avenue (Route 121), along which other housing and businesses are located. The District includes vacant land, which is in need of redevelopment. The District is serviced by municipal sewer and water services and will include only residential use. A portion of the District is located in the Urban Residence (UR) District, which is "intended to provide for, protect and stabilize medium density urban residential areas of single- and two-family detached dwellings and their adjunct public and institutional uses. It is designed to ensure a family living environment in an urban setting through lot size requirements that provide adequate yard space for family outdoor activity and play space for children." The other portion of the District is located in the General Business II (GBII) District, which allows residential dwelling uses permitted in the Multifamily Suburban District (MFS), which is intended to "stabilize and protect medium to high density residential areas by providing for a varied denser urban pattern made suitable to the needs of the population by encouraging a range of dwelling types." Multifamily dwellings are a permitted use in the GBII District and two-family dwellings are a permitted use in the UR District.

3. District acreage divided by total municipal acreage is not more than 2%. The district is 3.83 acres out of a total 42,073 acres in Auburn, representing 0.009%.

4. Total acreage of all existing and proposed development districts (affordable housing and DECD districts) in municipality divided by total municipal acreage is not more than 5%. Existing and proposed development districts are 511.82 acres (excluding the City's Downtown Municipal TIF District which is exempt from this calculation) out of a total 42,073 acres in Auburn, representing 1.22%.

5. The original assessed value (OAV) of the District is \$170,100 (Certificate of OAV is attached).

6. The Development Program will begin April 1, 2017 and end March 31, 2047. The municipal fiscal year is July 1 to June 30.

7. The Development Program meets an identified housing need in Auburn. The proposed 477 Minot Avenue Apartments will add approximately thirty-six units of affordable family rental housing ("477 Minot Avenue Apartments") to the Auburn

housing stock. Eight 3 bedroom units, eighteen 2 bedroom units, and ten 1 bedroom units will all be targeted to households with incomes at or below 60% of area median income (AMI).

8. The District will only include residential uses.

9. 100% of housing units in the District will be affordable housing and will be occupied by households with income not exceeding 60% of AMI.

10. 477 Minot Avenue Apartments will be developed with Low Income Housing Tax Credit equity and thus subject to an Extended Use Agreement with MaineHousing, which will be executed for the project at loan closing and a copy recorded at the registry of deeds. The Extended Use Agreement will restrict occupancy of the units in the 477 Minot Avenue Apartments to households with income not exceeding 60% of AMI. The length of the affordability period will be 45 years.

11. When completed, 477 Minot Avenue Apartments will be managed by an experienced manager of subsidized housing properties with extensive LIHTC training, to be determined.

The total annual cost of operations for the 477 Minot Avenue Apartments is budgeted at \$264,682. The breakdown by category is as follows: administrative 18.5%; utilities 19.7%; maintenance 22.5%; general expenses 33.1%; and reserves 6.1%. The financing for operating expenses is primarily through tenant rents (88.4%). TIF payments made to reimburse project operating costs (11.6%) make up the remainder. The project will have Resident Services available via an on site coordinator and will be managed as a smoke free building.

12. Table 1. Specific planned uses of tax increment revenues from the district. The City intends to capture 100% of the increased assessed value of the District as captured assessed value; however, if the portion of Tax Increment Revenues to be retained by the City cannot be fully expended on the education costs identified below in any particular fiscal year, then the remainder of the tax revenues paid on increased assessed value shall be deposited into the City's general fund. In such circumstance, the City shall ensure that it does not receive the tax shift benefit associated with any portion of tax increment deposited into the City's general fund.

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?
			Amount	Source	
477 Minot Avenue Apartment Operating Costs (Administrative, Utilities, Maintenance, Insurance, Replacement Reserves)	Ongoing	Estimated \$981,915	Estimated \$11,102,333 (\$162,303 in year one, stabilized in year two at \$291,762 with 2-3% annual increase over 30 years)	Project Rents	Inside
Impact on school operating costs	Throughout school year	Up to estimated \$918,915	Estimated \$0 per year (based on projected 11.78 students (75% new to Auburn), \$3,700 cost per student per year minus TIF revenues of estimated \$33,859- see attached table for	Municipal funds	Outside

			calculation of estimated impact on school operating costs)		
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13. The Total Development Cost for 477 Minot Avenue Apartments is budgeted at \$6,299,842 (see attached detailed development budget). 477 Minot Avenue Apartments will be financed primarily through Low Income Housing Tax Credits. The project will seek Low Income Housing Tax Credits in the amount of \$545,539, which is projected to provide an equity yield to the project of \$4,745,718. In addition, the project will seek a Rental Loan Program subsidy of \$1,554,124. An itemized development budget showing all sources and uses of funds is attached. No public indebtedness will be incurred.

A valuation table is attached showing estimates of increased assessed values of the district and showing 100% of the increased assessed values to be applied as captured assessed values and the resulting tax increments in each year of the program, and a tax shift table is attached showing a calculation of the tax shifts resulting from designation of the affordable housing development district.

14. No relocation is necessary.

15. The 477 Minot Avenue Apartments project is committed to following all local and state laws and regulations. Locally, full planning board site plan approval will be granted in Fall 2017. Any environmental issues will be fully remediated as part of the Project. A qualified general contractor will be chosen with the approval of MaineHousing.

16. The Development Program is consistent with Auburn's Comprehensive Plan, dated April 19, 2011, and complies with Maine law limiting growth-related capital investments (30-A M.R.S.A. §4349-A).

17. The District is not in conflict with Auburn's municipal charter.

18. The tables following this narrative include the Financial Plan required materials and information. No public indebtedness is intended to be used for approved project costs.

477 MINOT AVENUE APARTMENTS

Affordability Analysis & Rent Schedule					
Affordable Rents					
Unit Type	HHL D Size	Fed Home	LIHTC Rent	UA	Max. Net Rent
0 BR @ 50%	1		497	39	\$458
1 BR @ 50%	1.5		533	45	\$488
2 BR @ 50%	3		640	55	\$585
3BR @ 50%	4.5		738	68	\$670
0 BR @ 60%	1		597	39	\$558
1 BR @ 60%	1.5		639	45	\$594
2 BR @ 60%	3		768	55	\$713
3BR @ 60%	4.5		886	68	\$818
0 BR Market	1			39	(\$39)
1 BR Market	1.5			45	(\$45)
2 BR Market	3			55	(\$55)

Rent Schedule					
Unit Type	# Units	Net Rent	Utility Allow.	Gross Rent	Afford. @ % Med. Inc.
0 BR @ 50%	0	\$458	39	\$497	
1 BR @ 50%	6	\$488	45	\$533	
2 BR @ 50%	11	\$585	55	\$640	
3 BR @ 50%	5	\$670	68	\$738	
0 BR @ 60%	0	\$558	39	\$597	
1 BR @ 60%	4	\$594	45	\$639	
2 BR @ 60%	7	\$713	55	\$768	
3 BR @ 60%	3	\$818	68	\$886	
0 BR Market	0	-\$39	39	\$0	
1 BR Market		-\$45	45	\$0	
2 BR Market	0	-\$55	55	\$0	
TOTAL	36				
Bedroom Mix	0 BR	1 BR	2 BR	3 BR	Total
	0	10	18	8	36
Income Mix		50%AMI	60%AMI	Sec 8	Total
Number		22	14	0	36
Percent		61.1%	38.9%	0.0%	

Operating Income & Expense		
Effective Gross Income	Monthly	Annual
Gross Potential Rental Income	22,534	270,408
Less Vacancy & Collection Loss	5.0% (1,127)	(13,520)
TIF Income	2,822	33,859
Effective Gross Income	24,229	290,747

Estimated Impact on School Operating Costs			
	No. of Units	School-Age Children/Unit (5+ Units, Rent)	Estimated No. of Students
1 BR	10	0	0
2 BR	18	0.33	5.94
3 BR	8	0.73	5.84
Total	36		11.78
City of Auburn Cost Per Student/Year			3,700.00
Total Costs/Year for 11.78 Students			43,586.00
75% of Total Costs based on % of students that are new to Auburn			32,689.50
30 years			980,685.00

Source: Residential Demographic Multipliers, Estimates of the Occupants of New Housing, June 2006, Center for Urban Policy Research, Rutgers University. (Massachusetts data used for 3 BR since data not available for Maine)

Estimated Captured Assessed Values							
TIF Year	Tax Year	Projected Additional Assessed Value	Percent of Value Captured	Projected Mill Rate	Projected New Taxes Captured	City TIF Revenue	Project TIF Revenue
1	2017	\$0	100%	0.02235	\$0	\$0	\$0
2	2018	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
3	2019	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
4	2020	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
5	2021	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
6	2022	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
7	2023	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
8	2024	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
9	2025	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
10	2026	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
11	2027	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
12	2028	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
13	2029	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
14	2030	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
15	2031	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
16	2032	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
17	2033	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
18	2034	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
19	2035	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
20	2036	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
21	2037	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
22	2038	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
23	2039	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
24	2040	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
25	2041	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
26	2042	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
27	2043	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
28	2044	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
29	2045	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
30	2046	\$3,029,900	100%	0.02235	\$67,718	\$33,859	\$33,859
					\$1,963,830	\$981,915	\$981,915

This model is based on 100% of incremental valuation captured within the TIF District and 50% of captured revenues are for the municipal development fund and 50% the developer project fund.

477 Minot Avenue Tax Shift Benefits

TIF Year	Tax Year	State Aid to		State	Total Tax	
		Education	County Tax	Revenue		Shift
		Benefit	Benefit	Sharing Benefit	Benefits	
	1	2017	\$25,148	\$2,501	\$2,840	\$30,489
	2	2018	\$25,148	\$2,506	\$2,840	\$30,494
	3	2019	\$25,148	\$2,510	\$2,840	\$30,498
	4	2020	\$25,148	\$2,515	\$2,840	\$30,503
	5	2021	\$25,148	\$2,519	\$2,840	\$30,507
	6	2022	\$25,148	\$2,524	\$2,840	\$30,512
	7	2023	\$25,148	\$2,529	\$2,840	\$30,517
	8	2024	\$25,148	\$2,533	\$2,840	\$30,521
	9	2025	\$25,148	\$2,538	\$2,840	\$30,526
	10	2026	\$25,148	\$2,542	\$2,840	\$30,530
	11	2027	\$25,148	\$2,547	\$2,840	\$30,535
	12	2028	\$25,148	\$2,552	\$2,840	\$30,540
	13	2029	\$25,148	\$2,556	\$2,840	\$30,544
	14	2030	\$25,148	\$2,561	\$2,840	\$30,549
	15	2031	\$25,148	\$2,566	\$2,840	\$30,554
	16	2032	\$25,148	\$2,570	\$2,840	\$30,558
	17	2033	\$25,148	\$2,575	\$2,840	\$30,563
	18	2034	\$25,148	\$2,580	\$2,840	\$30,568
	19	2035	\$25,148	\$2,584	\$2,840	\$30,572
	20	2036	\$25,148	\$2,589	\$2,840	\$30,577
	21	2037	\$25,148	\$2,594	\$2,840	\$30,582
	22	2038	\$25,148	\$2,598	\$2,840	\$30,586
	23	2039	\$25,148	\$2,603	\$2,840	\$30,591
	24	2040	\$25,148	\$2,608	\$2,840	\$30,596
	25	2041	\$25,148	\$2,613	\$2,840	\$30,601
	26	2042	\$25,148	\$2,617	\$2,840	\$30,605
	27	2043	\$25,148	\$2,622	\$2,840	\$30,610
	28	2044	\$25,148	\$2,627	\$2,840	\$30,615
	29	2045	\$25,148	\$2,632	\$2,840	\$30,620
	30	2046	\$25,148	\$2,633	\$2,840	\$30,621
		Total	\$729,292	\$74,411	\$82,360	\$886,063

This model is based on 100% of incremental valuation captured within the TIF District and 50% of captured revenues are for the municipal development fund and 50% the developer project fund.

Attachment 8: Credit Enhancement Agreement