



# CITY OF GLOUCESTER COMMUNITY PRESERVATION COMMITTEE

## PROJECT APPLICATION COVER SHEET

### I: Project Information

Project Title:  
Harbor Village

Project Summary:  
Harbor Village will be a 4 story, 34,000 SF 100% affordable housing project located at 206 Main Street, the former Cameron's restaurant, for residents earning between 30% and 60% of AMI. The first floor will consist of approximately 2,500 SF of commercial/retail space, plus a management office and storage, with thirty (30) apartments in total on the upper 3 floors: 10 one bedrooms, 17 two bedrooms and 3 three bedroom apartments. In addition there will be a large outdoor deck on the second floor for tenant use, plus 30 covered off street parking spaces

Estimated start date: Summer 2018 Estimated completion date: Spring 2020

CPA Program Area:

- Open Space                       Historic Preservation  
 Community Housing            Recreation

### II: Applicant/Developer Information

Contact Person with primary responsibility for project: Ilene Vogel

Organization (if applicable): North Shore CDC

Mailing Address: 98 Lafayette Street

Daytime phone #: 978 219 5088

Fax #:

E-mail address: ilene@northshorecdc.org

Federal ID# 04-2686893

### III: Budget Summary

Total budget for project: \$12,618,111

CPA funding request: \$125,000

CPA request as percentage of total budget: 0.99%

Applicant's Signature: \_\_\_\_\_

# GLOUCESTER CPA APPLICATION

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## A. NARRATIVE – Harbor Village, Gloucester

### Project Description

Harbor Village, the proposed mixed-use Project, will be a rental residential community consisting of 30 residential rental units contained within a single 34,000 square foot building, with ground floor commercial space. One-hundred percent (100%) of the housing will be available to households earning no greater than 60% of Area Median Income (AMI), adjusted for household size, and the apartments will remain affordable in perpetuity.

Harbor Village will be located at 206 Main Street, at the intersection of Main and Elm Streets in the heart of Gloucester's Downtown. The 13,500 SF property including 15 parking spaces was formerly known as Cameron's, a landmark Gloucester restaurant. It is currently empty and boarded up, and will be demolished prior to construction of Harbor Village.

Development of the mixed-use project, Harbor Village, will contribute to the redevelopment and revitalization of this currently vacant site which is conveniently located within a 15 minute walk of the commuter rail station which connects Gloucester to Boston and is within a five to ten minute walk of basic amenities such as banks, groceries stores, bus stops, parks and more.

When completed, the thirty (30) units of rental housing will consist of ten (10) 1-BR units; seventeen (17) 2-BR units; and, three (3) 3-BR units. The building will also include a ground floor retail/commercial use totaling approximately 2,500 SF, as well as a management office and a bike storage room.

Proposed parking will include a total of 30 spaces, both surface and under the proposed building. Angled public parking spaces are also located across Main Street from the Property.

- **What Community Preservation criteria – both general and category specific – does this project meet?**

- 

#### **(i) General Evaluation Criteria:**

Harbor Village directly addresses the following Community Preservation Act criteria:

- **Consistent with plans that are relevant to and utilized by the City regarding Affordable Housing** -The 2015-2020 Consolidated Plan for the City of

Gloucester clearly articulates the need for affordable, stable housing in Gloucester. The Plan points out that the shortage of affordable housing stock and the increase of housing costs in Gloucester is a critical problem for the low-income population. According to this plan, 44% of Gloucester households are considered low-income by HUD standards and nearly one-third of all Gloucester households are considered cost burdened because they pay more than 30% of their income toward housing costs. The Gloucester Housing Authority shows waiting times for family housing at four years and has over 800 individuals on its waiting list, indicating a substantial need for more affordable or assisted housing for families in Gloucester.

- **Preserves and Enhances the essential character of the City** - The Property is located within the Commercial Business (CB) Zoning District where the Zoning Ordinance states that "...a broad range of business, retail, office and institutional uses are allowed, as are residential uses above retail establishments." The proposed uses would fit well into the fabric of this mixed-use district.
- **Demonstrates practicality and feasibility and that the project can be implemented within budget and on schedule** - The applicant and its team are very experienced affordable housing developers and have a proven track record on delivering similar projects on the North Shore within budget and on schedule.
- **Leverages additional public and private funds** - The project has received funding awards from the Gloucester Affordable Housing Trust and the applicant has secured pre-development financing from Boston Community Capital. The applicant has also applied for and expects to receive funding from the State in the form of State and Federal Low Income Housing Tax Credits and affordable housing subsidies. Bank financing will also be secured for this project.
- **Receives endorsements from other municipal boards, committees and commissions or departments and broad based support from community members.** - The project has community and city support: please see attached letters of support.

**(ii) Category Specific Criteria:**

The Harbor Village project directly addresses the Affordable Housing need in Gloucester.

- **Contribute to the goal of 10% affordability as defined by chapter 40B of the MA general laws-** Harbor Village will add 30 new, stable affordable housing units to Gloucester's housing stock. According to the latest Massachusetts Department of Housing and Community Development Subsidized Housing Inventory, as of December 5, 2014, the City of Gloucester's Chapter 40B housing inventory includes a total of 951 Low or Moderate Income Housing units, which constitutes 7.2 percent of Gloucester's total housing stock, below the ten percent

(10%) threshold established by the Massachusetts Comprehensive Permit Law (Chapter 40B) and 760 CMR 56.03(3)(a)

- **Promote a socioeconomic environment that encourages a diversity of income** - 100% of the units at Harbor Village will be available for households earning as low as 30% AMI and up to 60% AMI. Harbor Village will advance equity by investing in critically needed, quality affordable housing in Gloucester's downtown, which has experienced significant market-rate investment over the past ten years.
  - **Provide housing that is harmonious in design and scale with the surrounding community** – The Applicant is working with an architectural firm that is very experienced in building high quality, attractive, affordable housing in historic downtowns throughout Massachusetts. In addition, multiple public meetings were held to obtain community and City input into the building design, and design suggestions were incorporated whenever possible, including adding a brick façade to blend into the downtown Gloucester landscape.
  - **Ensure long-term affordability** – All units at Harbor Village will remain affordable in perpetuity.
  - **Address the needs of a range of qualified households, including very low, low and low-moderate income families** - 100% of the units at Harbor Village will be available for households earning as low as 30% AMI and up to 60% AMI.
  - **Provide for individuals with special needs** - Two barrier-free units will be offered to families and individuals with mobility disabilities.
  - **Provide affordable rental opportunities.** -100% of the units at Harbor Village will be available for households earning as low as 30% AMI and up to 60% AMI.
  - **Promote use of construction on previously developed sites** – 206 Main Street currently contains a vacant, rundown building that formerly housed a restaurant. The building has been empty since 2011, and although on the market for the past several years, remained unsold and underdeveloped until ACTION, Inc. and North Shore CDC purchased it in 2015.
- **What community need(s) does this project serve? If the project serves multiple needs and populations, please describe them. If the project serves a population that is currently underserved, please describe.**

The Harbor Village development will create a diverse community containing one-, two- and three-bedroom units serving the needs of low-income individuals and families in a supportive environment. The Applicant intends to request from DHCD that a preference be given to Gloucester residents for a portion of these units.

The Harbor Village development will create thirty (30) units of affordable rental housing in addition to approximately 2,500 square feet of ground level commercial

space. The new apartments will be offered to households earning up to 60% of the area median income, with a portion set aside of those earning no more than 30% of the area median income. The development will also offer two (2) barrier-free units, which will be available to individuals and families with mobility disabilities. The new development will provide excellent access to public transportation and employment opportunities in downtown Gloucester and beyond.

The Harbor Village project will advance equity by investing in critically needed, quality affordable housing in Gloucester's downtown, which has experienced significant market-rate investment over the past ten years. This development will create and preserve affordable housing units in a prime location in downtown Gloucester, convenient to the downtown's many amenities including access to public transportation. Currently, Gloucester is unable to provide enough affordable housing units, as is evidenced by the fact that its affordable housing inventory constitutes 7.2 percent of Gloucester's total housing stock, which is below the ten percent (10%) threshold established by the Massachusetts Comprehensive Permit Law (Chapter 40B) and 760 CMR 56.03(3)(a). This project will add 30 additional affordable housing units.

(Could mention elimination blight in the downtown area and developing an underutilized property. Could also mention that we're meeting the goals set forth in the recent downtown study.)

- **What specific guarantees will assure the long-term preservation of the project?**

The project sponsors consist of a committed non-profit development team that has a successful and proven track record of building and managing rental housing under complex federal and state funding programs. In addition, the applicants are mission-based organizations established to provide and maintain affordable housing in Gloucester and the North Shore. The funding sources utilized in this project, including CPA, will require an affordability restriction in perpetuity.

- **Describe the nature and level of community support for the project.**
  
- **How will the success of this project be measured?**
  
- **Is ongoing maintenance and upkeep required? If yes, please explain how this will be accomplished.**

When construction of Harbor Village is complete, a professional, experienced third party property management company will be hired, and there will be continuous onsite management as well.

In the meanwhile, the existing building at 206 Main St. has been vacant since 2011 and has been an eyesore on Gloucester's Main Street since that time. The Applicant has worked with the City departments to properly secure the building in accordance with requirements of the Gloucester Fire and Inspectional Services Departments as well as the Massachusetts Building Code and the U.S. Fire Administration. All doors and windows have been boarded up. Fire and burglar alarm systems are operational and are being monitored by a third party. Staff at North Shore CDC and ACTION, Inc. will address security and maintenance problems on the existing structure on a timely basis as they arise.

## **B. PROJECT BUDGET -**

**Please see Exhibit 1**

- Preliminary Project Budget
- Sources and Uses

\$125,000 CPA funding will be used for construction of the project, specifically to the masonry for the building which is estimated to cost \$340,734. The community specifically requested that the building façade be brick to blend harmoniously in to the historic feel of Gloucester's downtown and Main Street.

## **C. MULTI-YEAR FUNDING –**

**Please see Exhibit 2**

5 Year Operating Proforma

## **D. PROJECT TIMELINE –**

**Please see Exhibit 3**

## **E. FEASIBILITY**

Next steps include

- Receiving the Comprehensive Permit, application for which is on-going (includes zoning waivers)
- Application and receipt of remainder of funding (LIHTC, subsidies, construction loan)
- 100% Completion of architectural and engineering drawings
- Receipt of building permits
- Asbestos removal
- Demolition
- Construction
- Occupancy permit

## **F. MAPS**

**Please see attached Exhibit 4**

## **G. VISUAL MATERIAL**

**Please see attached Exhibit 5**

## H. APPLICANT QUALIFICATIONS

### **Owner/Developer: North Shore CDC + ACTION Inc.**

North Shore CDC and ACTION Inc. have jointly formed 206 Main Street LP, a limited partnership which has title to the development site and will be a taxable entity as required by the Low Income Housing Tax Credit (LIHTC) program, and will remain as co-owners of the property once completed and during operations. North Shore CDC will be the primary developer of the property and will manage the majority of tasks related to project development including oversight of predevelopment activities such as architectural, engineering, and legal services required for the local permitting process, securing development financing, managing the construction bidding process, overseeing the construction administration, and overseeing the tenant selection and rent-up activities. ACTION Inc. will play a limited but critical role in the predevelopment activities by providing essential input to the housing design to ensure the proposed housing meets the needs of the future residents and the greater Gloucester community. ACTION Inc. is well qualified for this role as they have managed residential programs for approximately 50 years. ACTION Inc. has and will continue to also play a critical role in community outreach to educate the neighborhood residents and City leaders about the housing needs and the benefits of the proposed housing and build local support for the project.

Primary contacts at North Shore CDC will be Ilene Vogel, Director of Economic Development and Mickey Northcutt, CEO, and at ACTION will be Peggy Hegarty-Steck, Executive Director.

### **Architect: ICON Architecture, Inc.**

ICON Architecture, Inc. is a woman-owned (SDO-certified WBE), Boston-based firm of 40 staff with award-winning work focused on affordable housing. The firm has been responsible for the design of over 18,000 units of multi-family housing throughout the Northeast. At the heart of ICON's practice is the belief that affordable housing and equitable neighborhoods are essential—everyone should love where they live. ICON believes great design begins with collaboration, and it's that mutually engaging vision that allows them to create memorable places. The current make-up of the firm includes six principals and thirty-four (34) technical staff. ICON's staff includes fourteen (14) registered architects and twelve (12) LEED Accredited Professionals

Michelle Apigian, Associate and PM leader at ICON, is lead architect on this project and LEED accredited.

**Zoning Attorney: Smolak & Vaughan LLP**

Smolak & Vaughan LLP is a leading boutique real estate law firm in the region, representing developers, owners and others in real estate and/or environmental matters in over 100 Massachusetts cities and towns. The firm has extensive experience in the area of affordable and multifamily housing, including the representation of developers before local zoning boards of appeals in connection with the Massachusetts comprehensive permit process under Chapter 40B. The firm has also participated in commenting on, and drafting proposed modifications to, the updated Comprehensive Permit Regulations and related Chapter 40B Guidelines issued by the Massachusetts Department of Housing and Community Development (DHCD). Attorney John Smolak, lead zoning attorney for the Project, currently serves as a member of the DHCD's Homeownership Advisory Group which was established to review current multifamily housing policy within Massachusetts. He was also recently appointed by the Governor to serve on the Commonwealth's Economic Development Planning Council which is charged with assisting the Secretary of Housing and Economic Development in developing and implementing a written comprehensive economic development policy for the Commonwealth.

**Civil Engineer: Nitsch Engineering**

Nitsch Engineering specializes in providing civil engineering, land surveying, transportation engineering, structural engineering, green infrastructure, planning, and GIS services. Founded in 1989, Nitsch works with academic clients, developers, corporate and institutional owners, public agencies, architects, and other design professionals on major private development and public infrastructure projects in 18 states and five countries.

**Traffic Consultant: Vanasse & Associates, Inc.**

Vanasse & Associates, Inc. is a New England based Traffic Engineering, Transportation Planning and Engineering firm specializing in state and local permitting of private development projects and providing transportation services to cities and towns. The firm's expertise includes traffic impact analysis, transportation planning, traffic engineering, roadway design, traffic signal design, construction services, and expert witness court testimony.

**Development Consultant: Community Square Associates LLC**

Community Square Associates LLC (CSA) provides real estate development and affordable housing consulting services to for-profit, non-profit and municipal clients within eastern Massachusetts. CSA facilitates the conceptualization, funding, zoning, design, and construction of affordable housing developments, managing the entire development process or a segment of the process, as required. David J. Levy, Owner and Principal of CSA, will be the lead development consultant for this project, and brings 20+ years of experience to Harbor Village.

**Architect**

**ICON Architecture, Inc. (Michelle Apigian)**

101 Summer St.  
Boston, MA 02110  
617-451-3333  
[www.iconarch.com](http://www.iconarch.com)

**Civil Engineer**

**Nitsch Engineering (Robert Miles)**

2 Center Plaza, Suite 430  
Boston, MA 02108  
617-338-0063  
[www.nitscheng.com](http://www.nitscheng.com)

**Development Consultant**

**Community Square Associates LLC (David Levy)**

P.O. Box 286  
Arlington, MA 02476  
[www.communitySQ.com](http://www.communitySQ.com)

**Environmental Engineer**

**Irwin Engineers**

33 West Central St.  
Natick, MA 01760  
508-653-8007  
[www.irwinengineers.com](http://www.irwinengineers.com)

**Traffic Consultant**

**Vanasse & Associates, Inc. (Giles Ham)**

35 New England Business Center Dr., Suite 140  
Andover, MA 01810  
978-474-8800  
[www.rdva.com](http://www.rdva.com)

**Zoning Attorney**

**Smolak & Vaughan LLP (John Smolak)**

East Mill  
21 High Street, Suite 301  
North Andover, MA 01845  
978-327-5215  
[www.smolakvaughan.com](http://www.smolakvaughan.com)

**I. ATTACHMENTS:**

- **Record plans**

**Please see attached Exhibit 6**

- **Natural Resource Features**

**Please see attached Exhibit 7**

Property is not in a flood plan

- **Zoning**

**Please see attached Exhibit 8**

The property located at 206 Main St. and 5 Elm St. is zoned for Commercial Business, and several dimensional and density requirements in the Gloucester zoning ordinance would ordinarily apply to this project. The goal of the project is to increase the amount of affordable housing in Gloucester, thereby bringing the City closer to the Commonwealth's 10% affordable standard. As part of this effort, the applicants are utilizing the Chapter 40B comprehensive permitting process with the Gloucester Zoning Board of Appeals (ZBA) in order to reconcile differences between the zoning ordinance and the project's specifications. As part of the Comprehensive Permit process, the applicant has submitted a list of zoning waivers that is currently under review with the ZBA. The applicant is hopeful that the comprehensive permit will be approved so that Harbor Village can be built to blend into the existing historic streetscape on Main Street in terms of height and set backs.

- **Inspection report**

**Please see attached Exhibit 9**

- **21 E**

**Please see attached Exhibit 10**

- **Site control proof - Deed**

**Please see attached Exhibit 11**

- **Evidence that professional standards will be followed**

Please see **H. Applicants Qualifications above**

Also, project will be required to follow state and federal regulations due to state and federal funding sources, during construction and once property is occupied.

- **Remediation plan**

Please see attached **Exhibit 12**

The Phase 1 Environmental Site Assessment performed by Irwin Engineers and attached as Exhibit 7 “revealed no evidence of Recognized Environmental Conditions in connection with the property.” **Please see Exhibit 5**

A Hazardous Building Materials Investigation conducted by Weston and Sampson on December 3, 2015, discovered the existence of Asbestos, which needs to be removed prior to demolition of the building. **Please see Exhibit 9 for report**

- **Letters of support by community members or groups**

Please see attached **Exhibit 13**

# HARBOR VILLAGE

## EXHIBIT 1

### PROJECT BUDGET

- Preliminary Project Budget
  - Sources and Uses



206 Main Street  
 Gloucester, MA  
 April 14, 2016

Rev1/Proj

**Project Overview**

Phase	SF
Ground Floor	4,781 sf
Deck	3,203 sf
2nd Floor	10,554 sf
3rd Floor	10,554 sf
4th Floor	9,549 sf
<b>TOTALS</b>	<b>38,641</b>

**Preliminary Project Budget**

Section	Description	Owner Estimate	Cost/SF
02060	Selective Demolition	\$ 42,614	\$1.10
02200	Hazardous Materials (Building or Site)	NIC	
02200	Sitework	\$ 306,479	\$7.93
02300	Earth Retention	\$ 8,714	\$0.23
02800	Fencing	\$ 26,327	\$0.68
02950	Landscaping	\$ 77,576	\$2.01
03100	Concrete System	\$ 230,665	\$5.97
03400	Cementitious Underlayment	\$ 52,793	\$1.37
04200	Masonry	\$ 340,734	\$8.82
05100	Structural Steel	\$ 224,047	\$5.80
05500	Miscellaneous Metals	\$ 51,210	\$1.33
06100	Rough Carpentry	\$ 724,589	\$18.75
06200	Finish Carpentry	\$ 140,061	\$3.62
06600	Solid Surface Tub Surrounds	\$ 45,695	\$1.18
07140	Waterproofing	\$ 4,062	\$0.11
07210	Building Insulation	\$ 254,804	\$6.59
07400	Metal Siding	\$ 161,771	\$4.19
07450	Cementitious Siding	\$ 196,707	\$5.09
07500	Roofing	\$ 211,634	\$5.48
07600	Fireproofing	\$ 36,128	\$0.93
07920	Joint Sealants	\$ 42,018	\$1.09
08110	Steel Doors & Frames	\$ 175,076	\$4.53
08300	Access Doors	\$ 5,292	\$0.14
08400	Aluminum Entrances and Storefront	\$ 187,551	\$4.85
08610	Windows	\$ 254,605	\$6.59
08800	Glass & Glazing	\$ 657	\$0.02
09260	Gypsum Board Assemblies	\$ 464,178	\$12.01
09300	Ceramic Tile	\$ 23,241	\$0.60
09500	Acoustical Ceilings	\$ 49,571	\$1.28
09650	Resilient Flooring	\$ 190,680	\$4.93
09700	Epoxy Flooring	\$ 875	\$0.02
09910	Painting	\$ 80,535	\$2.08
10100	Miscellaneous Specialties	\$ 28,100	\$0.73
10801	Toilet Accessories	\$ 14,400	\$0.37
11452	Appliances	\$ 62,612	\$1.62
11500	Decorative Metal & Glass Canopy Allowance	\$ 30,638	\$0.79
11750	Parking Control Equipment Allowance	\$ 21,885	\$0.57
12500	Horizontal Louver Blinds	\$ 8,010	\$0.21
12370	Pre-Manufactured Casework	\$ 101,019	\$2.61
13250	Trash Chute	\$ 26,261	\$0.68
14200	Electric Traction Elevator	\$ 105,046	\$2.72
15300	Fire Protection	\$ 101,477	\$2.63
15400	Plumbing	\$ 418,801	\$10.84
15500	HVAC	\$ 557,479	\$14.43
16100	Electrical	\$ 578,499	\$14.97

<b>SUBTOTAL</b>	<b>\$ 6,665,117</b>
General Conditions	\$ 628,377
Overhead Fee 3.50%	\$ 281,540
Fee 3.00%	\$ 241,320
Performance & Payment Bond	NIC
Workers Comp	\$ 26,545
Liability Insurance	\$ 80,440
Building Permit Fee	\$ 120,660
Builders Risk	NIC
Contingency	NIC

<b>Preliminary Project Budget</b>	<b>\$ 8,044,000</b>	\$208.17
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# Harbor Village Project

Gloucester CPA Application

206 Main Street, Gloucester

April 15, 2016

## Sources and Uses of Funds

Surplus(Gap) \$0

### Private Equity:

81 . Developer's Cash Equity	\$0
82 . Tax Credit Equity (net amount) <i>(See line 360, Section 5, page 18.)</i>	\$7,947,000
83 . Developer's Fee/Overhead, Contributed or Loaned	\$0
84 . Other Source: Foundation Grants/EnergyStar Rebates	\$100,000

### Optional user calculations

		Pricing
Fed LIHTC	6,615,000	\$0.98
MA LIHTC	1,332,000	\$0.74
Fed Hist Credit	0	
MA Historic Credit	0	
TOTAL:	7,947,000	
DHCD Subsidy/unit:	91,204	

### Public Equity:

85 . HOME Funds, as Grant	\$0
86 . Grant: Gloucester CPA/AHTF	\$135,000
87 . Grant: Federal Home Loan Bank	\$400,000
88 . Total Public Equity	\$535,000

### Subordinate Debt (see definition):

	Amount	Rate	Amortiz	Term
89 . Home Funds-DHCD, as Subordinate Debt	\$386,111	%	yrs.	yrs.
Source: DHCD				
90 .		%	yrs.	yrs.
Source:				
91 . AHTF	\$1,000,000	%	yrs.	yrs.
Source: DHCD				
92 . HSF	\$750,000	%	yrs.	yrs.
Source: DHCD				
93 . Subordinate Debt	\$600,000	%	yrs.	yrs.
Source: HIF				
94 . Total Subordinate Debt	\$2,736,111			

### Permanent Debt (Senior):

	Amount	Rate	Override	Amortiz	Term	MIP
95 . MHFA MHFA Program 1	\$	%	%	yrs.	yrs.	%
96 . MHFA MHFA Program 2	\$	%	%	yrs.	yrs.	%
97 . MHP Fund Permanent Loan	\$1,300,000	6.20%		30.00	20.00	0.000%
98 . Other Permanent Senior Mortgage	\$	%		yrs.	yrs.	%
Source:						
99 . Other Permanent Senior Mortgage	\$	%		yrs.	yrs.	%
Source:						

100 . Total Permanent Senior Debt \$1,300,000

101 . Total Permanent Sources \$12,618,111

### Construction Period Financing:

	Amount	Rate	Term
102 . Construction Loan	\$3,050,000	5.00%	16.0
Source: TBD			
Repaid at: Perm Closing	(event)		
103 . Other Interim Loan	\$0	%	mos.
Source:			
Repaid at:	(event)		
104 . Syndication Bridge Loan	\$2,324,250	5.00%	16.0
Source: TBD			
Repaid at: Sustained Occupancy	(event)		

% commercial: 0.07

**Development Budget:**

	Total	Residential	Commercial	Comments
161 . Acquisition: Land	\$975,000	\$905,255	\$69,745	sale complete
162 . Acquisition: Building	\$0	\$0	\$0	existing buildings to be demolished
163 . <b>Acquisition Subtotal</b>	\$975,000	\$905,255	\$69,745	
164 . Direct Construction Budget	\$8,044,000	\$7,600,375	443,625	(from line 159)
165 . Construction Contingency	\$401,449	375,283.00	26,166.00	5.0% of construction
166 . <b>Subtotal: Construction</b>	\$8,445,449	\$7,975,658	\$469,791	

**General Development Costs:**

167 . Architecture & Engineering	\$602,727	\$559,612	\$43,115	7.14%
168 . Survey and Permits	\$29,400	\$27,297	\$2,103	
169 . Clerk of the Works	\$38,394	\$35,648	\$2,746	assumes owner's rep for sponsor
170 . Environmental Engineer	\$4,820	\$4,475	\$345	
171 . Bond Premium	\$60,330	\$56,014	\$4,316	
172 . Legal	\$122,759	\$113,978	\$8,781	
173 . Title and Recording	\$38,632	\$35,869	\$2,763	
174 . Accounting & Cost Cert.	\$30,000	\$27,854	\$2,146	
175 . Marketing and Rent Up	\$27,500	\$25,533	\$1,967	
176 . Real Estate Taxes	\$63,404	\$58,868	\$4,536	includes holding period
177 . Insurance	\$93,801	\$87,091	\$6,710	includes holding period
178 . Relocation	\$0	\$0	\$0	
179 . Appraisal	\$19,500	\$18,105	\$1,395	
180 . Security	\$14,707	\$13,655	\$1,052	holding period
181 . Construction Loan Interest	\$165,811	\$153,950	\$11,861	
182 . Inspecting Engineer	\$18,004	\$16,716	\$1,288	assumes all lenders use one inspector
183 . Fees to: Lender Legal	\$93,500	\$86,812	\$6,688	
184 . Fees to: Loan Fees	\$7,800	\$7,242	\$558	perm loan
185 . FF&E	\$10,000	\$9,285	\$715	furniture and decorations for common areas
186 . Credit Enhancement Fees	\$0	\$0	\$0	
187 . Letter of Credit Fees	\$0	\$0	\$0	
188 . Other Financing Fees	\$38,493	\$35,739	\$2,753	construction loan fees
189 . Development Consultant	\$94,629	\$87,860	\$6,769	
190 . Other: Loan Fees	\$175,645	\$163,080	\$12,564	acquisition and predevelopment loan interest/fees
191 . Other: Misc.	\$3,100	\$2,878	\$222	Application Fees
192 . Soft Cost Contingency	\$61,003	\$56,639	\$4,364	3.5% of soft costs
193 . <b>Subtotal: Gen. Dev.</b>	\$1,813,957	\$1,684,199	\$129,759	
194 . <b>Subtotal: Acquis., Const., and Gen. Dev.</b>	\$11,234,407	\$10,565,112	\$669,295	
195 . Capitalized Reserves	\$183,704	\$170,563	\$13,141	six months operating and debt service
196 . Developer Overhead	\$600,000	\$557,080	\$42,920.03	
197 . Developer Fee	\$600,000	\$557,080	\$42,920.03	
198 . <b>Total Development Cost</b>	\$12,618,111	\$11,849,835	\$768,276	<b>TDC per unit</b> \$420,604
199 . <b>TDC, Net</b>	\$12,434,407	\$11,677,316	\$757,090	<b>TDC, Net per unit</b> \$414,480.22

# HARBOR VILLAGE

## EXHIBIT 2

### MULTI-YEAR FUNDING

- 5 Year Operating Proforma

# 5-Year Operating Proforma

# Harbor Village Project

206 Main Street, Gloucester

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>INCOME:</b>					
Low-Income, Rental Assisted	\$144,168	\$147,051	\$149,992	\$152,992	\$156,052
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	192,624	196,476	200,406	204,414	208,502
Other Income 50%	47,664	48,617	49,590	50,581	51,593
Market Rate	0	0	0	0	0
<i>Gross Potential Income</i>	384,456	392,145	399,988	407,988	416,148
Less vacancy	19,223	19,607	19,999	20,399	20,807
<i>Effective Gross Residential Income</i>	365,233	372,538	379,989	387,588	395,340
Commercial (includes parking)	35,490	36,200	36,924	37,662	38,416
Less vacancy	12,422	12,670	12,923	13,182	13,445
Net Commercial Income	23,069	23,530	24,000	24,480	24,970
<i>Effective Rental Income</i>	388,302	396,068	403,989	412,069	420,310
Other Income: Laundry	1,000	1,020	1,040	1,061	1,082
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	389,302	397,088	405,029	413,130	421,393
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
<i>Total Effective Income</i>	\$389,302	\$397,088	\$405,029	\$413,130	\$421,393
<b>EXPENSES:</b>					
Management Fee	20,438	20,847	21,264	21,689	22,123
Administrative	53,013	54,603	56,241	57,929	59,667
Maintenance	73,037	75,228	77,485	79,810	82,204
Resident Services	15,000	15,450	15,914	16,391	16,883
Security	0	0	0	0	0
Electrical	3,000	3,090	3,183	3,278	3,377
Natural Gas	28,000	28,840	29,705	30,596	31,514
Oil (heat)	0	0	0	0	0
Water & Sewer	18,000	18,540	19,096	19,669	20,259
Replacement Reserve	11,250	11,588	11,935	12,293	12,662
Operating Reserve	0	0	0	0	0
Real Estate Taxes	34,125	34,978	35,853	36,749	37,668
Other Taxes	0	0	0	0	0
Insurance	16,000	16,480	16,974	17,484	18,008
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	\$271,863	\$279,644	\$287,650	\$295,888	\$304,364
<b>NET OPERATING INCOME</b>	\$117,438	\$117,444	\$117,379	\$117,242	\$117,029
Debt Service	\$95,545	\$95,545	\$95,545	\$95,545	\$95,545
<i>Debt Service Coverage</i>	1.23	1.23	1.23	1.23	1.22
Project Cash Flow	\$21,893	\$21,898	\$21,834	\$21,697	\$21,484
Required Debt Coverage	\$100,322	\$100,322	\$100,322	\$100,322	\$100,322
(Gap)/Surplus for Cov.	\$17,116	\$17,121	\$17,057	\$16,920	\$16,706

# HARBOR VILLAGE

## EXHIBIT 3

### PROJECT TIMELINE

## PROJECT TIMELINE

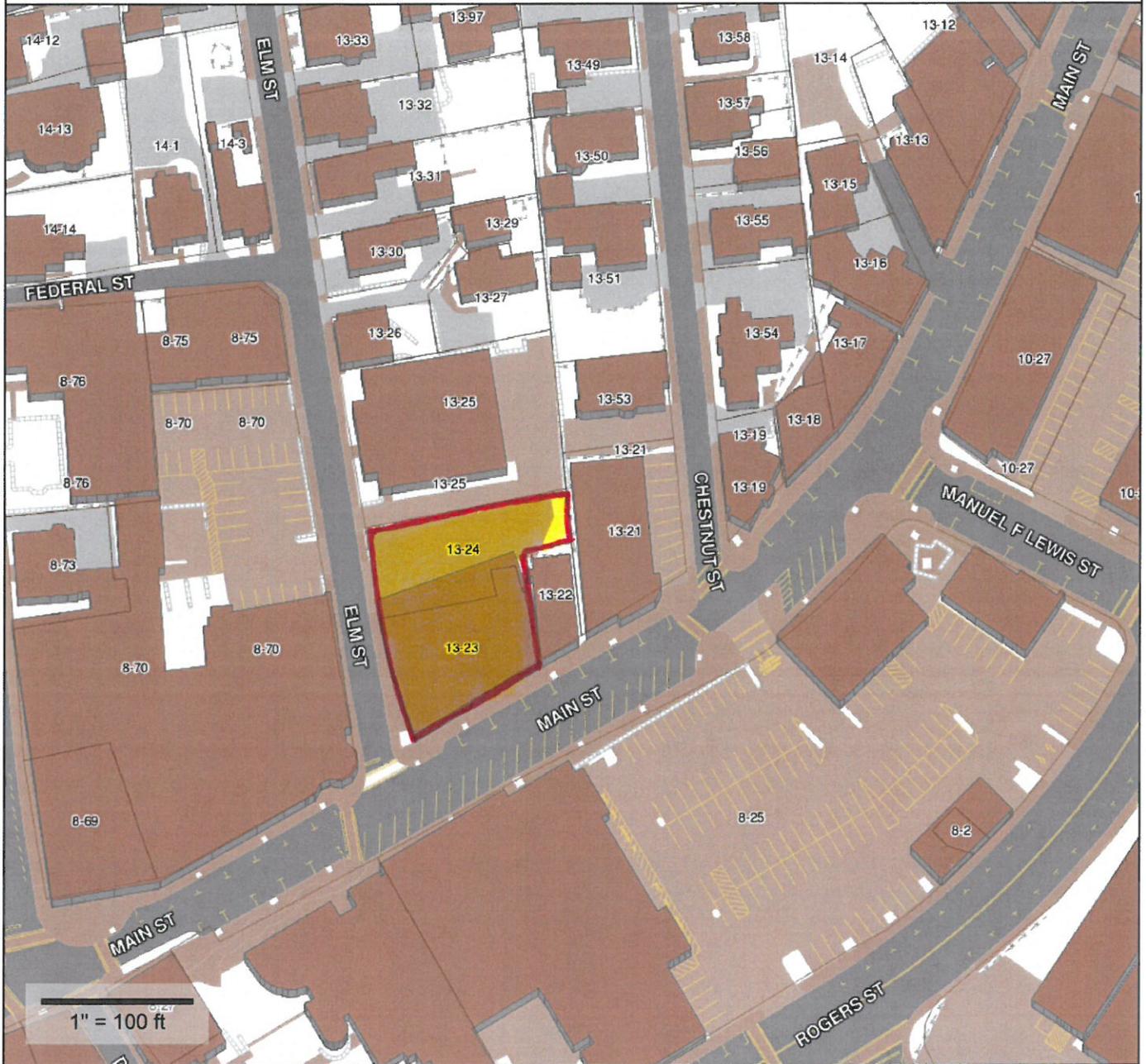
Summer 2015	Acquire Property ✓ Host 3 Community-wide Meetings ✓ Hold numerous smaller Meetings with City Government, Abutters and other interested parties ✓
Fall 2015	Permitting <i>in process</i>
Winter 2016	State Low Income Tax Credit (LIHTC) and subsidy Application Round 1
Winter 2017	State Low Income Tax Credit (LIHTC) and subsidy Application Round 2
Summer 2018	Funding Commitments Received (estimate)
Winter 2018	Construction Start (estimate)
Winter 2019	Construction Completion (estimate)
Spring 2020	Lease Up (estimate)

# HARBOR VILLAGE

## EXHIBIT 4

### MAPS





**Property Information**

**Property ID** 30\_66  
**Location** 13 MT VERNON ST  
**Owner**



**MAP FOR REFERENCE ONLY  
NOT A LEGAL DOCUMENT**

The Town makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Parcels updated 3/31/2014

