

Cumberland County Community Development Block Grant Program

General Program Application

Program Year 2015

Final Applications Due: 4:00pm, Thursday January 29, 2015

**Cumberland County
Community Development Office
142 Federal Street, Suite 102
Portland, Maine 04101
Tel. 207- 699-1905
Fax 207- 871- 8292**

*An electronic copy of this application is available at
<http://cumberlandcounty.org/168/Applicant-Information>*

**Cumberland County Community Development Program
2015 CDBG General Program Application
Community Cover Page**

Project Title 75 Broadturn Road Housing Initiative

Lead Community Town of Scarborough

Additional Communities _____

Contact Information Daniel Bacon, Planning Director

Address PO Box 360, Scarborough, Maine 04070

Email dbacon@ci.scarborough.me.us Tel 207-730-4041

Program Category

Public Infrastructure/Facility Downtown Revitalization _____

Housing Economic Development _____

CDBG "National Objective"

Low/Moderate Income: Area-Wide Limited Clientele _____

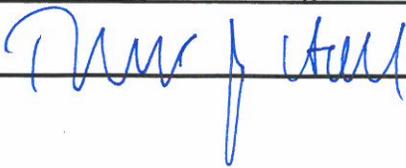
Direct Benefit: Presumed Group low-moderate income, 1st time home buyers
(Identify Group)

Slum/Blight: Area-Wide _____ Spot Basis _____

Amount of CDBG Funds Requested \$119,000

Total Estimated Project Cost \$949,000

Name of Authorized Official Thomas Hall, Town Manager

Signature of Authorized Official 

2015 General Application Questions

Respond to the narrative questions in a maximum of six pages (economic development & non-economic development project applications) or seven pages (multi-jurisdictional project applications.)

1. **Provide a brief summary (400 words maximum) of the proposed project – 10 points**

The Town of Scarborough is seeking CDBG program funds in the amount of \$119,000 to provide funding for local infrastructure improvements, and specifically public sewer infrastructure, to help facilitate an affordable housing development on Town-owned land. This is a funding request to supplement the \$80,000 that the CDBG program awarded Scarborough and Habitat for Humanity of Greater Portland (Habitat) in 2012. Since 2012 Habitat has worked to design the affordable housing development and secure local and state permitting, while the Town has designed the public sewer infrastructure and put the sewer installation out to bid. This bidding process identified an \$119,000 gap in funding for the sewer infrastructure. The Town of Scarborough is making this additional request in order for this 13 lot Habitat housing project to move forward.

To remind the CDBG program and review committee of this project, this initiative will serve to help meet the housing needs of low to moderate income persons by extending an existing sewer line to Town-owned property to serve a 13 lot affordable housing development at 75 Broadturn Rd in the Dunstan area of Scarborough.

This initiative actually began back in 2006 when the Town purchased the 20+/- acre parcel from the Maine Turnpike Authority (MTA) with the express intent of using the land to create affordable housing. The location of property, which is in close proximity to the Dunstan Crossing development (a higher density, mixed housing development) as well as the mixed use center of Dunstan Village, is in the Town's Village Residential 2 zoning district. The proposed sewer line extension is a necessary, though costly, infrastructure improvement to enable a denser and more compact development in accordance with the VR2 zone.

The Town has worked closely with Habitat on establishing a development plan for the parcel, aided by a generous Planning Grant from the 2011 CDBG program, and has since worked diligently with Habitat on moving this project forward with design, permitting, and cost estimating. That said, these projects take time when capital is limited, which has necessitated on longer timeline and schedule to execute the project then originally contemplated.

As stated above, this partnership project relies heavily on grants, donations and in-kind contributions, as all Habitat projects do. Given this, additional CDBG program funding to help pay for the public sewer extension is a critical piece to help execute the project. Similarly, the Town's donation of the land to Habitat

removes the land cost from the building equation. These grants and donations will enable Habitat to develop the site in accordance with their mission to create “simple, decent, and affordable housing” within CDBG program parameters, which require that at least 51% of the homes be affordable for low to moderate income persons. With this final piece of funding, this project is poised to begin construction this spring and summer.

2. Provide a response to the four questions below defining and justifying the need for the activity – 20 points

- a. Convey the magnitude and severity of the issue to be addressed.

The Town of Scarborough has been concerned about the lack of affordable housing options available to low-moderate income families who live and/or work in Scarborough for a number of years. In 2005, the Town of Scarborough commissioned Bruce C. Mayberry, Planning Consultant to conduct a needs analysis. This “Affordable Housing Needs Analysis” identified the following issues that have contributed to the lack of affordable housing in Scarborough. Firstly, the Town has experienced tremendous job growth since 2000. As of the latest Census in 2010, Scarborough had the 3rd largest number of jobs (after Portland and South Portland) within the Portland metro area. The principal growth areas have been in both the highest paying (professional) and the lowest paying (retail, trade) sectors. Secondly, the median home price in Scarborough, according to current Maine State Housing estimates is \$290,000, while the purchase price affordable to median income households is \$215,000 which leaves a price gap of \$75,000. This is a significant affordability gap that needs to be, and can be, addressed with housing stock in the \$175,000 to \$235,000 price range, which Habitat will supply with this project.

- b. Identify the total number of people affected by the issue.

This project is directly aimed at creating housing for low and moderate income households. To this end, Habitat’s subdivision plan for (13) thirteen single-family house lots was just recently approved and will enable (13) thirteen low and moderate income families to secure safe, decent and affordable housing within the Town of Scarborough.

- c. Describe to what extent the project makes in the long-term measurable difference in the economic and social health of the region.

At this point Scarborough has very little housing that has been developed to serve low and moderate income households and the housing we have is in the form of either elderly housing or rental units. By developing housing that gives first-time homebuyers an opportunity, the Town and Habitat will enable them to enter the homeownership market and then over the long-term, enable them to potentially move beyond a starter home, then enabling other first-time homebuyers to purchase these units. This project will make a measureable difference in increasing the amount of affordable, ownership housing units in the Town of Scarborough

and therefore the region. In addition, low to moderate income housing stock is increasingly critical to the long-term viability of our transportation infrastructure, given that Scarborough hosts a significant number of jobs in the retail and service sector that provide lower to moderate wages, but do not have the comparable housing stock. This project can play a role in providing local housing for such employees and lessen the impact on our regional transportation infrastructure.

- d. Construction related activities: Convey how the project relates to the community's long-range planning and capital improvement needs.

While the sewer line extension is intended to primarily serve the housing initiative at 75 Broadturn Rd, it will also create the opportunity for other adjacent residential properties in the vicinity of the project to connect to public sewer if they so desire, either now or in the future. Since this area is within one of Scarborough's growth areas, the extension of public sewer is in keeping with, and will further, the expansion of the Town's infrastructure to efficiently serve new and existing development.

3. **Provide a response to the three questions concerning management of the proposed activity– 10 points**

- a. Define *who* will manage the grant funded project and *how* they will manage it.

The Town of Scarborough, and more particularly the Town Engineer in the Planning Department in cooperation with the Public Works Department and Habitat, will manage and oversee the grant funded sewer installation project.

- b. Explain the experience of the applicant in undertaking projects of similar complexity.

The Town Engineer and the Public Works Department both have significant experience in managing and overseeing public infrastructure projects, including the installation of public utilities such as water and sewer lines, as well as the associated roadway and drainage work. These are core duties and responsibilities of both departments, as on a yearly basis we manage a wide range of Capital Improvement Projects of this magnitude or greater. Further, Habitat is familiar and experienced with constructing and managing similar housing developments, as demonstrated by their projects in Portland, Westbrook and Freeport. Habitat is also experienced and committed to executing projects that are phased or take a few years to complete and they have an excellent track record for seeing their projects through to completion and within budget.

- c. Demonstrate that an ongoing commitment exists to continue the maintenance and operation of the activity or facility.

In terms of the actual sewer line and system, once installed and complete, the sewer system will become the property and responsibility of the Scarborough Sanitary District, which owns and manages the entire sewer system in the community. In terms of the housing project, Habitat is committed to fully develop the 13 lot subdivision and the Town is committed to accepting the street system in the project and maintaining them as public infrastructure.

4. **Demonstrate that the project is ready to proceed** – 20 points

This project is slated to begin construction this spring and summer. Habitat has recently secured its local and state permitting and development approvals and is at a point with their Freeport project that they are now ready to concentrate on construction in Scarborough. In addition, there is a purchase and sale agreement in place for the Town to convey the property to Habitat with a closing date scheduled for late February.

At this point the Town and Habitat do not see any additional barriers or impediments that would prevent this project from moving forward, especially if this additional CDBG grant funding can be secured.

5. **Budget for project.** Fill in the attached budget form *and provide the basis for determination of budget amounts (Appendix IV).* - 5 points

As demonstrated in Appendix IV, this application is for \$119,000 of the \$199,000 needed to install the sewer line to serve the affordable housing subdivision. This quantity of funding is specific to the sewer line extension, while the other costs and project elements include the cost of the land; design and engineering; project management; and the construction cost of the development site and infrastructure. The actual home construction costs are not included in this budget.

In terms of the basis for the budget amounts, the land cost was the purchase price of the parcel by the Town; the sewer cost is the actual cost in accordance with the bid process conducted last September (2014); and the project construction cost is based on contractor's pricing who is slated to perform the work this construction season.

6. **Implementation schedule for project:** Fill in the attached schedule form *(Appendix III).* - 5 points

Attached.

7. **NON-ECONOMIC DEVELOPMENT ONLY**
Provide a response to the three questions demonstrating the need for CDBG program funds - 15 points

- a. Why are CDBG funds critical for the commencement and ultimate success of the project?

CDBG funding is a critical component to the success of this development proposal, given that public sewer service is a necessity for development to occur on this property. The Town has worked diligently to bring together a conglomeration of individuals and groups to fill a gap in the housing market for low and moderate income persons. The consequences of the Town not successfully receiving additional CDBG funding may prevent this project from moving forward.

- b. Have you, or will you, seek funds from other sources? If so, what are those funding sources?

CDBG funding is considered a critical component to the project's success, though it does not stand alone as the only critical funding source. Habitat funds as well as the Town's donation of land, and private donations and in-kind contributions, will also be needed to pay for and implement all of the other infrastructure and construction that is warranted.

- c. What is the impact on the project if CDBG funds are not received or if only partial CDBG funds are received?

Each funding source, including the CDBG grant, is critical to the project's success. For each piece of the financial puzzle the development group is able to secure, we can help to hold down the purchase price of the homes and provide access to housing for low to moderate income persons that are currently priced out of Scarborough's housing market. If no CDBG funds, or only partial funds, are received, the Town and Habitat will need to revisit the schedule for the project and perhaps also the affordability of the homes, as the CDBG funding is critical to financing the project and keeping the sales prices of these units within Habitats guidelines.

8. Distress Score

The Town of Scarborough's Distress Score is 3.

Appendix I: 2015 Community Distress Scores

Community	Distress Score
Long Island	10
Westbrook	10
Casco	7
Windham	7
Harrison	7
Gray	6
Standish	4
Sebago	4
Naples	4
Raymond	4
Harpswell	4
Freeport	3
Scarborough	3
Baldwin	3
New Gloucester	3
Gorham	2
Cape Elizabeth	1
Pownal	1
Yarmouth	1
North Yarmouth	1
Chebeague Island	0
Falmouth	0
Cumberland	0

Appendix II: 2015 Exception Rule List

City/Town	Census Tract	Block Group	LMI Pop.	Total Pop.	% LMI
Westbrook	002900	1	680	710	95.77%
South Portland	003000	4	1,980	2,470	80.16%
South Portland	003100	3	565	725	77.93%
Freeport	004502	5	495	705	70.21%
Long Island	002400	3	240	360	66.67%
Westbrook	002800	2	955	1,475	64.75%
South Portland	003100	1	360	560	64.29%
South Portland	003000	3	615	990	62.12%
Westbrook	002800	1	760	1,225	62.04%
Westbrook	002900	3	470	765	61.44%
Bridgton	016000	1	700	1,165	60.09%
South Portland	003200	3	415	720	57.64%
South Portland	003500	2	1,040	1,830	56.83%
Harpswell	017102	1	570	1,010	56.44%
Westbrook	002900	2	820	1,455	56.36%
Casco	013000	2	345	625	55.20%
Westbrook	002700	1	885	1,610	54.97%
Gray	004702	2	345	630	54.76%
Casco	013000	3	860	1,580	54.43%
New Gloucester	011500	1	770	1,425	54.04%
Gray	004702	4	885	1,675	52.84%
Freeport	004502	2	340	645	52.71%
Windham	004802	2	505	970	52.06%
Windham	004803	2	1,150	2,240	51.34%
Windham	004802	3	895	1,770	50.56%
Casco	013000	1	380	760	50.00%
Harrison	015000	2	805	1,610	50.00%
Bridgton	016000	3	385	770	50.00%
Harrison	015000	1	525	1,055	49.76%
South Portland	003100	4	390	785	49.68%
Naples	014000	3	535	1,085	49.31%
Standish	017001	1	1,005	2,090	48.09%
Gray	004702	3	800	1,675	47.76%
Bridgton	016000	2	475	1,005	47.26%
Windham	004801	3	705	1,515	46.53%

Appendix III: Project Implementation Schedule

There are many types of potential CDBG funded projects, each with their own set of typical activities and timelines. The lists below contain typical activities for different types of projects and are not exhaustive; *your own individual project may have other activities that you'll want to identify and include.*

Some activities, e.g. construction of a building, infrastructure, or a planning project will be linear. Others, like housing rehabilitation may be repetitive as more projects are undertaken.

Fill in the activities that will occur and your best estimates of the time frame. A two year time horizon is provided in the table; however, you may include in additional table page if needed. You are not required to fill in two years of activities if your project will take less time.

Examples of Project Specific Activities

Construction Projects

Local approvals & permits
Matching funds
Procurement of architect/engineer
Design phase
Specification development
Contract bid Contract
award Contract start
Construction
Construction wrap-up
Final completion & final payment

Housing Rehabilitation

Development of services RFP
Selection of service contractor
Solicitation of rehabilitation
contractors
Marketing of program
Client intake and screening
Home inspections, project
development
Implementation of rehabilitation
activities

Project Implementation Schedule

<u>Activity</u>	Q #1 J – S 2015	Q #2 O – D 2015	Q #3 J – M 2016	Q #4 A – J 2016	Q #5 J – S 2016	Q #6 O – D 2016	Q #7 J – M 2017	Q #8 A – J 2017
Contract/ Environmental Review	X							
Reporting		X	X					
Development Review and Permitting	<i>Already Complete</i>							
Site Clearing, Grubbing and Prep	X							
Sewer Infrastructure Installation	X	X						
Water Infrastructure Installation	X	X						
Road, Sidewalk and Stormwater Construction	X	X	X					
Home Construction		X	X	X	X	X		
Project Completed:			X	<i>Home construction to be on going</i>	<i>Home construction to be on going</i>	<i>Home construction to be on going</i>		

Type of Funding	Match Amount		Source of Match	How is the match calculated?	Is the match secured? Please circle yes or no.	If yes, please attach relevant documentation. ¹	If no, please outline and attach future steps to secure match. ²
Cash	Municipal Cash	\$			Yes / No		
	Other Cash	\$			Yes / No		
	Other Cash	\$			Yes / No		
	Other Cash	\$			Yes / No		
In-Kind/ Donation	Municipal In-Kind & Donation	\$200,000	Land for project provided by Town		Yes / No		
	Other In-Kind & Donation	\$35,000	Project management by Habitat		Yes / No		
	Other In-Kind & Donation	\$10,000	Project management by Town Engineer/DPW		Yes / No		
	Other In-Kind & Donation	\$			Yes / No		
TOTAL MATCH		\$245,000					

¹ Please feel free to attach up to 1 page of additional documentation demonstrating secured match.

² Please feel free to attach up to 1 page explaining the future steps that will be taken to secure matches.

Appendix IV: Budget

Construction Projects				
Cost Category	CDBG Funds	Municipal Funds	Other Funds	Total
Design/Engineering			\$55,000	\$55,000
Land Costs		\$200,000		\$200,000
Materials/Supplies			\$30,000 In-kind	\$30,000
Construction Costs	\$199,000 (\$80,000 already awarded in 2012 + \$119,000 requested)		\$420,000 (road construction, stormwater, water, sewer etc)	\$619,000
Project Management		\$10,000 In-Kind	\$35,000	\$45,000
Other				
1.				
2.				
3.				
4.				
Total Costs	\$199,000	\$210,000	\$540,000	\$949,000

Provide the basis for determination of budget amounts:

The land cost was the purchase price of the parcel by the Town; the sewer cost is the actual cost in accordance with the bid process conducted last September (2014); the design and engineer are the costs incurred to date push the remaining work; and the project construction cost is based on contractor's pricing who is slated to perform the work this construction season.

Appendix VI: 2015 Income Limits

HUD/CDBG program qualifying low/moderate income limits adjusted for household size – Effective December 18, 2013. Limits represent 80% of Area Median Income, adjusted for household size.

Communities of:

Baldwin, Bridgton, Harpswell, Harrison, Naples, New Gloucester, Pownal, Sebago

Household Size:	1	2	3	4	5	6	7	8
Income Limit \$\$:	38,300	43,800	49,250	54,700	59,100	63,500	67,850	72,250

Communities of:

Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Gorham, Gray, Long Island, North Yarmouth, Raymond, Scarborough, South Portland, Standish, Westbrook, Windham, Yarmouth

Household Size:	1	2	3	4	5	6	7	8
Income Limit \$\$:	43,300	49,500	55,700	61,850	66,800	71,750	76,700	81,650

Town of Scarborough, Maine

U S R O U T E O N E , P O B O X 3 6 0
S C A R B O R O U G H , M A I N E • 0 4 0 7 0 - 0 3 6 0

January 22, 2015

Mr. Aaron Shapiro, Director
Cumberland County
Community Development Office
142 Federal Street, Suite 102
Portland, Maine 04101

Re: 75 Broadturn Rd Housing Initiative

Dear Mr. Shapiro,

On behalf of the Scarborough Town Council, I am writing to express our support for the Community Development Block Grant (CDBG) application which will be submitted to the Cumberland County Community Development Program. Through this grant, the Town of Scarborough is seeking additional funding to help pay for the sewer line extension that is necessary to develop workforce housing at 75 Broadturn Road. The Town of Scarborough and Habitat for Humanity of Greater Portland have a partnership in place to enable the creation of a 13 lot residential subdivision for low and moderate income households.

This subdivision has recently been approved by the Scarborough Planning Board and is planned for construction this coming construction season. These additional CDBG funds are critical to help fund the extension of the sewer line to enable this housing density and the project in general to move forward with housing at price points that will be affordable to low to moderate income households.

Thank you for the opportunity apply for additional CDBG funding for this important affordable housing initiative.

Sincerely,


Jessica Holbrook
Town Council Chair



January 26, 2015

Dan Bacon
Planning Director
Town of Scarborough
Scarborough, ME 04074

Via email: DBacon@ci.scarborough.me.us
RE: Broadturn Road, Scarborough

Dear Dan,

As part of your application for CDBG funds I'm confirming that it will take \$35,000 worth of Habitat staff time to complete this 13-lot, single family, affordable housing community off of Broadturn Road, Scarborough.

Please call/email if you have any questions and thank you for your work in pulling this together. We look forward to getting shovels in the ground and having a presence in the Town of Scarborough.

Sincerely,

Mark Primeau
Development Associate

Sent via email 2/21/13



Town of Scarborough, Maine

259 US ROUTE ONE, PO BOX 360
SCARBOROUGH, MAINE • 04070-0360



**Memorandum of Understanding
75 Broadturn Road Housing Initiative**

**Town of Scarborough (“Town”) and
Habitat for Humanity of Greater Portland, Inc. (“Habitat”)**

_____, 2013

RECITALS:

1. It is recognized in the Town’s Comprehensive Plan that “there is a severe shortage of single-family homes in Scarborough that are affordable to first-time buyers and to most of those who work in Scarborough.”
2. Town-owned property at 75 Broadturn Road was acquired by Town for the purpose of establishing, among other things, affordable, decent housing inside Town boundaries.
3. Habitat is a well-established and respected organization dedicated to the development of affordable housing, and is an affiliate of the national organization that has created thousands of affordable homes for thousands of families worldwide.
4. In May 1991 (major modification in October 2003), the Town established the Scarborough Housing Alliance, a group of citizens and representatives of the Town.
5. After considerable study and analysis by the Alliance and Town staff, and consideration of several options, Habitat was chosen as the developer of up to 17 affordable homes on the Broadturn Road property.
6. The Housing Alliance and Habitat and consultants and staff have held three neighborhood meetings soliciting input and feedback on the project from neighbors and interested parties.

7. Town has received and used an initial Community Development Block Grant for the purpose of project planning and feasibility studies related to the project and has received a commitment for a Community Development Block Grant in the amount of \$80,000.00 to assist with the project and in particular for use in infrastructure planning and public sewer extension.
8. Habitat, the Housing Alliance and Town staff have been in discussions concerning the arrangements whereby the Broadturn Road property would be utilized for the project and Habitat would act as the developer of the infrastructure, housing and all related improvements and would act as the general contractor or developer for all infrastructure.
9. Out-of-pocket infrastructure costs of Habitat are anticipated to be partially offset by net proceeds from the sales of some or all of the housing units.
10. Arrangements concerning the project and Town's and Habitat's obligations and commitments related to the project are intended to be outlined in this document, a non-binding memorandum of understanding that is to be confirmed and approved (and where desired, modified) by Town and the directors and management of Habitat.

Now, therefore, the parties are prepared to and do enter into this non-binding Memorandum of Understanding for the purpose of outlining the terms and conditions of the proposed affordable housing project and each party's responsibility and obligation concerning same, and providing an understanding that will permit the parties to enter, if mutually agreed to, a definitive agreement or agreements concerning these understandings and the proposed project. As such, the following are the terms and conditions concerning the proposed project, as they are understood as of the date of this Memorandum:

1. **Property.** The "Property" is the approximately 19-acre parcel of land with frontage on Broadturn Road, in Scarborough, Maine, owned by Town and that is more specifically described in a certain deed dated April 10, 2007 and recorded in the Cumberland County Registry of Deeds in Book 25002, Page 290.
2. **Development and Developer.** Habitat will be the developer of the Project. It will be the sole responsibility of Habitat as Developer to perform and see to completion all aspects of the Project, including without limitation, planning, permitting processes (including applications and paperwork, report, assessment, study and plan preparation, submissions to all appropriate authorities and payment of all fees and charges related to the Project, including application, inspection and infrastructure, traffic and school impact fees), implementation, construction of homes and infrastructure, homeowner selection, screening and training, marketing and sale of homes and all costs and risks associated with these efforts and all related work. Town will not be Developer and will not have any responsibilities as to any of the Developer's duties or obligations set out in this Memorandum, other than the following: Town will provide the Project Property and will coordinate processing, payment and delivery of the CDBG. Town may elect to take on other responsibilities or undertake other efforts related to the Project, in its sole

discretion. Nothing in this Memorandum or any agreement executed by Town shall be deemed to constrain or bind any planning board, council or other body, officer or employee of Town in the exercise and carrying out of their respective duties.

- a. As an accommodation to Habitat's request for adjustment in fees and costs controlled by the Town and recognizing that affordability is enhanced by any reduction in costs that are passed on directly or indirectly to home buyers, Town will consider, to the extent it deems appropriate and advisable:
 - i. delay of the date for payment of certain of Town's impact fees until a date prior to the issuance of certificates of occupancy for homes rather than prior to issuance of building permits;
 - ii. waive Town's inspection fees for some or all of the homes; and
 - iii. cooperation with Habitat on Habitat's efforts to reduce or eliminate other fees or charges of other governmental entities.

3. **Project.** The "Project" is the proposed neighborhood depicted on Gawron Turgeon Architects plans entitled "Scarborough Housing Analysis" dated 11/30/11, which consists of the following basic components:

- a. A portion of the Property containing a development area of approximately 5 (+/-) acres (this portion the "Project Property"). The final configuration and size of the Project Property will be determined as the plans for the Project progress and permitting and approval processes are undertaken.
- b. A portion of the Property will be retained by Town and is currently planned to be preserved as conservation land. It is anticipated that easements for access will be retained across the Project Property in favor of the retained portion of the Property.
- c. Infrastructure meeting all Town and state engineering requirements, legal requirements and approval and permitting requirements (including appropriate assurance of completion (such as bonds and/or letters of credit)) and otherwise sufficient and appropriate for the Project, including extension of sewer improvements necessary to serve the Project, will be fully developed and installed prior to any development of any housing improvements. All infrastructure for the entire project will be completed timely and is not intended to be "phased" or completed in stages. CDBG monies designated for use related to Project sewer infrastructure (the "CDBG") will be made available by Town, subject to and in accordance with all applicable requirements and restrictions (including without limitation deadlines or timelines) imposed or requested by granting authorities and laws and regulations.
- d. Seventeen (17) affordable homes, a portion of which will be developed and sold to Habitat-qualified homeowners and pursuant to Habitat typical affordability guidelines and criteria ("Habitat Units") and the remaining portion of which (but

never fewer than five (5) of the total) will be developed and sold to homeowners at a price that is anticipated to result in monthly housing costs that meet Maine State Housing Authority and Town's affordable housing guidelines and criteria ("Alliance Units"). It is currently projected and anticipated by Habitat that the cost of the single-family, stand-alone Alliance Units will be no more than \$190,000.00 and the single-family, stand-alone Habitat Units will be approximately \$135,000.00. Affordability will be preserved as to the initial homeowners by means and methods that are mutually approved by Habitat and Town; it is expected that a "silent second" mortgage will be used as the primary method of preserving affordability, such mortgage to provide a declining recapture structure (with annual automatic forgiveness of portions of the principal amount of the mortgage) designed to disincentivize homeowners from selling homes to reap immediate windfall profits. Screening for homeowner eligibility and qualification will be conducted by Habitat for all units, Habitat and Alliance, with the consult and input of Town, as desired by Town. Habitat will use its guidelines, eligibility and qualification criteria in screening homeowners for the Habitat Units and Town will develop and require Habitat to use Town's guidelines, eligibility and qualification criteria in screening homeowners for the Alliance Units.

- e. Town will deed the Project Property to Habitat, subject to a note and mortgage securing the timely and completed performance by Habitat of all of its development obligations, including timing benchmarks and other performance standards and covenants intended to assure timely and proper completion of the Project (the "HFH Mortgage"). The lien of the HFH Mortgage is anticipated to secure an amount approximating the Project Property value, \$255,000.00. The mortgage will be partially released as to each lot and home that is actually sold to a qualified and approved homeowner and the principal amount of the HFH Mortgage shall be reduced by \$15,000.00 with each such closed sale. In addition to the "silent second" mortgages referred to above, at such closings, Town may elect to hold silent mortgages from the Alliance and Habitat Unit homeowners in the amount of \$15,000.00 per Unit, such mortgages to provide a declining recapture structure (with annual automatic forgiveness of portions of the principal amount of the mortgage) designed to disincentivize homeowners from selling homes to reap immediate windfall profits.
 - f. No other debt or liens will be permitted on the Project Property without the consent of Town.
4. **Timing.** The Project including all homes contemplated to be part of the Project will be completed within five (5) years of the date of the transfer of the Project Property to Habitat.

5. **No contract.** Habitat and Town expressly acknowledge and agree that even if this letter is fully executed, neither party hereto has any obligation to the other to consummate the transactions and arrangements contemplated unless and until binding agreement(s) are entered in to by the parties. This document constitutes only a non-binding Memorandum of Understanding setting out the framework for a potential agreement, but neither party is obliged to enter into any agreement whatsoever by virtue of the preparation, execution or delivery of this Memorandum.

Seen and acknowledged by the undersigned:

TOWN OF SCARBOROUGH

By: *[Signature]* *2/20/13*
DATE

HABITAT FOR HUMANITY OF GREATER PORTLAND, INC.

By: _____
DATE



March 28, 2013

Thomas Hall
Scarborough Town Manager
Town of Scarborough
259 U.S. Route 1
P.O. Box 360
Scarborough, ME 04070-0360

RE: Memorandum of Understanding (MOU), 75 Broadturn Rd. Housing Initiative

Dear Mr. Hall:

I am please to inform the Town of Scarborough that on Tuesday evening the Habitat for Humanity of Greater Portland's (HFHGP) Board of Directors voted to sign the most current version of the MOU (dated with Town Signature of 2/20/2013) subject to the details/conditions outlined below. We are excited about the project and appreciate all the hard work and energy that the Town Housing Alliance and you have committed to make this project move forward. We are confident that the conditions outlined below are realistic and achievable and with your acceptance are ready to move forward with the MOU with the following details/conditions:

- HFHGP's receipt of Federal Home Loan Bank of Boston's (FHLB) Affordable Housing Program (AHP) funds with matching loan from a local, FHLB participating bank and the Genesis Fund. We have met with the FHLB representatives, the partnering local bank and the Genesis Fund and are confident that will receive these funds.
- HFHGP expects to apply for these funds as early as July 29, 2013 (opening of application submissions) and expects to receive these funds late 2013 or early 2014.
- HFHGP expects to take this project through the Planning Board approval process in the fall of 2013 and is prepared to commit up to \$20,000 on soft costs prior to receipt of FHLB AHP funds.
- Upon receipt of Town subdivision approval the Town will transfer the Project Property to HFHGP, or assigns, prior to road construction.
- HFHGP will develop the road infrastructure in the spring of 2014.
- HFHGP will have foundations for at least two homes in place by 2014 year-end and will have two homes completed by July 2015.
- Post July 2015, HFHGP expects to build 4 homes per year and expects to meet item 4. of the MOU by having all homes completed within 5 years of the date of transfer of the Project Property to HFHGP, or assigns.

P.O. Box 10505, Portland, ME 04104
info@habitatme.org www.habitatportlandme.org

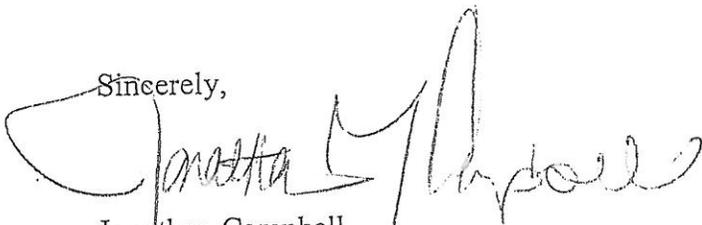


- Per section 3, d., of the MOU the stand-alone Alliance Units will be no more than \$190,000. HFHGP would like to clarify this so that the “base price” of these units be no more than \$190,000. (i.e., we do not want to lose a sale should a potential Buyer want to up-grade finishes resulting in a price greater than \$190,000, but still within Maine State Housing Authority and the Town’s affordable guidelines).

Thank you for your patience and hard work on this as we sorted through many of the details/logistics noted above. We are grateful for the opportunity to partner with the Town Housing Alliance and you on this project and are excited about what this means to the folks we serve and to the Town’s Comprehensive Plan goal of providing “...single family homes in Scarborough that are affordable to first-home buyers and to most of those who work in Scarborough.”

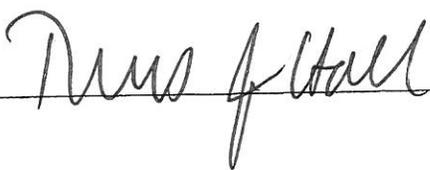
Please let me know if you have any comments and/or questions on any of the conditions/details above. We are hopeful that these conditions are acceptable and we are excited to move forward in good faith under these conditions. If acceptable, please sign and return and we will get to work. Thank you.

Sincerely,

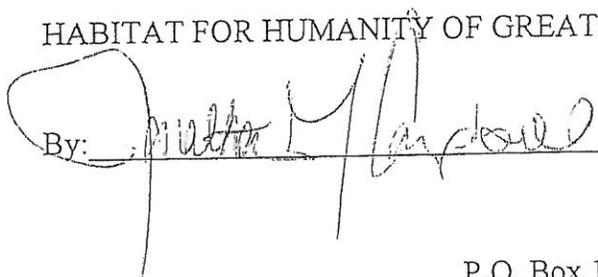

Jonathan Campbell
Habitat for Humanity of Greater Portland
President

Seen and acknowledged by the undersigned:

TOWN OF SCARBOROUGH

By:  4/4/13
Date

HABITAT FOR HUMANITY OF GREATER PORTLAND

By:  3/28/13
Date

5. **No contract.** Habitat and Town expressly acknowledge and agree that even if this letter is fully executed, neither party hereto has any obligation to the other to consummate the transactions and arrangements contemplated unless and until binding agreement(s) are entered in to by the parties. This document constitutes only a non-binding Memorandum of Understanding setting out the framework for a potential agreement, but neither party is obliged to enter into any agreement whatsoever by virtue of the preparation, execution or delivery of this Memorandum.

Seen and acknowledged by the undersigned:

TOWN OF SCARBOROUGH

By: *[Signature]* 2/20/13
DATE

HABITAT FOR HUMANITY OF GREATER PORTLAND, INC.

By: *[Signature]* 3-08-13
DATE



Town of Scarborough, Maine

US ROUTE ONE, PO BOX 360
SCARBOROUGH, MAINE • 04070-0360

NOTICE OF INTENT TO AWARD

THIS IS NOT AN ORDER

DATE ISSUED: 9/30/14

RFP NO.: 112015 Broadturn Road Sewer Extension

ITB OPENING DATE: 9/16/14

RFP SUBJECT: Sewer Extension for Broadturn Road

This is notice of the Town's intent to award. The figures shown here is a tabulation of the offers received with the bidder to be awarded highlighted. Bidders, identified as such, are instructed not to proceed until a Purchase Order, Contract Award, or other form of notice is given by the Purchasing Agent or Department Authority.

Vendor	Total Base Bid
RJ Grondin	\$198,934.00
Peters Construction	\$199,247.50
Dearborn Brothers	\$206,916.50
Risbara Brothers	\$207,993.00
William Davis Excavation	\$229,694.00
Shaw Brothers	\$233,517.75

SUMMARY

The Town of Scarborough intends to award RFP 112015 Broadturn Road Sewer Extension to RJ Grondin for the low base bid of \$198,934.00. The Town reserves the opportunity to do some or all of the work as specified in the Alternate bid document.


Tom Hall
TOWN MANAGER

PHONE: 207.730.4031 • FAX: 207.730.4088 • E-MAIL: THALL@CI.SCARBOROUGH.ME.US
www.scarborough.me.us