

Portland Builders, Inc. & Greater Brunswick Housing Corporation
Response to
Falmouth Workforce Housing Commission Questions
July 22, 2008

1. If TIF's, Maine Housing, CDBG, and/or Rural Development funding are not available, would you still be able to proceed with the project?

Yes, in the absence of these sources of permanent capital, PB/GBHC would still be able to proceed with the project. However, unit prices would increase and the number of units sold to families whose income levels fall between 80% and 120% AMI, would shift closer to the 59% threshold criteria included in the RFP.

2. Are you still comfortable with your original proposal to build 39 single family homes; i.e. are there any changes you would make to your proposal?

We remain comfortable with 39 units (a combination of single family homes & townhouses) as our target for the subdivision. Our budget is constructed upon 39 as the base number of units. As we become more familiar with the particulars of the parcel: potential vernal pool limitations and concerns expressed by abutters over the proximity of units on the northern and north-west boundaries, there could be a resulting change to the number of units. However, we would present any change to the Falmouth Workforce Housing Commission (FWHC) prior to seeking final approval from the Town. Our objective is to provide the Town of Falmouth a workforce subdivision that integrates into the parcel and meets the price & construction quality objectives we've discussed in our previous interviews.

3. Can you provide a more in-depth preliminary financial analysis for soft and hard costs for the project? Please see attached budget spreadsheet.

4. How would you approach selecting an architect, landscape architect, and civil engineer? How would you include the Falmouth Workforce Housing Commission in the process?

We would like the Commission's input on the quality of the work performed to date and the overall relationship with both Port City Architecture and SYTDesign. We have had preliminary discussions with SYTDesign. We would like to continue working with them providing that we can agree upon a fee structure which falls in line with our budget parameters for their services. We have not formally approached Port City Architecture. If we determine that a formal proposal process is required; we would engage members of the FWHC as participants in the process.

5. What is your plan to work interactively with the Falmouth Workforce Housing Commission, residents and the Town Council and when would you start that process - before or after receiving funding?

We would want to clarify the Commission's role and determine the membership involvement in the process. We believe there should be active engagement by a member or two of the Commission and think this is a worthy initial discussion point at the outset of the relationship.

At the conclusion of this discussion, we would execute a service agreement, construct a draft project timetable, and build the team by identify the architect, the landscape architect and civil engineer pursuant to Question 4. The process of securing grants would begin at this time. Application dates would need to be identified and included in the project timetable. Experience tells us that building the team comes first; the next step would be for PB/GBHC to determine the impact that the vernal pools and other wetland issues would have on unit placement and to bring into focus the amount of useable land. Next the team would engage the commission and residents in a discussion of site plan objectives and designs concepts. This may take a few meetings to bring appropriate constituents into the process and give the town an opportunity to have a voice. As the site planning process develops and unfolds, the grant writing process could begin. A planning board approved site plan is not always necessary when submitting grant applications.

6. How do you plan to market and sell these homes; i.e. would you do this yourself or use a broker?

Typically, we have marketed the homes on our own. This process includes newspaper press releases, local access cable TV promotion, coverage by Portland based TV news and utilizing community based organizations to advocate and promote the subdivision. However, given the number of units in this subdivision, we have set aside funds for marketing which could be utilized for real estate brokerage services. Given that we are always attempting to keep home affordable, the budget for this does not reflect what a typical broker would earn on the sale of homes.

Additionally, we would also establish a web presence for the subdivision. It would include information about the project, a site plan and specific details about the houses/townhouses. Browsers would be able to access the homebuyer's application and there would be contact information for people to make phone calls and/or e-mail inquiries.

Falmouth Workforce Housing

Preliminary Budget Estimates

Line #			
	Sitework:		
1	Clear/Grub/Subgrade	75,000	
2	Gravel (Sub Base & Base)	120,000	
3	Paving (Road, Curb & Sidewalk)	560,000	
4	Sewer & Water	350,500	
5	Storm Drainage System	450,000	
6	Utility Infrastructure through Right of Way	46,000	
7	Loam & Seed	23,000	
8	Landscaping - Common Areas	57,500	
9	Ledge Removal	200,000	
10	Utilities from ROW to Units	39,000	
11	Unit Landscaping	29,250	
12	Total Sitework		1,950,250
13	Construction		5,425,500
14	Developer Overhead (PB & GBHC)		569,007
15	Construction Loan Interest		78,000
	Other Soft Costs:		
16	Survey/Subdivision Plan	39,000	
17	Engineering	88,500	
18	Landscape Architect	39,000	
19	Architect	44,153	
20	Accounting	3,900	
21	Appraisal	11,700	
22	Marketing	39,000	
23	Misc/Insurance	9,750	
24	Permits/Fees	39,000	
25	Closing Costs	39,000	
26	Legal Fees	41,250	
27	Total Other Soft Costs		394,253
28	Contingency		406,913
29	Total Development Budget		8,823,922

Construction costs based on \$125 per Sq.Ft.

Developer Overhead is a blended rate of 6.9% of the Total Development Budget less Overhead.

Contingency is estimated at 7.5% of Construction line 13.