

# **Town of Falmouth – Workforce Housing**

*presentation by*

**Portland Builders, Inc  
&  
Greater Brunswick Housing Corporation**

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# Presenters

Joshua Cushman, President – Portland Builders

John Hodge, Executive Director – Brunswick Housing  
Authority

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Brunswick Housing Authority

# Our Approach

- ❖ Combine the strengths of our organizations:
  - Superior construction skills, project execution and management
  - A mission-driven non-profit experienced in developing workforce homes in accordance with sustainable affordability parameters

# Project Success & The Town's Mission

- ❖ Our proposal intentionally left the site plan layout “unchanged”
- ❖ The final configuration should be the result of dialogue among many parties (Housing Commission, Public, Architect, Builder, and Developer)
- ❖ Success = “The Town achieves its objective and receives the subdivision it wants”
- ❖ Our role is to ensure quality, energy-conscious construction within prescribed affordability limits

# Units – Type & Design

- ❖ Number of units to be based upon useable land and unit types preferred by Housing Commission
- ❖ Specific house designs to be reviewed & discussed with the Housing Commission
- ❖ For the purpose of calculating “affordability” the development budget used 39 units:
  - 15 single family units (2, 3 & 4 bedrooms)
  - 24 town house units (2 & 3 bedrooms)

# Units – Type & Design

## ❖ Approximate square footage of units:

- 2 bedroom – 1,100
- 3 bedroom - 1,300
- 4 bedroom - 1,500

# Keeping Units Affordable

- ❖ A covenant, attached to the deed at closing, provides the mechanism through which the shared-equity provision is managed. These covenants typically last from 35 to 50 years or more.
- ❖ A recapture rate is calculated at the time of initial purchase, based on the difference between the price paid by the buyer and the fair market value of the home. For example, if the buyer pays \$150,000 for a new home with an appraised value of \$200,000, the recapture rate is 25% ( $\$50,000 / \$200,000$ ). If the owner chooses to sell the home at a later date, the developer has the right to purchase the home at 75% of the appraised value at the time of the re-sale. Or the homeowner may sell the home to another qualified buyer at 75% of the appraised value.

# Affordability Focus

- ❖ Work closely with contractors to secure lowest possible pricing while maintaining product quality
- ❖ Limit the number of house designs
- ❖ Select house designs promoting efficient construction
- ❖ Secure other sources of permanent capital to lower amount needed from Home Sales Proceeds

# Affordability/Workforce Funding Sources

Other sources of (deferred loans) permanent capital which can be used to lower the per unit cost include:

- ❖ Federal Home Loan Bank – Boston
- ❖ MaineHousing – Affordable Subdivision Program
- ❖ CDBG program(s)

However, the Housing Commission would have to reconsider modifying its target income population to include those households earning between 50% and 80% of Area Median Income.

# Development Budget

| <b>Sources</b>  |                       |
|---|-----------------------|
| <b>Home Sales Proceeds</b>  | <b>\$ 8,573,354</b>   |
| <b>Uses</b>   |                       |
| <b>Site Work</b>  | <b>\$ 1,980,250</b>   |
| <b>Construction</b>   | <b>5,645,295</b>      |
| <b>Developer Overhead</b>   | <b>561,709</b>        |
| <b>Soft Costs</b>   | <b><u>386,100</u></b> |
| <b>Total Uses:</b>  | <b>\$ 8,573,354</b>   |
| <b>Cost per Home:</b>   | <b>\$ 219,830</b>     |
| <b>Expected Selling Price Range:</b><br><b>\$175,000 to \$245,000</b> |                       |
|   |                       |

# Green Factors

- ❖ Minimally - conform to MaineHousing's Green Standards
- ❖ Consideration will be given to USGBC LEED Standards
- ❖ LEED certification is costly and may unduly add to cost of houses; building to LEED standards may be more practicable

# Green Factors

- ❖ Utilize latest techniques for installing building paper, windows, weather stripping and caulking
- ❖ Increased R-values in insulation
- ❖ Install Energy Star appliances
- ❖ Use 87%+ efficient heating system
- ❖ Install Low e-argon or Energy Star labeled windows
- ❖ Compact fluorescent lighting systems

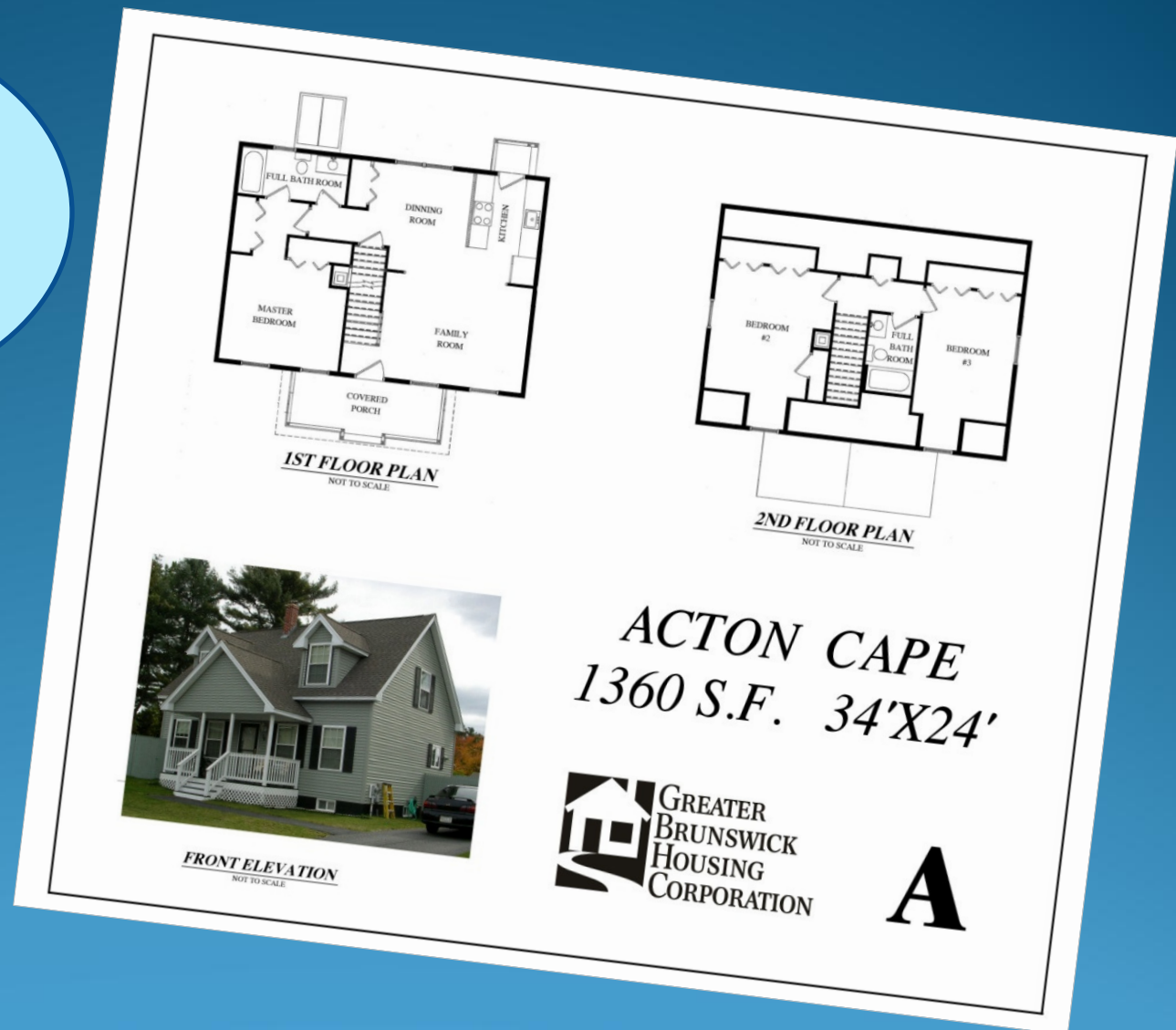
# Conceptual Green Home

**Ryan Senatore AIA,**  
**LEED-AP**  
TFH Architects



**Harriet Way  
Brunswick, ME**

**Workforce  
Homes  
Built by  
Portland  
Builders  
& GBHC**



**Harriet Way  
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**FRONT ELEVATION**



**FLOOR PLAN**  
NOT TO SCALE

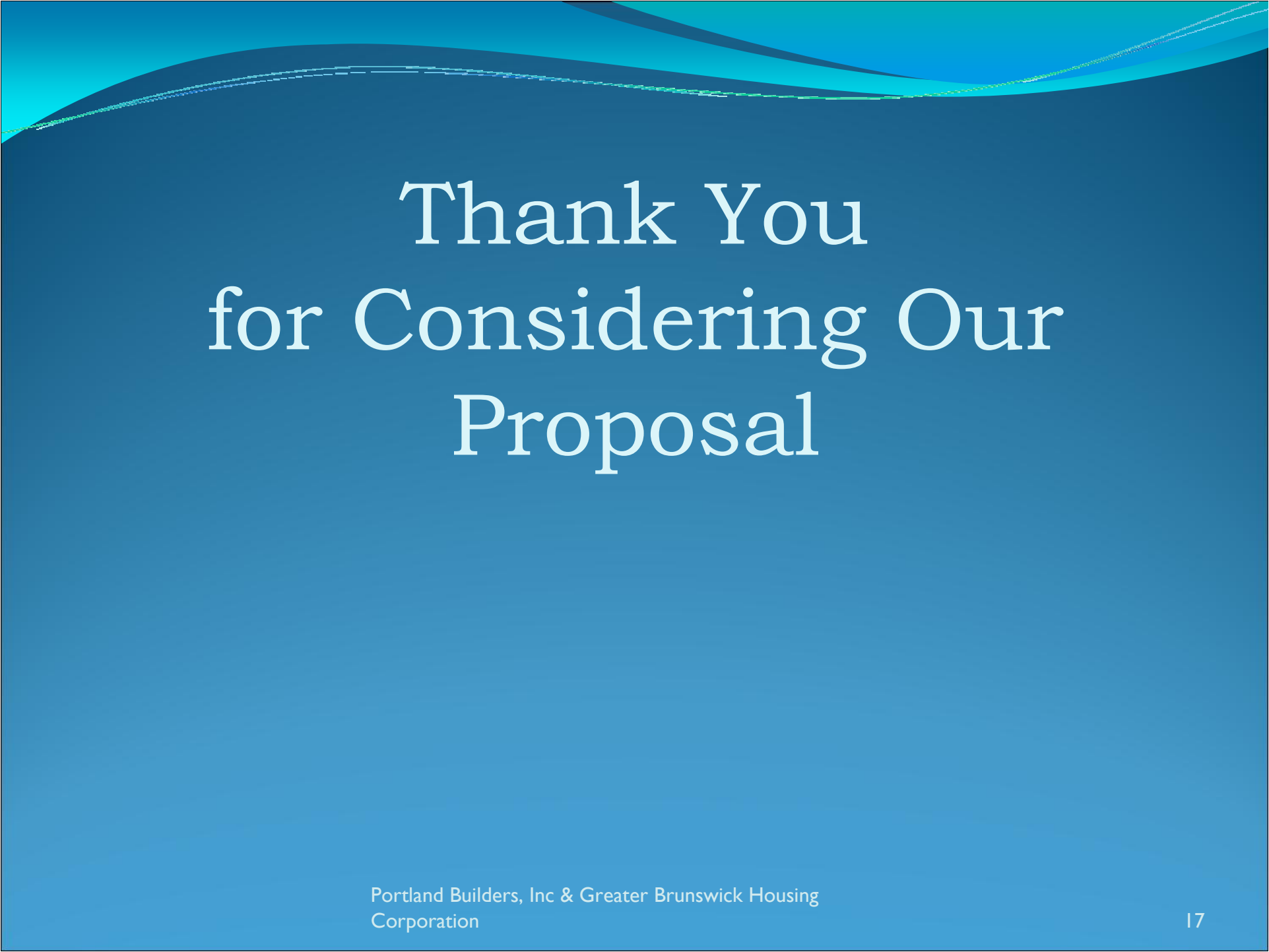


**LEFT ELEVATION**

**CASCO RANCH**  
**1090 S.F. 42'X26'**

 **GREATER  
BRUNSWICK  
HOUSING  
CORPORATION**

**C**



# Thank You for Considering Our Proposal