Implementing the

Groton Affordable Housing Plan

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Planning Process

Conceptual Plan

- Size
- Financing
- Operating Cost
- Land

$5K to $10K

Preliminary Plan

- Architects Preliminary Plan
- Test Financing Assumptions
- Create Organization Structure
- Apply for Grants
- Bid project (30B)

$25K to $100K

Final Plans

- Architects Final Plan
- Specifications
- Financing

$250K to $750K

Construction

$1,000K to $10,000K

1-3 months | 1-6 months | 3-9 months | 9-18 months

Elements of Conceptual Plan

- Land available
- Type of housing contemplated (rental or fee simple)
- Roles of local organizations
- Pro Forma
- Financing Strategy (bonding or grants)
- Design considerations
- Permitting issues
- Bidding issues relative to 30B (if any)
- Grants available
- Corporate and tax organization structure to obtain funds and operate facility
- On going operational costs and/or subsidies
- Resources available in Town vs. expertise to be retained
- Time frame required to implement plan
- Risks/Role of Groton Committee

Conceptual Planning Process

Meeting #1

- Review of the Planning Process
- Develop Goals and a "wish list"
  - Land options available
  - Approximate size of project
  - Target Residences
  - Rental or Fee Simple
  - Special considerations

Meeting #2

- Review design considerations to achieve Goals
- Financing options
- Operational models

Meeting #3

- Review and discuss 3 to 4 alternative conceptual models
- Propose Implementation Plan
  - Budget and timeline

Example of Goals

Proposed Location– X acres

Type of facility – (Rental or Fee Simple)– Fee Simple

Number of Units– 24 units, 30% affordable

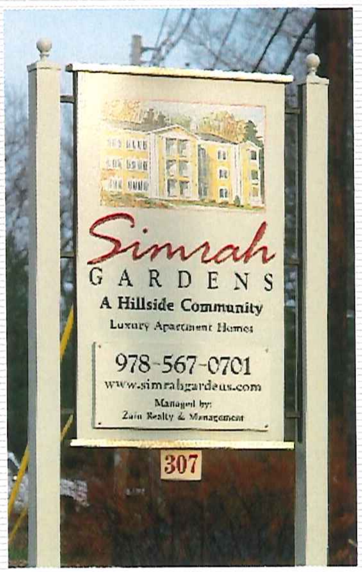
Target Audience– Families of more than 3 to 5

Source of Funds– $900K CPA Funds (Bond $50K/yr, 30 yr at 4%)

Ongoing Support– Condominium Assoc

Examples of Projects

Simrah Gardens, Hudson



158 Apartments
Cost $23.0 million
25% Affordable (100% Count)

Esplanade, Hudson

64 Apartments, Over 55
Cost $12.0 million
25% Affordable (100% Count)

Kensington, Chelmsford

112 Apartments
Cost $20.8 million
25% Affordable (100% Count)

Coolidge Green, Hudson

30 Single Family Homes
Cost $6.1 million
25% Affordable

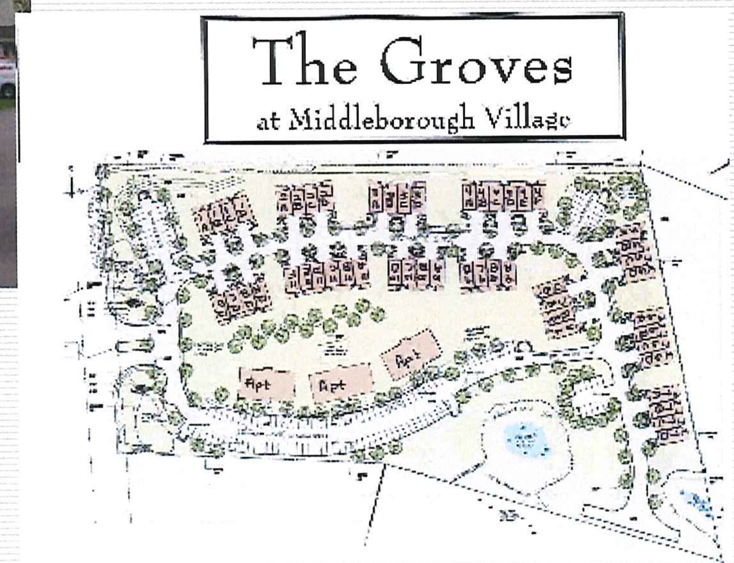
Knots Clearing, Hudson

32 Condos
Cost $6.5 million
25% Affordable

Orchard Woods, Chelmsford

24 Condos
Cost $5.3 million
25% Affordable

Groves in Middleborough



52 Condos
Cost $9.7 million
25% Affordable

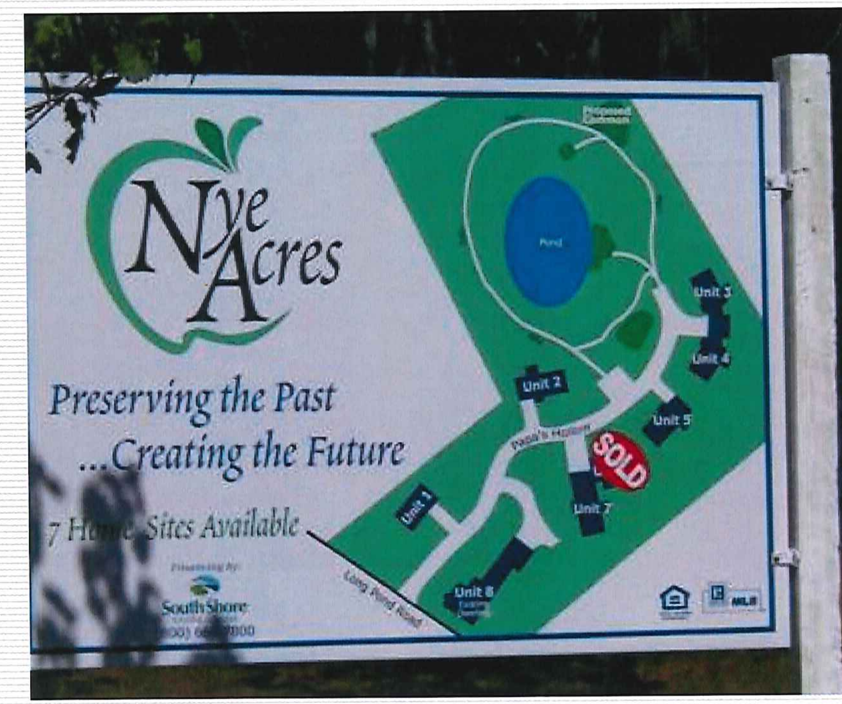
Windemere, Chelmsford

28 Single Family Homes
Cost $12.5 million
25% Affordable

Silver Brook, Norwell

30 Single Family Homes
Cost $13.0 million
25% Affordable

Nye Acres, Plymouth



7 Single Family Homes
Cost $2.4 million
14% Affordable (not a 40B)

Role of H&H Associates

- Project Manager
  - Permitting
  - Financing
  - Engineering
  - Construction
  - Sales
- Advise the Board

Salmon Brook, Dunstable, Mass

28-Dec-04

Scenario #		Original	#1	#2	#3	#4	#5
Drivers							
Number of Units		30	30	24	30	30	30
Waste Treatment		$ -	$ -	$ -	$ 600,000	$ 600,000	$ -
Acquisition Value of Land		$ 900,000	$ 900,000	$ 500,000	$ 900,000	$ 500,000	$ 500,000
Misc Assumptions(Orig)		orig	new	new	new	new	new
Rent Increases 2004 to 2005		0%	6%	6%	6%	6%	6%
Long Term Market Trending Rates		2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Long Term Operating Trending Rates		2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
One Time Payment to the Town							$ -
Recurring Payment to the Town							$ 40,000
Building Permit Fees		$ -	$ -	$ -	$ -	$ -	$ -
Output							
ROTA	> 5.0%	7% ok	8% ok	7% ok	7% ok	7% ok	7.2% ok
Cash Required by Owner	< 20.0%	15% ok	1% ok	14% ok	16% ok	9% ok	7% ok
ROE Year 10	> 7.6%	8% ok	15% ok	9% ok	8% ok	10% ok	11% ok
IRR (20 yr)	> 9.0%	8% ok	10% ok	9% ok	8% ok	9% ok	9% ok
Return on Cash - IRR (20 yr)	> 9.0%	11% ok	85% ok	12% ok	10% ok	19% ok	22% ok
Land Acquisition		$ 937,000	$ 937,000	$ 537,000	$ 937,000	$ 537,000	$ 537,000
Sub-Total Construction		$ 2,481,603	$ 2,481,603	$ 1,981,367	$ 3,110,906	$ 3,110,906	$ 2,481,603
Sum of Soft Costs		$ 708,748	$ 708,748	$ 708,748	$ 708,748	$ 708,748	$ 708,748
Pure Development Costs		$ 4,127,351	$ 4,127,351	$ 3,227,115	$ 4,756,654	$ 4,356,654	$ 3,727,351
Developer Overhead (12% to be Equity)		$ 495,282	$ 495,282	$ 417,623	$ 592,977	$ 592,977	$ 495,282
Total Development Costs		$ 4,622,633	$ 4,622,633	$ 3,644,738	$ 5,349,631	$ 4,949,631	$ 4,222,633
Apartment Space (GLA)		33,015	33,015	26,202	33,015	33,015	33,015
Effective Rental Income		$ 461,277	$ 515,628	$ 404,289	$ 506,079	$ 506,079	$ 506,079
(less) Annual Operating Expenses		$ (171,371)	$ (176,604)	$ (174,804)	$ (176,604)	$ (176,604)	$ (219,040)
Net Operating Income		$ 289,906	$ 339,024	$ 229,485	$ 329,475	$ 329,475	$ 287,039
Debt Service		$ (263,551)	$ (308,203)	$ (208,623)	$ (299,523)	$ (299,523)	$ (260,944)
Net Cash Flow		$ 26,355	$ 30,820	$ 20,862	$ 29,952	$ 29,952	$ 26,094
Max Allow Dev Fee—Advisory		$ 255,228	$ 255,228	$ 215,209	$ 305,572	$ 305,572	$ 255,228
Developer Cash		$ 631,530	$ 39,245	$ 459,879	$ 783,690	$ 383,690	$ 266,101

Bay Road Heights 36 Units

H & H Associates

2-Apr-07

	Applicant	H&H		2007	2008	2009	
Trend Rate				0%	4%	4%	
Build Units		36			22	14	
Sell Units		36			14	22	

HARD COST	**Applicant**	**H&H**	Cd	**2007**	**2008**	**2009**	**Total**
Site Acquisition	**$ 1,075,000**	**$ 1,075,000**	1	$ 1,075,000	$ -	$ -	**$ 1,075,000**
Site infrastructure cost	$ 838,000	**$ 838,000**	1	$ 838,000	$ -	$ -	**$ 838,000**
Residential Construction	$ 6,373,600	**$ 6,373,600**	B	$ -	$ 4,050,777	$ 2,680,878	**$ 6,731,655**
Subtotal hard cost	**$ 7,211,600**	**$ 7,211,600**		**$ 838,000**	**$ 4,050,777**	**$ 2,680,878**	**$ 7,569,655**
Contingency (3%)	$ 216,348	$ 216,348		$ 25,140	$ 121,523	$ 80,426	**$ 227,090**
Total Hard Cost	**$ 7,427,948**	**$ 7,427,948**		**$ 863,140**	**$ 4,172,300**	**$ 2,761,304**	**$ 7,796,744**
	$ 8,502,948	$ 8,502,948					
SOFT COST							
Permits Impact Fees	$ 72,000	**$ 72,000**	B	$ -	$ 45,760	$ 30,285	**$ 76,045**
Architectural (inc in const cost)	$ 18,000	**$ 18,000**	1	$ 18,000	$ -	$ -	**$ 18,000**
Engineering	$ 83,500	**$ 83,500**	1	$ 83,500	$ -	$ -	**$ 83,500**
Legal	$ 32,000	**$ 32,000**	1	$ 32,000	$ -	$ -	**$ 32,000**
Insurance	$ 124,000	**$ 124,000**	B	$ -	$ 78,809	$ 52,157	**$ 130,966**
Recording Fees	$ 53,571	**$ 53,571**	S	$ -	$ 21,666	$ 35,409	**$ 57,076**
Utility Company Charges	$ 20,000	**$ 20,000**	S	$ -	$ 8,089	$ 13,220	**$ 21,308**
Construction Manager/Site Superi	$ 150,000	**$ 150,000**	B	$ -	$ 95,333	$ 63,093	**$ 158,427**
Developer Overhead	$ 132,000	**$ 112,000**	E	$ -	$ -	$ 112,000	**$ 112,000**
Monitoring agent Fee	$ 12,500	**$ 12,500**	B	$ -	$ 7,944	$ 5,258	**$ 13,202**
Financing Cost	$ 194,595	**$ 177,948**	B	$ 153,982	$ 65,116	$ (41,150)	**$ 177,948**
Application/Financing Fees (1Pt)	$ 26,212	**$ 26,212**	B	$ -	$ 16,659	$ 11,025	**$ 27,684**
Appraisal Fees	$ 10,000	**$ 10,000**	1	$ 10,000	$ -	$ -	**$ 10,000**
FNMA Fees	$ 20,000	**$ 20,000**	1	$ 20,000	$ -	$ -	**$ 20,000**
Property Taxes	$ 12,000	**$ 12,000**	B	$ -	$ 7,627	$ 5,047	**$ 12,674**
Condominium Fees	$ 7,200	**$ 7,200**	S	$ -	$ 2,912	$ 4,759	**$ 7,671**
Maintenance (unsold Units)	$ 20,000	**$ 20,000**	S	$ -	$ 8,089	$ 13,220	**$ 21,308**
Accounting Fees	$ 25,000	**$ 25,000**	B	$ -	$ 15,889	$ 10,516	**$ 26,404**
Marketing Affordable Units		**$ 48,654**	S	$ -	$ 19,678	$ 32,159	**$ 51,837**
Marketing Market Rate Units	$ 656,226	**$ 546,976**	S	$ -	$ 221,221	$ 361,539	**$ 582,761**
Subtotal Soft Cost	**$ 1,668,804**	**$ 1,571,561**		**$ 317,482**	**$ 614,793**	**$ 708,537**	**$ 1,640,812**
Soft Cost Contingency (5%)	$ 83,440	$ 78,578		$ 15,874	$ 30,740	$ 35,427	**$ 82,041**
Total Soft Cost	**$ 1,752,244**	**$ 1,650,139**		**$ 333,356**	**$ 645,533**	**$ 743,964**	**$ 1,722,852**
Total Development Cost	**$ 10,255,192**	**$ 10,153,087**		**$ 2,271,496**	**$ 4,817,833**	**$ 3,505,268**	**$ 10,594,597**

Revenue	**Applicant**	**H&H**	Cd	**2007**	**2008**	**2009**	**Total**
Affordable Homes	$ 1,621,800	$ 1,621,800	S	$ -	$ 655,928	$ 1,071,974	**$ 1,727,902**
Market Rate Homes	$ 10,126,200	$ 10,939,523	S	$ -	$ 4,424,429	$ 7,230,782	**$ 11,655,211**
TOTAL REVENUE	**$ 11,748,000**	**$ 12,561,323**		**$ -**	**$ 5,080,357**	**$ 8,302,756**	**$ 13,383,113**
PROFIT	**$ 1,492,808**	**$ 2,408,236**		**$ (2,271,496)**	**$ 262,524**	**$ 4,797,488**	**$ 2,788,516**
ROTDC	**15%**	**24%**					**26%**
Excess Profits (>20% ROTDC)							**$ 669,597**
IRR							**51%**

Plymouth Housing Authority — Development Options

25-Jun-07

	Scenario #1 (30 units)				Scenario #2 (50 units)			
Number of Units	30				50			
		$/U				$/U		
Total Development Costs		$	188,000	$ 5,640,000		$	157,600	**$ 7,880,000**
Sources of Cash								
Value of Land Donated		$	265,000			$	265,000	
PBHA		$	50,000			$	50,000	
LIHTC		$	2,467,125			$	4,027,725	
DHCD Grants		$	643,500			$	742,500	
Mortgage		$	2,214,375			$	2,794,775	
Total				$ 5,640,000				**$ 7,880,000**
Operating Statement Per Year								
		$/U/mo				$/U/mo		
Total Income	30	$	752	$ 270,756	50	$	752	$ 471,461
Operating Expenses		$	617	$ 222,120		$	617	$ 370,200
Net Operating Income		**$**	**135**	**$ 48,636**		$	169	**$ 101,261**
Debt Service (30 yr Fixed)	7%	$	(496)	($178,449)	7%	$	(375)	**($225,221)**
Net Cash Flow		$	(361)	$ (129,813)		$	(207)	**$ (123,960)**

All projections are estimates and are subject to change

Operating Budget

	31-Dec-05		Budget for New Facility (30 units)		Budget for New Facility (50 units)	
Units	*Total $K/yr*	*$/U*	*Total $K/yr*	*$/U*	*Total $/yr*	*$/U*
		112		*30*		50
Operating Receipts						
Rental	$ 316,990	*$2,830*	*$ 270,756*	*$9,025*	$ 451,260	$9,025
Other Income	$ 17,250	*$154*	*$ 4,621*	*$154*	$ 7,701	$154
Total Operating Income	**$ 334,240**	*$2,984*	*$ 275,377*	*$9,179*	$ 458,961	$9,179
HUD Receipts	$ 90,430	*$807*	*$ -*	*$0*	$ 12,500	$250
Total Income	**$ 424,670**	*$3,792*	$ 275,377	$9,179	**$ 471,461**	$9,429
Operating Expenses						
Administrative Salaries	$ 193,210	*$1,725*	*$ 72,000*	*$200*	$ 120,000	$200
Other Admin Expenses	$ 26,740	*$239*	*$ 16,200*	*$45*	$ 27,000	$45
Utilities	$ 107,420	*$959*	*$ 39,600*	*$110*	$ 66,000	$110
Ordinary Maint and Oper	$ 115,810	*$1,034*	*$ 43,200*	*$120*	$ 72,000	$120
General Expense	$ 106,050	*$947*	*$ 38,520*	*$107*	$ 64,200	$107
Total Routine Expense	**$ 549,230**	***$4,904***	***$ 209,520***	***$582***	**$ 349,200**	**$582**
Non Routine Maintenace	$ 15,470	*$138*	*$ - $ -*	*$0*	$ - $ -	$0
Total Operating Expenses	**$ 564,700**	*$5,042*	*$ 209,520*	*$582*	**$ 349,200**	**$582**
Operating Expenses/mo		*$0*				
Capital Expenditures	$ 201,720	*$1,801*	*$ 12,600*	*$35*	$ 21,000	$35
Total Operating Expenditures	**$ 766,420**	*$6,843*	***$ 222,120***	***$617***	**$ 370,200**	**$617**
Total Opr Expenses/Mo		*$0*	*$ 617*		*$ 617*	
Before HUD Contributions	**$ (432,180)**	*-$3,859*	*$ 53,257*		**$ 88,761**	
Residual Recepts (or Deficit)	**$ (341,750)**	*-$3,051*	*$ 53,257*		**$ 101,261**	
Summary of Operating Deficit per Year			*$ (129,813)*		**$ (123,960)**	

Summary of 40B Projects Reviewed by H&H Associates LLP

January 8, 2007

Town	Project	Size/Type
Acton	Franklin Place	32 Unit Fee Simple
Amesbury	Meadow Brook	Deposition
Ashburnham	Whitney Park Estates	104 Unit Fee Simple
Bolton	Riverside	12 Unit Fee Simple
Boxborough	Boxborough Meadows	48 Unit Fee Simple
	Summerfield's	28 Unit Fee Simple
	Whitcomb Ridge	60 Unit Fee Simple
Braintree	Turtle Crossing	201 Unit Fee Simple (Audit)
Brookline	The Paragon	36 Unit Fee Simple (HAC Expert Witness)
Chelmsford	Glen Isle	37 Unit Fee Simple (Audit)
	Kensington	144 Unit Rental (Audit)
	Orchard Woods	24 Unit Fee Simple (Audit)
	Rivermeadow	54 Unit Rental (HAC Expert Witness)
	Windemere	56 Unit Fee Simple (Audit)
	Sterling Brook	60 Unit Fee Simple
	Residences at Stedman	16 Units Fee Simple (Audit)
Cohasset	Avalon Bay at Cohasset	200 Unit Rental
Dennis	Northside Senior Housing	36 Unit Fee Simple
Dunstable	Salmon Brook	30 Unit Rental
Duxbury	Duck Hill	51 Unit Fee Simple
	Webster Point	29 Unit Fee Simple
Harvard	Harvard Ridge	102 Unit Fee Simple
Harwich	Harwich One	32 Unit Fee Simple (HAC Expert Witness)
Holden	Stone Ridge	40 Unit Fee Simple
Hudson	Coolidge Greene	30 Fee Simple (Audit)
	Simarah Gardens	158 Rental Units (Audit)
Lexington	Lowell Street	24 Unit Fee Simple (HAC Expert Witness)
Lynnfield	Lynnfield Commons	200 Unit Rental
Marion	Marion Estates	96 Unit Rental (HAC Expert Witness)
	River Road	28 Unit Fee Simple
	Sweeney	10 Unit Fee Simple
Mansfield	Fairfield Gren	200 Rental Units (HAC Expert Witness)
	Rosewood Reality	42 Rental Units (HAC Testimony)
Medway	123 Main Street	30 Unit Rental
	Apple Farm	10 Unit Fee Simple
	Fox Run	24 Unit Fee Simple
	West Haven	20 Unit Fee Simple
Middleborough	Cranberry Village	210 Unit Fee Simple (HAC Expert Witness)
	Groves	90 Unit Fee Simple and Rental (Audit)
	Northwoods	12 Unit Fee Simple
	St Luke's	42 Unit Fee Simple and/or Rental
	Keith Place	16 unit Fee Simple
	Cherry Brook	40 unit Fee Simple
Northbridge	Linwood	125 unit Fee Simple
Norwell	Washington Street	40 Unit Fee Simple
	Autumn Woods	59 Unit Fee Simple
	Silver Brook	30 Fee Simple (Audit)
	Tiffany Woods	59 Units Fee Simple
Plymouth	Bartlett Pond	64 Unit Fee Simple
	Saw Mill Estates	260 Unit Fee Simple
	Twin Pines Farm	20 Unit Fee Simple
Salisbury	123 Bridge Street	88 Unit Fee Simple
	Falling Leaf	52 Unit Fee Simple (Audit)
Sandwich	Farm view	79 Unit Fee Simple
	Danas Field	Special
Scituate	Oceanside	250 Unit Fee Simple
Sherborn	Whitney Farms	48 Unit Fee Simple (HAC Expert Witness)
Stoughton	Goddard Heights	112 Unit Fee Simple
	Page Place	48 Unit Rental
	Quail Run	132 Unit Rental
	Stage Coach	108 Unit Fee Simple
	Ames Pond	40 Unit Fee Simple
	Pondview	84 Unit Fee Simple
Townsend	Turnpike Village	45 Unit Fee Simple
Wareham	Cornerstone Properties	88 Unit Rental LIHTC
West Boylston	Villages at Oakdale	68 Unit Rental
Westminster	Mountain View Estates	164 Unit Fee Simple
	Kingsbury Arms	56 Unit Fee Simple
Summary	**34 Towns**	**70 projects**

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40B CONSULTING

H & H ASSOCIATES LLP, *Bolton, MA* **2002 to Present**

Consultant offering a portfolio of services to assist towns developing affordable housing strategies and in the review comprehensive permits. Services include reviewing the pro forma, managing the 40B process, securing peer review resources, and monitoring and auditing the project. Clients include 57 projects in 28 communities including— See attached list.

Collaborated in the development of an affordable housing training program for Massachusetts Chapter, National Association of Housing and Redevelopment Officials (MassNAHRO).

Certified by MassHousing Partnership as MGL 40B Technical Advisor

PUBLIC SERVICE

SELECTMAN, TOWN OF BOLTON, *Bolton, MA* **2002 to 2005**

Created the Bolton Affordable Housing Partnership to introduce affordable housing to the community. Received 2.0 Million from HUD to build senior housing. Received approval for Planned Production Plan. Established Affordable Housing Trust.

CHAIR OF BOLTON BOARD OF APPEALS, *Bolton, MA* **1992 to 2002**

Responsible for zoning activities including review of comprehensive permits. Met with other Towns to understand the best practices to use for comprehensive permits.

CAREER EXPERIENCE

H & H ASSOCIATES LLP, *Bolton, MA* **1996 to 2002**

Consultants specializing in starting up and raising funds for high tech businesses.

KEITHLEY INSTRUMENTS INC., *Taunton, MA* **1994 to 1996**

PRESIDENT, ACCULEX, INC/ GENERAL MANAGER, KEITHLEY METRABYTE, INC.

Responsible for precision instruments and data acquisition equipment division.

DIGITAL EQUIPMENT CORP, *Maynard, MA* **1967 - 1993**

VP, GENERAL MANAGER, TECHNICAL OEM GROUP, *Stow, MA*

Managed a $600 million world wide business selling and designing computers

GROUP CORPORATE PROCUREMENT MANAGER, *Maynard, MA*

Managed 100 sub-contracting and purchasing professionals worldwide.
Approved procurement and construction of multiple plants and equipment

PURCHASING AND MATERIALS MANAGER, *San German, Puerto Rico*

Built and expanded two manufacturing plants and several assembly lines.

PROCUREMENT SUPERVISOR, *Maynard, MA*

Sub-contracted and supervised the construction of several assembly lines.

TEXAS INSTRUMENTS INC., *Attleboro, MA* **1966 - 1967**

Leader in development of semiconductor products and metal composites.

SUB-CONTRACTING PURCHASING MANAGER

Constructed a $10 million building. Managed multiple construction projects.

EDUCATION

B.S., Industrial Distribution, Clarkson College, Potsdam, NY 1966
Business Management Program, Harvard University, Cambridge, MA 1978
Program for Senior Executives, MIT Sloan School, Cambridge, MA 1986