

Residence@850

Management Plan - 850 Falmouth Road

Standard Holdings LLC (SH) owns the 2.98 acre site at 850 Falmouth Road as well as the 0.34 acre site at 3 Whitehall Way, for a total of 3.32 acres. The property is serviced by town provided water, sewer, and natural gas. The combined acreage will allow for construction of 53 rental apartment units, with a corresponding component of 10 affordable units at 50% AMI to be allocated between two-bedroom/two-bath and one-bedroom/one-bath consistent with the proportional percentage of two-bedroom and one-bedroom units with the building.

Working with Town of Barnstable Planning and Development, SH seeks a zoning modification in the affordability component of the project from 14 affordable units to 10. The First Reading of this request to Town Council is December 17,2020 with approval anticipated in early January 2021. This change will make SH eligible for the Housing Development Incentive Program (HDIP) that offers state tax credits for the production of market rate housing, as well as the local Tax Increment Exemption (TIE). Additionally, SH proposes to reduce the affordability income component from 65% AMI to 50% AMI.

The Planning Board holds the authority for review and approval of the required special permit. Concurrently, the special permit application (previously submitted August 27, 2020) will be presented to Planning Board at the first meeting of 2021. Upon Planning Board approval and appropriate waiting periods, construction plans will be submitted to the Building Department for review and issuance of the building permit.

Management is working closely with the Town each step of this process to assure a positive outcome of the zoning and final permitting which is necessary for the feasibility of the project.

Assuming successful permitting, SH will develop the site to include 53 rental units, of which 44 will be two-bedroom two bath, and nine will be one-bedroom one bath units. Construction of all units will be identical regarding quality and workmanship and include the following: granite countertops, stainless appliances including dishwasher, in-unit washer/dryer, dedicated mail & package room, fitness room, climate controlled self storage, bike storage, common lobby & lounge area, outdoor patio with fire pit & grilling station, walking paths, dog park & indoor dog washing station, smart-home technology at main & unit entrances, high-speed 5G fiberoptics, rooftop solar farm, electric auto charging station, security cameras to monitor all common areas (indoors/outdoors).

Ideally, ground breaking will occur in early to mid Q2 2021 and construction should be completed within 12 months. Marketing of the units will begin in Q2 2021 with initial occupancy in Q2 2022.

Management's goal is to create an inviting, secure and safe environment, where all of the residents will be proud to call "home".

Status of Project

SH controls the site through the purchase in July 2020. Architectural and building plans are complete. Site Plan review is complete. Engineering of the site is nearly complete. Construction and permanent financing is in process. Preliminary estimates of construction costs complete with final costing based upon completed building plans underway.

Financial Assumptions

Source of Funds **\$15,110,600**

Owner Equity	\$ 1,750,000
Permanent Financing	\$10,460,600
AHGDTFB	\$ 1,400,000
HDIP Tax Credit (75%)	\$ 1,500,000

Use of Funds

Buildout Costs **\$15,110,600**

Debt Service Coverage **1.35X**

Loan	\$10,460,600
Term	30 years
Rate	3.25%

Loan to Value **< 70% (\$10,460/\$15,110)**

Rents:

Market Rate

2 BR	\$1900/mo.
1 BR	\$1600/mo.

Affordable @ 50% AMI (utilities included)

2 BR	\$1087/mo.
1 BR	\$ 906/mo.

Vacancy @ 5%

Expenses:

Real Estate Taxes

Tax Increment Exemption @ 75% years 1-5, 50% years 6-10

Management @ 5% (3rd party contract)

All other expenses based upon personal management of existing condominium complexes

Replace reserve - Mass Housing/Lender requirements