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May 4, 2017

Dennis Community Preservation Committee
685 Route 134
South Dennis, MA 02660

RE: Applications

Dear Chairmen Dahlstrom and DiManno:

I am pleased to forward to you a copy of the application of Dennisport Partners, seeking Community Preservation funds to assist in the financing of their affordable housing project at 19/21 Elkannah Howland Road, South Dennis. The full application, with the attachments, will be delivered directly to Town Hall before the filing deadline of May 5th. We look forward to meeting with the Committee to review the project in due course, and thank you in advance for your consideration of this application.

Very truly yours,

David S. Reid, Esq.

DSR/dmp

dp/ff/dennisport partners/let/dennis com. pres.

* Each Attorney in this office is an independent practitioner who is not responsible for the practice or liabilities of any other attorney in the office. Rule 7.5 (d)

Application for
Dennis Community Preservation Funds
Calendar Year 2017

SYNOPSIS:

1. PROJECT TITLE:

Howland Place

2. ORGANIZATION:

Dennisport Partners, LLC
(A Massachusetts Limited Liability Company)

3. AMOUNT REQUESTED IN CPA FUNDS:

\$500,000.00

4. CPA PURPOSE:

Community Housing

5. PROJECT SITE:

19/21 Elkanah Howland Road, South Dennis, MA
(Approved Site Plan Attached)

6. SYNOPSIS OF PROJECT:

The proposed project comprises 6 buildings, each building containing 3 separate units (Plans of the Proposed Buildings are attached) – This project has come before the Committee before, has a long history (Beginning back in 2005), including multiple law suits and Zoning challenges. The project is a Municipally Sponsored Project, having received the endorsement and support of the Board of Selectmen, and a Special Permit from the Planning Board, under the Town of Dennis Zoning By-Law created to encourage the creation of Affordable Housing within the Town. The property has been subject to zoning appeals by one neighbor, resulting in delays of approximately 10 years. The process of appeals has finished and the project is now fully permitted and ready for construction. Construction is scheduled to commence in Q2, 2017. All 18 units will be Affordable Units. As per the Town By-Law the proposed development comprises 9 units that will be deed restricted to be purchased by households earning up to 120% of the area median income and the remaining 9 units will be deed restricted for purchase by households earning up to 80% of the area median Income. The units will be organized in a condominium form of ownership.

Of the 18 units, 6 will have a single bedroom, 8 will have two bedrooms and 4 will have three bedrooms. The site will contain dedicated play areas for resident children, and will provide common garden areas. There will be a central mail station for all residents to pick up their daily mail.

The sale prices for the units will be set by the Department of Housing and Community Development, under the affordable housing guidelines. Based on present information, we anticipate that the single bedroom units will sell for approximately \$ \$170,000, the two bedroom units for \$ 220,000, and the three bedroom units for \$250,000.

The affordable and moderately affordable sale bracket is designed to facilitate purchase of homes by working class individuals and families, often referred to as "workforce housing". All units will be owner occupied, not rental units. This will promote not only home ownership of the individual units but also pride of ownership in the complex.

The project will sold to eligible parties who will be pre-qualified, and the final selections will be made by lottery. However, where allowable, there will also be preference given to existing Dennis residents and employees.

APPLICANT INFORMATION

7. PROJECT TITLE:

Howland Place

8. ORGANIZATION NAME:

Dennisport Partners, LLC

9. ADDRESS:

1 Normandy Road, Bronxville, NY 10708, (646) 734-1985, kmcneill333@att.net

10. FEDERAL TAX IDENTIFICATION NUMBER:

84 -1647358

11. PRIMARY AND SECONDARY CONTACT PERSONS:

Kevin McNeill – Member and Manager of the LLC, (646) 734-1985, kmcneill333@att.net
Ruth Walter - Member of the LLC, (636) 734-1985, rpwalter@att.net

12. PRIMARY AND SECONDARY PERSONS WHO CAN APPROVE AND RECEIVE FUNDS:

Kevin McNeill – Member and Manager, (646) 734-1985, kmcneill333@att.net
Ruth Walter - Member and Manager, (636) 734-1985, rpwalter@att.net

APPLICANT'S BACKGROUND:

12. BRIEF APPLICANT HISTORY:

Dennisport Partners, LLC is a Massachusetts Limited Liability Company that began in 2003 with the goal of developing high quality affordable housing on Cape Cod and initially within the Town of Dennis. In 2003 Dennisport Partners completed a 4 Townhouse (rental) development at 163 Upper County Road, Dennisport, where an existing burned out house was acquired, an application was made for approval as a Municipally Sponsored Project, which received support from the Board of Selectmen and Planning Board. This development was completed in 2003 and continues to be operated by us today. The Elkanah Howland Road property was purchased expressly to be redeveloped for this affordable housing project, and will be our second such project in Dennis.

Kevin McNeill is a real estate professional . He has a Bachelor of Science Degree from Paisley University, Glasgow, Scotland in Land Economics. He has worked as a consultant on significant commercial developments throughout the world.

Ruth Walter lives with Kevin, they both previously developed a successful project under the Municipally Sponsored Project by-law
Kevin and Ruth are the proud parents of two children, one currently attending Bowdoin College and the other is a junior in High School.

13. NAMES OF DIRECTORS:

General Members – Kevin McNeill & Ruth Walter
Managers - Kevin McNeill

14. COMPARABLE PROJECTS:

163 Upper County Road, Dennisport – Four 3 bedroom 1.5 bath Townhouses – 2003
As described above, that was a rental project, where the present will be a for sale project. Both are Municipally Sponsored projects, under the Dennis Bylaw.

PROJECT INFORMATION:

15. PROJECT CONCEPT:

The Approved & Permitted concept is for six 3 unit buildings within a site of 1.5 acres (An Approved & Permitted Site Plan is attached) . The units will be in condominium

ownership. One Hundred percent of the units will be affordable and deed restricted to assure perpetual affordability. The project has been designed to be suited for such form of ownership and to help assure that it will remain affordable for its unit owners.

16. PROJECT GOALS AND OBJECTIVES:

The project will deliver some much needed High Quality Affordable Housing within the Town and delivers a combination of 1, 2 & 3 bedroom units. All units will feature, hardwood floors, tiled bathrooms, modern stainless steel kitchens and a high quality of general construction. The need for high quality affordable housing is acute, much of the existing stock is of old homes in poor condition. The modern new buildings with quality insulation will provide accommodation that is efficient and less expensive to live in than many other existing choices. The project goals also include contributing to the Town's effort to stabilize its economic and community base by offering special incentives and preference to current employees of the Town and residents of Dennis. This preference is incorporated into the Planning Board's decision and will be memorialized into the marketing and deed restrictions. The future marketing and monitoring of the affordable restrictions and provisions will be controlled by an agreement to be entered into with the Dennis Housing Authority, or the Housing Assistance Corporation, or other entity designated by the Town to assure all DHCD requirements are met and preserved.

17. LEGAL ISSUES OR IMPEDIMENTS:

This property has been subject to legal challenges by abutters, since it began in 2005. We have prevailed and currently there are no legal issues, challenges or impediments to proceeding with the project. In fact, during the process of these appeals, we were able to resolve a previously uncertain question as to the status of the Road. The Land Court has determined that Elkanah Howland Road is in fact a Town way. We have selected a general contractor (M J Nardone Carpentry of Sough Yarmouth) and are scheduled to start construction in the 2nd quarter of 2017. The former duplex on the property was demolished February 2016. Our construction loan application, which had previously approved, subject to the resolution of the zoning appeals, is again in the final stages of approval with our lender. A loan commitment has been received (see attached copy). The Lender has determined that the project be built in three phases, each of two buildings . As each phase is completed and sold, the next phase will be undertaken.

18. ACCOMPLISHMENT OF CPA GOALS:

This project delivers 18 high quality units of deed restricted housing in Dennis. The units will all be perpetually affordable under deed restrictions. The units will be allocated with a preference for Town employees and existing residents. The town between 2000 and 2010 has suffered a significant decrease in population (11%), over the same time period the median age in Dennis increased from 49.4 to 55.1 The town is losing people and those are mostly younger people. The creation of high quality affordable housing is critical in slowing down this serious problem. Since 100% of the units, offering 1, 2 and 3 bedroom configurations, this project will provide the assortment of options that will help

address the Town's needs for single owner, first home buyers, families and working individuals.

19. RELEVANCE TO NEEDS OF THE TOWN:

This project delivers the opportunity for 18 families to live in new high quality accommodation within the Town. The variety of unit sizes will offer the benefits of home ownership to different sizes of families and households. Since the affordability restrictions will be permanent, these benefits will be available for generation of homeowners in the future.

20. RELEVANCE TO THE LOCAL COMPREHENSIVE PLAN:

The project represents a successful display of the Town's comprehensive plan. It is a partnership of private and public entities working together to create affordable housing as the Town pursues its target of 10% of housing stock to be affordable. Section 5 of the Comprehensive Plan speaks specifically of the Zoning By-Law adopted by the Town that was used for this project. The utilization of the Town Bylaw, rather than General Laws c. 40B, affords the Town greater control and flexibility in the design and approval of such projects. Under this bylaw, a project may not even apply for the needed Special Permit without the endorsement of the Board of Selectmen.

PROJECT IMPLEMENTATION AND BUDGET:

21. CPA FUNDS REQUESTED:

\$500,000

22. FINANCIAL PLAN:

See attached documents, including the construction budget, sales projections and total project computations.

23. EVIDENCE OF INTEREST FROM POTENTIAL LENDERS:

The Cooperative Bank of Cape Cod, in Hyannis, has been the lender on this property since 2004 when the property was purchased, lending \$500,000 for the purchase of the property. The Commercial Lending officer is Peter Q. Smith, Vice President. The construction loan portion of the financing will fund approximately \$2.5Million of the remaining construction costs, on a revolving basis as each phase is started, completed and sold.

24. LIST OF FUNDING SOURCES:

The funding sources are as follows – Land Loan & Construction Loan – The Cooperative Bank of Cape Cod, up to \$2.5M – CPC Funds \$500,000 – Dennisport Partners Funds \$500,000 to date and as needed.

25. SOURCES AND USES OF FUNDS:

See above (#24). See attached financial plan documents.

The construction Loan funds will be used exclusively for out of pocket costs of construction throughout the construction phases of the project.

The Community Preservation Funds will be used to offset the shortfall in the cost of permitting and construction of the project. The current estimate of project costs are in the region of \$4.2 Million, whilst receipts are anticipated in the region of \$4 Million – the Grant funds will be used to ensure the project remains viable and reducing pressure to maximize sales prices, particularly of the moderate units.

SUPPORTING DOCUMENTS:

26.

27. REFERENCES: Dan Fortier, Dennis Planning Officer – in Relation to previous project at 163 Upper County Road, Dennisport. Nancy Davison, Director HAC, Hyannis, MA 02601

28.

29. OTHER RELEVANT MATERIALS:

See attached documents:

Approved Site plan

Architectural drawings

Special Permit from the Planning Board (two parts)

Construction Contract with builder – MJ Nardone, not signed due to financial implications – will be executed at Construction Loan Closing

Loan Commitment letter

Construction Summary (\$175 PSF, from NJ Nardone)

Sales Price Analysis

30. INCOME TAX FOR 990:

N/A. The applicant is not a tax exempt organization.

31. CERTIFICATE OF NON-COLLUSION:

Attached

We thank you for your consideration of this project, and look forward to working with you to provide this needed affordable housing for the present and future families of Dennis.

Dennisport Partners, LLC
Kevin McNeill and Ruth Walter