



**The Town of Barnstable**  
**Affordable Housing Growth & Development**  
**Trust Fund Board**

367 Main Street, Hyannis MA 02601

[www.town.barnstable.ma.us](http://www.town.barnstable.ma.us)

**Mark S. Ells, Chair**

To: Rob Brennan & Adam Stein, for Winn Companies  
From: Jillian Douglass, Trust Administrator  
Date: May 15, 2024  
RE: Winn Companies' Development Funding Application to Trust for Harbor Vue at 307 Main Street, Hyannis – Trust Request for Additional Information

Thank you for your follow-up presentation to the Trust Board on May 13<sup>th</sup>. Overall, it would appear that the Board is looking favorably on Winn's Harbor Vue project, particularly in light of your acknowledgement that the 12 permanently deed-restricted units that will be required by the Town's "inclusionary" ordinance to be Affordable to households of up to 65% AMI, will need to be further subsidized as Affordable to households of 60% AMI, in order to meet the requirements of your Tax Credit application. With that in mind, the Board is not inclined to consider the 5% AMI differential as an additional project benefit. In addition, as you heard, the Board members and our community seek to leverage the Trust's community investments to yield the greatest degree of protected Affordability as we can. Winn's offer to increase the number of protected units from 19 to 25 is **greatly appreciated** and will expand the long-term affordability benefits of this project.

Please accept the following as a formal request for **written response by 3:30 pm on Friday May 24<sup>th</sup>** to, among other things expressed via citizen comment, the following requests from the Board:

1. Please provide the slides deck that was presented at the Trust's 5/3/24 meeting
2. Please review the project's ability to maximize the number of affordable units, as much as possible, and provide an updated pro-forma reflecting your best proposal.
3. Please provide updated income-tax based 2023 audited financial statements and audited 2023 financial statements in accordance with GAAP for WinnCredit LLC and WinnDevelopment Company LLC. If there is information that you do not wish to be disclosed beyond the members of the Board or that you seek to be kept confidential, please know that all information, once conveyed to the Board, will become public information.
4. Please include additional detail on the funding sources for which the project has and is expected to apply.
5. Please further explain specific uses of each funding line-item and request.

6. Please explain any anticipated funding shortfalls or gaps.
7. Please indicate any additional site concessions that your design teams may have considered or suggested to address the public comments expressed at the 5/13/24 meeting.

We look forward to receiving your updated submissions and continuing our discussions at the Trust's next zoom meeting, which is currently scheduled for 2:00pm on Monday June 3<sup>rd</sup>. If you have questions or need clarifications, please feel free to e-mail or call me. Thank you very much.

Sincerely,

*Jillian Douglass*

Jillian Douglass  
Trust Administrator | Planning & Development  
Town of Barnstable | 367 Main Street | Hyannis, MA 02601  
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**1. Please provide the slides deck that was presented at the Trust's 5/3/24 meeting.**

Please find attached the slide deck presented at the 5/3/24 meeting.

**2. Please review the project's ability to maximize the number of affordable units, as much as possible, and provide an updated pro-forma reflecting your best proposal.**

After several meetings and discussions with the BAHGDT board, we have revised our perpetuity goals to better align with the program's expectations and the constructive feedback from the board. We have increased the number of units in perpetuity by approximately 60%, resulting in a per unit cost closer to the desired \$100,000 per unit for high impact/high-cost projects such as Harbor Vue. We trust that this third adjustment is viewed as meaningful and serves as a path forward.

**Request:** \$2MM in AHT funds

**Units in Perpetuity:** 30 units

- 12 units at 60% AMI
- 18 units at 80% AMI (approx. \$110k / unit)

This represents 25% of the total units and allows for 100% of the total units (120) to remain on the SHI in perpetuity.

**3. Please provide updated income-tax based 2023 audited financial statements and audited 2023 financial statements in accordance with GAAP for WinnCredit LLC and WinnDevelopment Company LLC. If there is information that you do not wish to be disclosed beyond the members of the Board or that you seek to be kept confidential, please know that all information, once conveyed to the Board, will become public information.**

As outlined in Exhibit 10 of the application, for-profit developers are required to provide three lender references, a requirement that Winn has fulfilled. The application does not require audited financial statements from for-profit developers. The relevant language from the application is as follows:

*“Exhibit 10: Letters of interest from construction and/or permanent lenders; **For-profit development, provide three lender references.** For non-profit developers, provide current year's operating budget and most recent audited financial statements.”*

**4. Please include additional detail on the funding sources for which the project has and is expected to apply.**

Please find attached an updated sources and uses, pro-forma, and development budget. Note that funding sources are subject to change pending further discussions with federal and state agencies.

**5. Please further explain specific uses of each funding line-item and request.**

Funding sources, when capitalized, will be allocated to each line item outlined in the development budget. Note that funding sources and uses are subject to change pending further discussions with federal and state agencies.

**6. Please explain any anticipated funding shortfalls or gaps.**

The current budget balances and adheres to programmatic funding limits set by each specified source. Among the proposed sources is \$2MM in matching funds from the Town of Barnstable, which is crucial to strengthening our application for competitive federal and state resources.

**7. Please indicate any additional site concessions that your design teams may have considered or suggested to address the public comments expressed at the 5/13/24 meeting.**

We kindly suggest reviewing the Hyannis Main Street Historic District Commission video recordings and meeting minutes (August 30, September 20, October 18) to gain insight into the many adjustments and accommodations Winn has made in response to both the public and the board's concerns. We hope our request for AHT funds is based on the mission and objectives of the Affordable Housing Trust, which is to create affordable housing in Barnstable for the benefit of low and moderate-income households. Harbor Vue meets and exceeds these criteria.

## Harbor Vue - Preliminary Sources & Uses - May, 2024

Summary of Funding Sources		
Source of Funds	Permanent Amount	Permanent Amount/Unit
Federal & State LIHTC Syndication Proceeds	44,637,000	371,975
1st Mortgage	9,030,831	75,257
Developer Contributed Equity	1,100,342	9,170
<b>Subtotal (before Grants/Subordinate Debt)</b>	<b>\$ 54,768,173</b>	<b>\$ 456,401</b>
<i>Initial Funding (Gap) / Surplus</i>	<i>\$ (25,130,660)</i>	
MassHousing Workforce Housing Funds	3,200,000	26,667
EOHLC Soft Sources & State Funding Resources	19,930,661	166,089
BAHGDT	2,000,000	16,667
<b>TOTAL SOURCES</b>	<b>\$ 79,898,833</b>	<b>\$ 665,823</b>
<i>Funding (Gap) / Surplus</i>	<i>\$ -</i>	

Summary of Uses		
Source of Funds	Construction Amount	Cost /Unit
Acquisition	5,695,170	47,460
Direct Construction	51,287,307	427,393
General Development Costs	15,611,262	130,094
Total Developer Overhead & Fees/Reserves	7,305,094	60,876
<b>TOTAL SOURCES</b>	<b>\$ 79,898,833</b>	<b>\$ 665,823</b>

*\*Anticipated sources subject to change*

## Harbor Vue - Preliminary Development Budget - May, 2024

	Total Development Budget	
	Total	\$/Unit
<b>Acquisition</b>		
Purchase Price	\$ 5,695,170	\$ 47,460
<b>Acquisition</b>	<b>\$ 5,695,170</b>	<b>\$ 47,460</b>
<b>Design</b>		
Building Architecture	\$ 2,185,271	\$ 18,211
Civil Engineer	300,000	2,500
Energy Consultant	300,000	2,500
Geotech Testing	75,000	625
Survey	25,000	208
<b>Design</b>	<b>\$ 2,885,271</b>	<b>\$ 24,044</b>
<b>Construction</b>		
Building Construction - Structures	\$ 41,738,736	\$ 347,823
<b>Hard Construction Subtotal</b>	<b>\$ 41,738,736</b>	<b>\$ 347,823</b>
General Conditions/Contractor Contingency	4,497,349	37,478
<b>Subtotal</b>	<b>\$ 46,236,085</b>	<b>\$ 385,301</b>
Contractor Overhead/Profit	1,252,162	10,435
Construction Subtotal (excl. Contingency)	\$ 47,488,247	\$ 395,735
Hard Cost Contingency	3,799,060	31,659
<b>Construction</b>	<b>\$ 51,287,307</b>	<b>\$ 427,394</b>
<b>Administrative Expenses</b>		
Inspecting Engineer	\$ 40,000	\$ 333
Environmental Reports	50,000	417
Legal: Organization	425,000	3,542
Title & Recording	90,000	750
Accounting & Cost Cert.	75,000	625
Appraisal & Market Study	45,333	378
Sidewalk Improvements for Town of Barnstable	250,000	2,083
<b>Administrative Expenses</b>	<b>\$ 975,333</b>	<b>\$ 8,128</b>
<b>Financing</b>		
Construction Loan Interest	\$ 6,324,566	\$ 52,705
TE Bridge Loan Interest	597,681	4,981
Carry Cost	241,500	2,013
Lender Legal Fees	50,000	417
Financing Fees	1,802,192	15,018
Syndicator Due Diligence Costs/Fees	40,000	333
<b>Financing</b>	<b>\$ 9,055,939</b>	<b>\$ 75,466</b>
<b>Taxes &amp; Insurance</b>		
Real Estate Taxes	\$ 188,703	\$ 1,573
P&P Bond Premium	393,130	3,276
Builders Risk Insurance	650,000	5,417
<b>Taxes &amp; Insurance</b>	<b>\$ 1,231,832</b>	<b>\$ 10,265</b>
<b>Miscellaneous/Other Costs</b>		
FF & E	\$ 350,000	\$ 2,917
Security	100,000	833
Operating Loss	134,167	1,118
Fiber/TelData	250,000	2,083
Initial Lease-up/Marketing	240,000	2,000
<b>Miscellaneous/Other Costs</b>	<b>\$ 1,074,167</b>	<b>\$ 8,951</b>
<b>Contingency</b>		
Soft Cost Contingency	\$ 388,719	\$ 3,239
<b>Contingency</b>	<b>\$ 388,719</b>	<b>\$ 3,239</b>
<b>Developer Fee &amp; Overhead</b>		
Developer Fee and Overhead/Reserves	7,305,094	60,876
<b>Developer Fee &amp; Overhead</b>	<b>\$ 7,305,094</b>	<b>\$ 60,876</b>
<b>Total Development Cost / Eligible Basis</b>	<b>\$ 79,898,833</b>	<b>\$ 665,823</b>

\*Anticipated development budget subject to change