



March 27, 2014

Mr. David Spitz
Town of Harwich
Town Planner
Office of Town Administrator, 732 Main Street
Harwich, MA, 02645

Re: Request For Proposals Purchase or Lease of the Harwich Middle School

Dear Mr. Spitz:

Enclosed please find SCG Development Partners, LLC's ("Stratford" or "Applicant") response to the Request for Proposals for the re-development of the former Harwich Middle School. It is proposed the Applicant will form the Lower Cape Residences Limited Partnership (the "Partnership"), a Massachusetts Limited Partnership that is qualified to undertake the planning, design, development, construction, ownership and operation of the proposed residential project known as The Lower Cape Residences (the "Property"), a proposed 56 unit apartment complex located at 204 Sisson Road, Barnstable County, Harwich, MA.

As part of our redevelopment proposal, the existing Harwich Middle School will be transformed into the Lower Cape Residences, a new affordable housing development for families. The Property is understood to become surplus for the Town in the Spring of 2014 and is in excellent condition. The historic wing of the Harwich Middle School will be sensitively renovated, per National Park Service Guidelines for Historic Renovation. The activity wing with the larger volume spaces of the gym, auditorium and cafeteria, will be mostly demolished. The rehabilitation of the remaining wings consists of (i) the selective demolition & removal of existing floor, wall and ceiling systems and finishes, (ii) the total removal of existing electrical, plumbing & mechanical systems, (iii) the addition and/or reinforcement of structural elements to meet current codes, (iv) the replacement of the majority of existing windows, exterior doors and roofing systems, to the extent this is compatible with historic review and guidelines, (v) the installation of new elevators, new mechanical, plumbing, electrical and fire protection systems, (vi) the reconfiguration of the existing spaces, and (vii) the restoration of interior wood trim and paneling in existing historic areas. The exterior scope of work consists of (i) the complete restoration of the existing brick facade, (ii) the restoration of existing wood siding and trim, and (iii) the installation of new fenestration treatments consistent with historic preservation standards at the older structure and compatible system in the newer classroom wings. Due to the narrow dimension of the older historic building, eight apartment units will be located on the two floors of this wing. Other classroom wings will be adaptively re-used for a total of 40 units within the school building. Handicap accessibility and fire safety shall be updated in accordance with all current building codes.

The new construction will consist of two to two and a half story townhouse buildings that provide two and three bedroom family units with inviting front entry stoops. Although building heights are primarily two stories, the individual townhouse widths are expressed through the use of bays and varying roof forms, and each unit is clearly marked with its own front door off the

front walk. Cementitious siding is the primary exterior cladding, highlighted by varied bays and differentiated window configurations.

The site design will incorporate the preservation of the existing landscape at the perimeter buffer zones. New non-invasive trees and plantings, rain gardens for roof run-off and the creation of new seeded lawn areas and planting beds will be introduced amongst the newly developed townhome structures. While it is understood that school bus traffic to the adjacent elementary school will still travel through the site, the design will utilize traffic calming elements to assure a safe and slower passage with the use of border plantings and varying materials at raised crosswalks between the townhomes and existing school. The site benefits from the existing septic system currently used by both Middle School and the Elementary School. The re-use of the school for the proposed housing will require some modifications of the existing system. The new townhomes may also be able to tie into this modified existing system. There will be a total of approximately 134 striped parking spaces servicing the residents which exceeds a 2:1 parking: space ratio.

It is anticipated the Property's common area amenities will include an approximately 3,000 square foot common room (which will most likely contain a community great room with a kitchen, an exercise room, and a leasing office with offices for a possible resident coordinator and facility management), on-site management, on-site maintenance, playground (tot lot), central laundry, a network of accessible pedestrian paths and resting points, and community garden plots. On-site storage for each tenant will be provided within the unit, and convenient on-site laundry facilities will also be provided; common laundry in the existing building and hook-ups within the new townhomes.

It is anticipated that all apartment units will have complete appliance packages, including (i) electric cooking ranges, (ii) fan hoods, (iii) frost-free refrigerators, (iv) dishwashers, (v) wall-to-wall carpeting, (vi) window covering (mini-blinds) and (vii) pre-wired cable TV, internet, and telephone connections. Each apartment unit will be individually metered for natural gas and electricity allowing residents to control their environment and utility costs, as well as other optional utilities (cable, telephone, etc.). Tenants will benefit from laundry facilities, as well as dedicated storage units for tenants.

Stratford recognizes that the proposed development is located adjacent to a residential neighborhood and therefore construction activities must be sensitive to this environment. We have completed numerous projects with the very same circumstance. Close attention will be paid to construction timing; site security; lighting; and noise. Once completed, the Property will be professionally managed by a top-rated management company. There will be an on-site property manager and maintenance manager. Security cameras will monitor the property and all entrances.

The Property will (i) be consistent with a municipally supported plan, (ii) have a measurable public benefit beyond the applicant community, (iii) involve a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the

project, (iv) create affordable housing in a neighborhood that meets a regional need, and (v) promote diversity and social equity and improves the neighborhood.

The Applicant has a portfolio of successful adaptive re-use developments of historic schools that are similar in size and scope as ***The Lower Cape Residences*** located in the Commonwealth as well as in many other states as further detailed in our proposal. We look forward to participating in Town of Harwich's process of selecting a development organization and if the successful proponent, we look forward to the opportunity to work with the Town of Harwich on this exciting project.

Respectfully,



Richard Hayden
Principal and Executive Vice President,
Stratford Capital Group, LLC

II. Proposal

Introduction

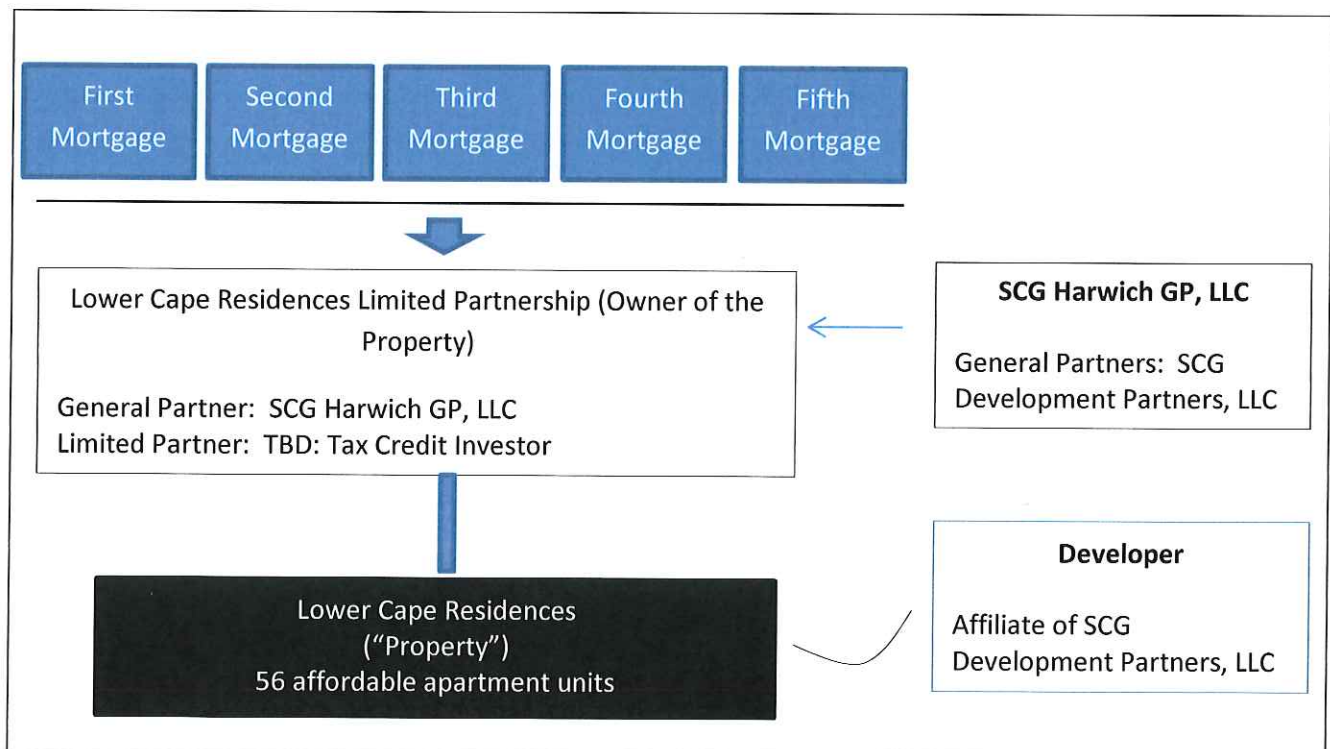
It is proposed that SCG Development Partners, LLC (“Stratford” or “Applicant”) will form the Lower Cape Residences Limited Partnership (the “Partnership”), a Massachusetts Limited Partnership that is qualified to undertake the planning, design, development, construction, ownership and operation of the proposed residential project known as The Lower Cape Residences (the “Property”), a 56 unit apartment complex located at 204 Sisson Road, Barnstable County, Harwich, MA. The Property will qualify for (i) affordable housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the “Affordable Tax Credits”), (ii) federal historic tax credits under Section 47 of the Internal Revenue Code (“Federal Historic Credits”), (iii) Massachusetts affordable housing tax credits (the “State Tax Credits”) and (iv) Massachusetts state historic tax credits (the “MA State Historic Tax Credits”) which have been awarded and are anticipated to be sold to a 3rd party investor. Collectively, the Affordable Tax Credits and the Federal Historic Credits are referred to as “Tax Credits”.

Organizational Structure

General Partner. Affiliates of Stratford will serve as the sole general partner (the “GP”) of the Partnership and therefore the managing entity responsible for all affairs. Stratford affiliates will provide the guarantees to the tax credit equity investor.

Investor Limited Partner. Stratford will identify an investor which will serve as the investor limited partner (“ILP”) of the Partnership and will contribute tax credit equity and (“Investor Capital”) in exchange for substantially all of the Tax Credits and losses allocated by the Property.

Proposed Organizational Chart



2(a). Participants

RFP. Section V(A)(1). The proposal must provide a list of the names and titles of personnel who will be assigned to represent it in its dealings with the Town.

Participant	Title/ Company	Role
Richard Hayden	Partner/ SCG Development Partners	Applicant, Owner, Developer
Keith McDonald	VP/ SCG Development Partners	Owner, Developer
Janis Mamayek	Partner/ ICON architecture, inc.	Architect
Michael Gardenier	Project Manager/ ICON architecture, inc.	Architect
Kelly Killeen	VP/ CHA, Inc.	Civil Engineer

Please see Tab 2(m) for Participants bio's. Also, enclosed please find Stratford's Firm Profile located in Tab 7.

2(b). Applicant. Established Business

RFP. Section V(A)(2). The proposal shall be from an established business, corporation, partnership, firm, organization or individual and must be signed by a duly authorized representative.

SCG Development Partners, LLC ("Stratford"), a limited liability company and a Stratford Capital Group, LLC ("SCG") wholly- owned subsidiary, leverages the expertise and resources of SCG principals to develop multi-family properties that benefit from affordable housing tax credits across selected markets in the United States.

Stratford was formed for the purpose of acquiring and developing affordable multifamily residential rental property investments. Stratford's investment strategy is to identify and invest in development opportunities either as single property or multiple property portfolio acquisitions of multifamily rental properties located primarily throughout the Northeast, Mid-West, Mid-Atlantic and Southeastern United States, that will be eligible for affordable housing tax credits under Code Section 42 or historic rehabilitation tax credits under Code Section 47.

As real estate professionals first and foremost, the principals of Stratford have extensive experience in identifying unique opportunities, site selection, diligently underwriting and ultimately acquiring and financing rental apartment properties. Leveraging off of this skill set, the principals of Stratford Capital Group have been involved in the successful development of 50 properties using tax credits in the role of developer or co-developer.

2(c). Conformance with Section IV and Section V – and Self-Scoring Evaluation

RFP. Section V(A)(3). The proposal shall comply with all items specified in Section IV, Proposal Instructions and shall address all requirements specified in Section V, Proposal Submission.

In addition to the above requirements, the proposals shall include the following information and attachments, clearly identified and indexed. Offerors are advised to describe how each submission addresses the Comparative Evaluation Criteria found in Section VI.

The Applicant believes the information contained within the binder adheres to the requirements of this RFP, including but not limited to Section IV, Section V, and Section VI requests/requirements/confirmations.

SECTION VI PROPOSAL EVALUATION

Comparative Evaluation Criteria

1. Experience. Offeror should demonstrate in the proposal the history of its experience with redevelopment and adaptive reuse of municipal or similar buildings, including former school buildings. Clearly define and qualify the experience your organization has in the development of similar properties. **Self-Evaluation: Highly advantageous - Development of four (4) or more similar properties within the past ten (10) years.**

It is proposed that SCG Development Partners, LLC (“Stratford”) will form the Lower Cape Residences Limited Partnership (the “Partnership”), a Massachusetts Limited Partnership that is qualified to undertake the planning, design, development, construction, ownership and operation of the proposed residential project known as The Lower Cape Residences (the “Property”), a 56 unit apartment complex located at 204 Sisson Road, Barnstable County, Harwich, MA.

The principals of Stratford have been involved in the successful development of more than 50 properties using tax credits in the role of developer or co-developer. The development team has been successful in permitting, constructing, leasing up, and owning/operating **similar adaptive reuse developments** into housing located in Massachusetts. Please see the table below:

Development	Units	Location	Const. Period	Status
Brown School Residences	61	Peabody, MA	July 2006 – July 2007	Completed on time and under budget and fully leased up.
Fulton School Residences	63	Weymouth, MA	Sept. 2008 – Sept. 2009	Completed on time and under budget and fully leased up.
School Street Residences	50	Athol, MA	Sept. 2009 – Nov. 2010	Completed on time and under budget and fully leased up.
Simpkins School Residences	65	Yarmouth, MA	Oct. 2012 - (ant. May 2014)	Under Construction.
Coady School Residences	58	Bourne, MA	TBD	Chapter 40B (fully permitted), applying for financing.

In addition to the adaptive re-use developments, other recent affordable housing developments that the development team has been a member in include, but not limited to:

Development	Units	Location	Construction/Type
Residences at Government Center	270	Fairfax, VA	New Construction
Chelmsford Woods Residences	116	Chelmsford, MA	New Construction
Park Heights Apartments	100	Baltimore, MD	Acq./Rehab
The Reserve at Sugar Mill	70	St. Mary's, GA	Acq./Rehab
3 Tree Flats	130	Washington, DC	New Construction
Appian Way	204	Charleston, SC	Acq./ Rehab
Griffin Heights	100	Tallahassee, FL	Acq./ Rehab
Lakeside Apartments	110	Columbia, SC	Acq./ Rehab
Sand Dunes	104	Panama City, FL	Acq./ Rehab
Cypress Place	132	Marrero, LA	Acq./ Rehab
Pine Meadow	78	Gainesville, FL	Acq./ Rehab
Ashley House Apartments	61	Valdosta, GA	Acq./ Rehab
Elm Drive Apartments	60	Baton Rouge, LA	Acq./ Rehab
Tangi Village	96	Hammond, LA	Acq./ Rehab
Cypress Parc Apartments	63	New Orleans, LA	New Construction

SCG Development Partners, LLC ("Stratford")

SCG Development Partners, LLC, a limited liability company and a Stratford Capital Group, LLC ("SCG") wholly- owned subsidiary, leverages the expertise and resources of SCG principals to develop multi-family properties that benefit from affordable housing tax credits across selected markets in the United States.

Stratford was formed for the purpose of acquiring and developing affordable multifamily residential rental property investments. Stratford's investment strategy is to identify and invest in development opportunities either as single property or multiple property portfolio acquisitions of multifamily rental properties located primarily throughout the Northeast, Mid-West, Mid-Atlantic and Southeastern United States, that will be eligible for affordable housing tax credits under Code Section 42 or historic rehabilitation tax credits under Code Section 47.

As real estate professionals first and foremost, the principals of Stratford have extensive experience in identifying unique opportunities, site selection, diligently underwriting and ultimately acquiring and financing rental apartment properties. Leveraging off of this skill set, the principals of Stratford Capital Group have been involved in the successful development of 50 properties using tax credits in the role of developer or co-developer.

2. Financial Capability. Offeror should provide clear and complete financial reports demonstrating its ability to purchase or lease the property and to successfully develop the Property for its intended use. **Self-Evaluation: Highly Advantageous — Offeror has provided clear and complete financial reports demonstrating its ability to develop the project in accordance with the Proposal.**

Please see **Tab II (15)**.

3. Response to Proposal Requirements – Traffic Circulation, Parking and Wastewater. **Self-Evaluation: Highly Advantageous — Proposal gave clear details for provision of an access drive serving both buildings, location for the requested number of parking spaces, and maintenance provisions for the existing wastewater treatment system or substitution with new wastewater treatment systems for both users.**

Traffic Circulation: CHA and its traffic engineers performed a review of the anticipated change in traffic and parking conditions associated with the proposed Lower Cape Residences. The existing site circulation will be maintained with the site driveway connecting the two schools allowing elementary school traffic to go through the middle school parcel. Two-way traffic will flow from Sisson Road so that the inhabitants of the new residential project can enter and exit from Sisson Road without having to go through the elementary school site.

Parking: The proposal includes the construction of up to 26 parking spaces serving the Elementary School to replace those spaces currently being used in the Middle School parking lot. Our proposal agrees with the proposed location of these parking spaces as shown in our Site Development diagram. All residential parking for the project is accommodated on site at a 2:1 ratio.

Wastewater System: The school site is currently serviced by a wastewater treatment plant permitted through the Massachusetts DEP under the Groundwater Discharge Permit program in 1997. The capacity of the WWTP is 16,100 gallons per day with each school given 8,050 gpd. The proposed wastewater flow for the new project is 11,880 gpd (108 bedrooms at 110 gpd/bedroom). The existing system would need to be expanded by a minimum of 3,830 gpd to service the new project. The existing WWTP will be analyzed to determine the most cost effective way of expanding. Also, additional leaching facilities would need to be built to accommodate the additional flow. The WWTP and leaching fields will remain on Town owned property. The developer will enter into a contract with the Town to pay for maintenance of the system.

4. Response to Proposal Requirements – Other. **Self-Evaluation: Highly Advantageous — Proposal was very thorough, appeared consistent with project intent, and responded to needs expressed by the Town in all areas.**

The Applicant believes the Proposal submitted was very thorough, appeared consistent with project intent, and responded to needs expressed by the Town in all areas.

5. Financial Benefit to the Town of Harwich. **Self-Evaluation: Highly Advantageous — Proposal provided a strong financial benefit for town residents and taxpayers including a competitive purchase price and estimated annual tax payments or payments in lieu of taxes.**

Town of Harwich Financial Benefits	
Purchase Price	672,000 (\$12,000 per unit)

Annual Real Estate Taxes	\$20,028 (escalates 2.5% per year)
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The Partnership is proposing to pay **\$672,000** (\$12,000 per unit) for the land and building located at 204 Sisson Road Harwich, Massachusetts.

The Partnership anticipates the net operating income approach to calculating the real estate taxes. See below for the assumed calculation:

Real Estate Tax Calculation (NOI Approach)	Today
Projected Net Operating Income	182,700
Assumed Cap Rate	8.0%
Assessed Value	2,283,750
2013 Residential Tax Rate (per 1000)	\$8.77
Real Estate Taxes (rounded)	\$20,028

6. Benefits to the Town of Harwich. **Self Evaluation: Highly Advantageous – Proposal contained uses that are compatible with the elementary school and other adjoining properties as well as the surrounding neighborhood. Proposal will not cause adverse impacts from visual appearance, traffic, noise, lighting or other causes. Proposal will support goals of the Local Comprehensive Plan.**

The Applicant recognizes that the Harwich Middle School is located in a residential neighborhood and therefore the adaptive re-use must be sensitive to this environment. The Applicant will work closely with the Town and the surrounding neighborhood to support the goals of the Local Comprehensive Plan. The Applicant has completed numerous projects with the very same circumstance. Close attention will be paid to construction timing; site security; lighting; and noise. Once completed, the property will be professionally managed by a top-rated management company. There will be an on-site property manager and maintenance manager. Security cameras will monitor the property and all entrances.

ICON architecture, acting as the project architect, has designed an aesthetic consistent with the historic rehabilitation of the existing school and new townhomes compatible with its context, as well as open areas maximizing the site's potential. Additionally, the structures are in keeping with area's surroundings. As such, the Property shall have an immensely positive impact to the residents and community at large.

The Property will (i) involve environmental remediation or clean up, the (ii) eliminate/reduce neighborhood blight, (iii) significantly enhance an existing community or neighborhood by restoring an historic landscape, (iv) use numerous green elements in its construction, (v) comply with EPA's Energy Star guidelines or with a similar system, and (vi) strive to exceed the state energy code.

Benefits. Design Elements

Below are some highlights of design practice and elements that the development team hopes to implement.

Conformance with applicable laws, regulations and code requirements: Pursuant to regulations promulgated by the Commonwealth of Massachusetts governing residential developments and the state's Building Code for Residential Construction, the design of the proposed project complies with all applicable laws, regulations and code requirements. As designer of the project, ICON architecture and team has extensive experience working with MAAB, ADA, and FHA requirements relevant to both building interiors and site-wide accessibility. It is the goal of the design team to provide designs which exceed basic code requirements and aspires to achieve Universal Design through creating environments that are inherently accessible to the greatest extent possible.

Appropriate architectural treatment: ICON architecture, acting as the project architect, has designed an aesthetic consistent with the historic rehabilitation of the existing school and new townhomes compatible with its context, as well as open areas maximizing the site's potential. Additionally, the structures are in keeping with area's surroundings. As such, the Property shall have an immensely positive impact to the residents and community at large. The units are designed efficiently and are very comfortable in size.

Sufficient amenities for target population: The restoration of the historic school allows potential opportunities for unique amenity spaces that may be available for resident use including, but not limited to: a lounge area with full kitchen and a library.

Site layout & design addresses parking needs; outdoor improvements appropriate for the target population: The Property will provide residents with sufficient common areas and outdoor space. The site will contain over two parking spaces for every unit; more than enough for the target population, employees and visitors. Accessible routes are provided through the site and all units are visitable.

Environmental: An environmental report will be commissioned immediately after an agreement has been executed. All necessary steps will be taken to remove and abate all identified hazardous materials from the site in accordance with all applicable federal, state and local laws conditions and standards.

Energy conservation measures: The design team is working with an Energy Star Homes provider- Conservation Services Group in the detailing of energy conservation measures including a high performance envelope with insulation at the walls and tight air-sealing requirements at the new construction. Systems are designed with energy efficiencies that exceed the state building code requirements. All lighting, appliances, windows [new addition] and shingle roofs are Energy Star rated. All of these elements lend to greater occupant comfort and better operating efficiencies.

Construction oversight: Design Technique (Owner's Rep) will provide oversight of the construction activities in the field; additionally through the engagement of a third party provider of the Energy Star - MA Residential New Construction Program, Conservation Service Group will oversee construction practices for the execution of energy efficient measures to ensure the sustainable aspects of the project are executed in the field.

Conservation of Resources: The Property is on a previously developed site with the re-use of the existing Harwich Middle School for use in providing new family living opportunities. Hence

energy, effort and cost expenditures are reduced in not clearing the site for a fully new construction project.

Site Stabilization During Construction: Prior to earth moving activities an erosion control barrier will be staked out by a survey crew for installation at the limit of work around the site. This barrier will comprise of silt fence and/or haybales staked into the ground. Stormwater runoff that may carry sediment from the exposed soil during construction will filter through the silt fence/haybale barrier and prevent pollution of the wetland and riverfront resources.

Temporary sediment traps/ dewatering basins will be setup around the site to which stormwater during the construction period will be directed. These basins will help remove Total Suspended Solids (TSS) from the runoff before discharge to the resource areas.

The construction of the project will involve greater than 1 acre of disturbance therefore a Construction General Permit through the EPA applies. A Stormwater Prevention Pollution Plan will be implemented for the duration of construction. Inspections should take place weekly or after storm events with >0.5" of rainfall. The construction entrance will be inspected daily by the site supervisor.

Stormwater Mitigation: The Applicant will utilize current Low Impact Development (LID) techniques as applicable to minimize stormwater impacts and provide maximum protection to groundwater, aquifers, and nearby resource areas. Examples of LID techniques include pervious pavement, pervious pavers, cistern water reuse for irrigation, bioswales, bioretention filtration, and vegetated swales. LID techniques can be employed as a stand-alone method of stormwater management or coupled with conventional best management practices to provide an overall comprehensive stormwater management system. The Project aims to incorporate new Low-Impact Development (LID) concepts to the extent practicable to reduce source runoff, remove suspended solids, conserve water, and promote infiltration. The project will also meet the Massachusetts Department of Environmental Protection (DEP) Stormwater Management as revised in February 2008 including environmentally sensitive site design.

Water Utilities: There is existing domestic and fire water services to the existing school building from a 12" CLDI water main that runs through the site. The existing service would be inspected to determine if it could be reused. If not, the existing service would be cut and capped and both a new domestic water and fire service installed for the existing school building. New services (fire and domestic) would be run off the existing water main to the Townhome units.

Gas: There is gas available to the site from the adjacent roadways. The new gas services would be sized to accommodate the greater need by the residential property. Also new meters will need to be installed to provide separate service for each unit, this is for the existing building as well as the proposed townhome units.

Electric: The project's existing electrical service will need to be inspected to determine if additional capacity is needed for the existing building. The proposed townhomes will have a new electric line installed with service lines for each unit.

Telephone/Cable: The projects's existing telephone/cable service will be upgraded to meet the needs of the proposed project. Additional underground wiring will need to be installed to service both the existing school building and proposed town homes.

Benefits. Other

In addition to the design benefits above, below are some benefits to both the Town in general and the neighborhood surrounding the project site:

Plan Regionally: The Property will (i) be consistent with a municipally supported plan, (ii) have a measurable public benefit beyond the applicant community, (iii) involve a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project, (iv) create affordable housing in a neighborhood that meets a regional need, and (v) promote diversity and social equity and improves the neighborhood.

Real Estate Taxes: The Property will be put on the Town's tax register and will pay annual real estate taxes to the Town.

Historic Rehabilitation: The Applicant will be rehabilitating the existing building in accordance with the United States Department of the Interiors & MA Historic Commission Historic Preservation Standards. This ensures that the historic structure will be preserved as it was originally designed in perpetuity. The Applicant has specific knowledge of the requirements of restoring properties in accordance with these standards and working with the Department of the Interior, having completed numerous rehabilitations of historically significant schools into residences. Retaining historically significant spaces is one of the main goals of the development. As such, only those sections of the building that will be allowed by Historic Preservation Standards will be demolished.

The Town should also be aware that development team member, ICON architecture, has substantial experience in adaptive reuse and preservation recognized by the numerous National Historic Preservation Awards by the Advisory Council for Historic Preservation and the Department of the Interior.

Quality of Site: The Property is to be developed on an outstanding, problem-free site and is an adaptive re-use of a beautiful turn-of-the-century constructed school. The site is compact and will provide an excellent base/foundation for the project. The Property's site has access to employment, shopping, health care, local area highways, senior services, all strengths relative to its attractiveness to potential senior renters. The site is walking distance to scenic views, bike trails, camping sites, and walking trails.

Advance Equity: The Property will attract third party financing, including substantial investor equity; Affordable Housing Tax Credits equity and MA and Federal Historic Credits equity.

Affordable Housing/ Expand Housing Opportunities: The Property increases the number of rental units available to residents to the Town, including low or moderate income households. All of the units will be affordably priced and rented to individuals who earn sixty percent (60%) or

less of area median income ("AMI"); at least 10% of the units will be rented to households earning thirty percent (30%) or less of AMI.

Promote Clean Energy: The Property will (i) involve environmental remediation or clean up, (ii) eliminate/reduce neighborhood blight, (iii) significantly enhance an existing community or neighborhood by restoring an historic landscape, (iv) use numerous green elements in its construction, (v) comply with EPA's Energy Star guidelines or with a similar system, and (vi) strive to exceed the state energy code.

7. Intended Uses to be Developed over a Specified Period of Time. **Self Evaluation; Highly Advantageous - Proposal demonstrated the experience for providing the proposed uses and the commitment to complete the project within two years.**

Timeline	Anticipated Date
Executed P&S	May 2014
ZBA Decision/Approval	October 2014
DHCD Application (Funding Applications)	October 2014
DHCD Decision	January 2015
Construction Closing	April 2015
Construction Completion (ant. 12 months)	April 2016

2(d). Purchase Price

RFP. Section V(A)(4). Purchase Price or Lease Payment Schedule. The proposed purchase price or lease payment schedule shall be identified on the Price Proposal Form attached hereto as Exhibit D. A minimum price offering has not been set for the building and property in order to encourage Offerors to offer a price appropriate to the value of the property for the use being proposed. Although purchase of the property is preferred, the Price Proposal Form includes a lease alternative. The Town is in the process of contracting for an appraisal of the property. This appraisal will not be available prior to the proposal due date but, if available, will be used by the evaluation committee in determining financial benefit to the Town.

The Partnership is proposing to pay **\$672,000** (\$12,000 per unit) for the land and building located at 204 Sisson Road Harwich, Massachusetts.

CAPE CODE COMPARISON PURCHASE PRICE TABLE			
Property	Location	Purchase Price	Per Unit
The Property	Harwich, MA	\$672,000	\$12,000
Simpkins School	Yarmouth, MA	\$563,100	\$8,663
Coady School	Bourne, MA	\$400,000	\$6,897

2(e). Estimated Tax Payments

RFP. Section V(A)(5). Estimated Tax Payments. The proposal shall include an estimate of completed property value and annual tax payments or payments in lieu of taxes.

The Partnership anticipates the net operating income approach to calculating the real estate taxes. See below for the assumed calculation:

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2(f). Description of Use

RFP. Section V(A)(6). Description of Use. The proposal shall include a description of the use, and how the proposed use(s) will complement and enhance the community and further the 7 February 4, 2014 goals of the Local Comprehensive Plan.

Description of Use

The development of the Property involves the adaptive re-use of the historic Harwich Middle School and new construction of townhomes that provides a total of 56 family units located at 204 Sisson Road, Barnstable County, Harwich, MA, 02645. The Property will contain; 16 one bedroom units, 28 two bedroom units, and 12 three bedroom units. Of the Property's 56 apartment units, all apartment units will be restricted to tenants making 60% or less of the area median income ("AMI"); of which 6 will be restricted to tenants making 30% or less of AMI.

The Property's unit mix will consist of the following:

Unit Type	Number Of Units	Income/Rent Limit (% of AMI)
1 BD	2	30% AMI
1 BD	14	60% AMI
2 BD	3	30% AMI
2 BD	25	60% AMI
3 BD	1	30% AMI
3 BD	11	60% AMI
	56	

Property Description

As part of our redevelopment proposal, the existing Harwich Middle School will be transformed into the Lower Cape Residences, a new affordable housing development for families. The Property is understood to become surplus for the Town in the Spring of 2014 and is in excellent condition. The historic wing of the Harwich Middle School will be sensitively renovated, per National Park Service Guidelines for Historic Renovation. The activity wing with the larger volume spaces of the gym, auditorium and cafeteria, will be mostly demolished. The rehabilitation of the remaining wings consists of (i) the selective demolition & removal of existing floor, wall and ceiling systems and finishes, (ii) the total removal of existing electrical, plumbing & mechanical systems, (iii) the addition and/or reinforcement of structural elements to meet current codes, (iv) the replacement of the majority of existing windows, exterior doors and roofing systems, to the extent this is compatible with historic review and guidelines, (v) the installation of new elevators, new mechanical, plumbing, electrical and fire protection systems, (vi) the reconfiguration of the existing spaces, and (vii) the restoration of interior wood trim and paneling in existing historic areas. The exterior scope of work consists of (i) the complete restoration of the exiting brick facade, (ii) the restoration of existing wood siding and trim, and (iii) the installation of new fenestration treatments consistent with historic preservation standards at the older structure and compatible system in the newer classroom wings. Due to the narrow dimension of the older historic building, eight apartment units will be located on the two floors of this wing. Other classroom wings will be adaptively re-used for a total of 40 units within the school building. Handicap accessibility and fire safety shall be updated in accordance with all current building codes.

The new construction will consist of two to two and a half story townhouse buildings that provide two and three bedroom family units with inviting front entry stoops. Although building heights are primarily two stories, the individual townhouse widths are expressed through the use of bays and varying roof forms, and each unit is clearly marked with its own front door off the front walk. Cementitious siding is the primary exterior cladding, highlighted by varied bays and differentiated window configurations.

The site design will incorporate the preservation of the existing landscape at the perimeter buffer zones. New non-invasive trees and plantings, rain gardens for roof run-off and the creation of new seeded lawn areas and planting beds will be introduced amongst the newly developed townhome structures. While it is understood that school bus traffic to the adjacent elementary school will still travel through the site, the design will utilize traffic calming elements to assure a safe and slower passage with the use of border plantings and varying materials at raised crosswalks between the townhomes and existing school. The site benefits from the existing septic system currently used by both Middle School and the Elementary School. The re-use of the school for the proposed housing will require some modifications of the existing system. The new townhomes may also be able to tie into this modified existing system. There will be a total of approximately 134 striped parking spaces servicing the residents which exceeds a 2:1 ratio.

It is anticipated the Property's common area amenities will include an approximately 3,000 square foot common room (which will most likely contain a community great room with a kitchen, an exercise room, and a leasing office with offices for a possible resident coordinator and facility management), on-site management, on-site maintenance, playground (tot lot), central laundry, a network of accessible pedestrian paths and resting points, and community garden plots. On-site storage for each tenant will be provided within the unit, and convenient on-site laundry facilities will also be provided; common laundry in the existing building and hook-ups within the new townhomes.

Stratford recognizes that the proposed development is located adjacent to a residential neighborhood and therefore construction activities must be sensitive to this environment. We have completed numerous projects with the very same circumstance. Close attention will be paid to construction timing; site security; lighting; and noise. Once completed, the Property will be professionally managed by a top-rated management company. There will be an on-site property manager and maintenance manager. Security cameras will monitor the property and all entrances.

The Property will (i) be consistent with a municipally supported plan, (ii) have a measurable public benefit beyond the applicant community, (iii) involve a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project, (iv) create affordable housing in a neighborhood that meets a regional need, and (v) promote diversity and social equity and improves the neighborhood.

Location

The Property is located on Sisson Road, Harwich, Massachusetts. The site, located in at the edge of the historic Harwich Center, has a unique setting with many open space amenities including 4 miles of shoreline, a portion of the Cape Cod Rail Trail, as well as several other bicycle routes. The shore is home to several harbors and rivers, including the Herring River, Allens Harbor, Wychmere

Harbor, Saquatucket Harbor, and the Andrews River. The town is also the home to the Hawksnest State Park, as well as a marinal and several beaches, including two on Long Pond. The Town of Harwich is located on lower Cape Cod with Chatham to the east, Dennis to the west and Brewster to the north. The Property is located approximately 12 miles east of Barnstable, approximately 28 miles east of the Cape Cod Canal, approximately 35 miles south of Provincetown, and approximately 80 miles southeast of Boston. State highway Route 6 and Route 28 pass through Harwich.

Benefits. Design Elements

Below are some highlights of design practice and elements that the development team hopes to implement.

Conformance with applicable laws, regulations and code requirements: Pursuant to regulations promulgated by the Commonwealth of Massachusetts governing residential developments and the state's Building Code for Residential Construction, the design of the proposed project complies with all applicable laws, regulations and code requirements. As designer of the project, ICON architecture and team has extensive experience working with MAAB, ADA, and FHA requirements relevant to both building interiors and site-wide accessibility. It is the goal of the design team to provide designs which exceed basic code requirements and aspires to achieve Universal Design through creating environments that are inherently accessible to the greatest extent possible.

Appropriate architectural treatment: ICON architecture, acting as the project architect, has designed an aesthetic consistent with the historic rehabilitation of the existing school and new townhomes compatible with its context, as well as open areas maximizing the site's potential. Additionally, the structures are in keeping with area's surroundings. As such, the Property shall have an immensely positive impact to the residents and community at large. The units are designed efficiently and are very comfortable in size.

Sufficient amenities for target population: The restoration of the historic school allows potential opportunities for unique amenity spaces that may be available for resident use including, but not limited to: a lounge area with full kitchen and a library.

Site layout & design addresses parking needs; outdoor improvements appropriate for the target population: The Property will provide residents with sufficient common areas and outdoor space. The site will contain over two parking spaces for every unit; more than enough for the target population, employees and visitors. Accessible routes are provided through the site and all units are visitable.

Environmental: An environmental report will be commissioned immediately after an agreement has been executed. All necessary steps will be taken to remove and abate all identified hazardous materials from the site in accordance with all applicable federal, state and local laws conditions and standards.

Energy conservation measures: The design team is working with an Energy Star Homes provider- Conservation Services Group in the detailing of energy conservation measures including a high performance envelope with insulation at the walls and tight air-sealing requirements at the new construction. Systems are designed with energy efficiencies that exceed the state building code

requirements. All lighting, appliances, windows [new addition] and shingle roofs are Energy Star rated. All of these elements lend to greater occupant comfort and better operating efficiencies.

Construction oversight: Design Technique (Owner's Rep) will provide oversight of the construction activities in the field; additionally through the engagement of a third party provider of the Energy Star - MA Residential New Construction Program, Conservation Service Group will oversee construction practices for the execution of energy efficient measures to ensure the sustainable aspects of the project are executed in the field.

Conservation of Resources: The Property is on a previously developed site with the re-use of the existing Harwich Middle School for use in providing new family living opportunities. Hence energy, effort and cost expenditures are reduced in not clearing the site for a fully new construction project.

Site Stabilization During Construction: Prior to earth moving activities an erosion control barrier will be staked out by a survey crew for installation at the limit of work around the site. This barrier will comprise of silt fence and/or haybales staked into the ground. Stormwater runoff that may carry sediment from the exposed soil during construction will filter through the silt fence/haybale barrier and prevent pollution of the wetland and riverfront resources.

Temporary sediment traps/ dewatering basins will be setup around the site to which stormwater during the construction period will be directed. These basins will help remove Total Suspended Solids (TSS) from the runoff before discharge to the resource areas.

The construction of the project will involve greater than 1 acre of disturbance therefore a Construction General Permit through the EPA applies. A Stormwater Prevention Pollution Plan will be implemented for the duration of construction. Inspections should take place weekly or after storm events with >0.5" of rainfall. The construction entrance will be inspected daily by the site supervisor.

Stormwater Mitigation: The Applicant will utilize current Low Impact Development (LID) techniques as applicable to minimize stormwater impacts and provide maximum protection to groundwater, aquifers, and nearby resource areas. Examples of LID techniques include pervious pavement, pervious pavers, cistern water reuse for irrigation, bioswales, bioretention filtration, and vegetated swales. LID techniques can be employed as a stand-alone method of stormwater management or coupled with conventional best management practices to provide an overall comprehensive stormwater management system. The Project aims to incorporate new Low-Impact Development (LID) concepts to the extent practicable to reduce source runoff, remove suspended solids, conserve water, and promote infiltration. The project will also meet the Massachusetts Department of Environmental Protection (DEP) Stormwater Management as revised in February 2008 including environmentally sensitive site design.

Water Utilities: There is existing domestic and fire water services to the existing school building from a 12" CLDI water main that runs through the site. The existing service would be inspected to determine if it could be reused. If not, the existing service would be cut and capped and both a new domestic water and fire service installed for the existing school building. New services (fire and domestic) would be run off the existing water main to the Townhome units.

Gas: There is gas available to the site from the adjacent roadways. The new gas services would be sized to accommodate the greater need by the residential property. Also new meters will need to be installed to provide separate service for each unit, this is for the existing building as well as the proposed townhome units.

Electric: The project's existing electrical service will need to be inspected to determine if additional capacity is needed for the existing building. The proposed townhomes will have a new electric line installed with service lines for each unit.

Telephone/Cable: The projects's existing telephone/cable service will be upgraded to meet the needs of the proposed project. Additional underground wiring will need to be installed to service both the existing school building and proposed town homes.

Benefits. Other

In addition to the design benefits above, below are some benefits to both the Town in general and the neighborhood surrounding the project site:

Plan Regionally: The Property will (i) be consistent with a municipally supported plan, (ii) have a measurable public benefit beyond the applicant community, (iii) involve a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project, (iv) create affordable housing in a neighborhood that meets a regional need, and (v) promote diversity and social equity and improves the neighborhood.

Real Estate Taxes: The Property will be put on the Town's tax register and will pay annual real estate taxes to the Town.

Historic Rehabilitation: The Applicant will be rehabilitating the existing building in accordance with the United States Department of the Interiors & MA Historic Commission Historic Preservation Standards. This ensures that the historic structure will be preserved as it was originally designed in perpetuity. The Applicant has specific knowledge of the requirements of restoring properties in accordance with these standards and working with the Department of the Interior, having completed numerous rehabilitations of historically significant schools into residences. Retaining historically significant spaces is one of the main goals of the development. As such, only those sections of the building that will be allowed by Historic Preservation Standards will be demolished.

The Town should also be aware that development team member, ICON architecture, has substantial experience in adaptive reuse and preservation recognized by the numerous National Historic Preservation Awards by the Advisory Council for Historic Preservation and the Department of the Interior.

Quality of Site: The Property is to be developed on an outstanding, problem-free site and is an adaptive re-use of a beautiful turn-of-the-century constructed school. The site is compact and will provide an excellent base/foundation for the project. The Property's site has access to employment, shopping, health care, local area highways, senior services, all strengths relative to its

attractiveness to potential senior renters. The site is walking distance to scenic views, bike trails, camping sites, and walking trails.

Advance Equity: The Property will attract third party financing, including substantial investor equity; Affordable Housing Tax Credits equity and MA and Federal Historic Credits equity.

Affordable Housing/ Expand Housing Opportunities: The Property increases the number of rental units available to residents to the Town, including low or moderate income households. All of the units will be affordably priced and rented to individuals who earn sixty percent (60%) or less of area median income ("AMI"); at least 10% of the units will be rented to households earning thirty percent (30%) or less of AMI.

Promote Clean Energy: The Property will (i) involve environmental remediation or clean up, (ii) eliminate/reduce neighborhood blight, (iii) significantly enhance an existing community or neighborhood by restoring an historic landscape, (iv) use numerous green elements in its construction, (v) comply with EPA's Energy Star guidelines or with a similar system, and (vi) strive to exceed the state energy code.

2(g). Subdivision of Land

RFP. Section V(A)(7). Subdivision of Land. The proposal shall include a new boundary line separating the property into two parcels, one containing the Elementary School and the other containing the existing Middle School. One possible boundary line is shown on the attached Site Plan. The proposal may recommend an alternate location as long as the purpose of this section is accomplished.

The site will be broken into two parcels through an ANR by a professional land surveyor. The middle school parcel will fit tightly around the school and try to maintain all proper zoning boundary setbacks. The elementary school parcel will contain the school and fields as well as the wastewater system which will continue to be owned by the Town of Harwich. A preliminary property line is shown on the Site Plan Diagram prepared by ICON Architecture.

2(h). Site Plan

RFP. Section V(A)(8). Site Plan. The proposal shall include a basic site plan depicting proposed parking layout, access, landscaping, lighting and similar site features in sufficient detail to accomplish intent.

Enclosed please find a Site Plan located in Tab III.

2(i). Traffic Circulation

RFP. Section V(A)(9). Traffic Circulation. The proposal shall provide suitable access for school busses and parents dropping off and picking up schoolchildren at the Elementary School. The attached Site Plan depicts one possible access drive from Sisson Road across the parcel to the Elementary School that is suitable for one-way access and queuing for school busses and parents. The proposal may recommend an alternate location as long as the purpose of this section is accomplished.

Traffic

CHA and its traffic engineers performed a review of the anticipated change in traffic and parking conditions associated with the proposed Lower Cape Residences.

The existing site circulation will be maintained with the site driveway connecting the two schools allowing elementary school traffic to go through the middle school parcel. Two-way traffic will flow from Sisson Road so that the inhabitants of the new residential project can enter and exit from Sisson Road without having to go through the elementary school site.

Parking

The proposal includes the construction of up to 26 parking spaces serving the Elementary School to replace those spaces currently being used in the Middle School parking lot. Our proposal agrees with the proposed location of these parking spaces as shown in our Site Development diagram. All residential parking for the project is accommodated on site at a 2:1 ratio.

2(j). Parking

RFP. Section V(A)(10). Parking. The proposal shall include construction of 20 parking spaces serving the Elementary School to replace those spaces currently being used in the Middle School parking lot. One possible location of these parking spaces is shown on the attached Site Plan. The proposal may recommend an alternate location as long as the purpose of this section is accomplished.

Parking

The proposal includes the construction of up to 26 parking spaces serving the Elementary School to replace those spaces currently being used in the Middle School parking lot. Our proposal agrees with the proposed location of these parking spaces as shown in our Site Development diagram. All residential parking for the project is accommodated on site at a 2:1 ratio.

2(k). Wastewater Treatment System

RFP. Section V(A)(11). Wastewater Treatment System. The proposal shall include details for the wastewater treatment system including location and management of all facilities. The attached Site Plan depicts the current treatment facility and disposal fields on the Elementary School parcel with the assumption that the system will be shared and a lease provided for the new user of the Middle School building. Lease details shall satisfy all state and local health requirements. The proposal may recommend an alternate system or systems as long as wastewater needs of both buildings are satisfied.

The school site is currently serviced by a wastewater treatment plant permitted through the Massachusetts DEP under the Groundwater Discharge Permit program in 1997. The capacity of the WWTP is 16,100 gallons per day with each school given 8,050 gpd. The proposed wastewater flow for the new project is 11,880 gpd (108 bedrooms at 110 gpd/bedroom). The existing system would need to be expanded by a minimum of 3,830 gpd to service the new project. The existing WWTP will be analyzed to determine the most cost effective way of expanding. Also additional leaching facilities would need to be built to accommodate the additional flow. The WWTP and leaching fields will remain on Town owned property. The developer will enter into a contract with the Town to pay for maintenance of the system.

2(l). Building Plan

RFP. Section V(A)(12). Building Plan. The proposal shall include a basic building plan depicting proposed construction and/or demolition, with features in sufficient detail to communicate intent.

As part of our redevelopment proposal, the existing Harwich Middle School will be transformed into the Lower Cape Residences, a new affordable housing development for families. The Property is understood to become surplus for the Town in the Spring of 2014 and is in excellent condition. The historic wing of the Harwich Middle School will be sensitively renovated, per National Park Service Guidelines for Historic Renovation. The activity wing with the larger volume spaces of the gym, auditorium and cafeteria, will be mostly demolished. The rehabilitation of the remaining wings consists of (i) the selective demolition & removal of existing floor, wall and ceiling systems and finishes, (ii) the total removal of existing electrical, plumbing & mechanical systems, (iii) the addition and/or reinforcement of structural elements to meet current codes, (iv) the replacement of the majority of existing windows, exterior doors and roofing systems, to the extent this is compatible with historic review and guidelines, (v) the installation of new elevators, new mechanical, plumbing, electrical and fire protection systems, (vi) the reconfiguration of the existing spaces, and (vii) the restoration of interior wood trim and paneling in existing historic areas. The exterior scope of work consists of (i) the complete restoration of the exiting brick facade, (ii) the restoration of existing wood siding and trim, and (iii) the installation of new fenestration treatments consistent with historic preservation standards at the older structure and compatible system in the newer classroom wings. Due to the narrow dimension of the older historic building, eight apartment units will be located on the two floors of this wing. Other classroom wings will be adaptively re-used for a total of 40 units within the school building. Handicap accessibility and fire safety shall be updated in accordance with all current building codes.

The new construction will consist of two to two and half story townhouse buildings that provide two and three bedroom family units with inviting front entry stoops. Although building heights are primarily two stories, the individual townhouse widths are expressed through the use of bays and varying roof forms, and each unit is clearly marked with its own front door off the front walk. Cementitious siding is the primary exterior cladding, highlighted by varied bays and differentiated window configurations.

The site design will incorporate the preservation of the existing landscape at the perimeter buffer zones. New non-invasive trees and plantings, rain gardens for roof run-off and the creation of new seeded lawn areas and planting beds will be introduced amongst the newly developed townhome structures. While it is understood that school bus traffic to the adjacent elementary school will still travel through the site, the design will utilize traffic calming elements to assure a safe and slower passage with the use of border plantings and varying materials at raised crosswalks between the townhomes and existing school. The site benefits from the existing septic system currently used by both Middle School and the Elementary School. The re-use of the school for the proposed housing will require some modifications of the existing system. The new townhomes may also be able to tie into this modified existing system. There will be a total of approximately 134 striped parking spaces servicing the residents which exceeds a 2:1 ratio.

It is anticipated the Property's common area amenities will include an approximately 3,000 square foot common room (which will most likely contain a community great room with a kitchen, an exercise room, and a leasing office with offices for a possible resident coordinator and facility management), on-site management, on-site maintenance, playground (tot lot), central laundry, a network of accessible pedestrian paths and resting points, and community garden plots. On-site storage for each tenant will be provided within the unit, and convenient on-site laundry facilities will also be provided; common laundry in the existing building and hook-ups within the new townhomes.

It is anticipated that all apartment units will have complete appliance packages, including (i) electric cooking ranges, (ii) fan hoods, (iii) frost-free refrigerators, (iv) dishwashers, (v) wall-to-wall carpeting, (vi) window covering (mini-blinds) and (vii) pre-wired cable TV, internet, and telephone connections. Each apartment unit will be individually metered for natural gas and electricity allowing residents to control their environment and utility costs, as well as other optional utilities (cable, telephone, etc.). Tenants will benefit from laundry facilities, as well as dedicated storage units for tenants.

Stratford recognizes that the proposed development is located adjacent to a residential neighborhood and therefore construction activities must be sensitive to this environment. We have completed numerous projects with the very same circumstance. Close attention will be paid to construction timing; site security; lighting; and noise. Once completed, the Property will be professionally managed by a top-rated management company. There will be an on-site property manager and maintenance manager. Security cameras will monitor the property and all entrances.

2(m). Developer Credentials

RFP. Section V(A)(13). Developer Credentials. The proposal shall include the credentials of the developer and development team including identification and description of prior experience with redevelopment of similar properties.

It is proposed that SCG Development Partners, LLC (“Stratford”) will form the Lower Cape Residences Limited Partnership (the “Partnership”), a Massachusetts Limited Partnership that is qualified to undertake the planning, design, development, construction, ownership and operation of the proposed residential project known as The Lower Cape Residences (the “Property”), a 56 unit apartment complex located at 204 Sisson Road, Barnstable County, Harwich, MA.

The principals of Stratford have been involved in the successful development of more than 50 properties using tax credits in the role of developer or co-developer. The development team has been successful in permitting, constructing, leasing up, and owning/operating **similar adaptive re-use developments** into housing located in Massachusetts. Please see the table below:

Development	Units	Location	Const. Period	Status
Brown School Residences	61	Peabody, MA	July 2006 – July 2007	Completed on time and under budget and fully leased up.
Fulton School Residences	63	Weymouth, MA	Sept. 2008 – Sept. 2009	Completed on time and under budget and fully leased up.
School Street Residences	50	Athol, MA	Sept. 2009 – Nov. 2010	Completed on time and under budget and fully leased up.
Simpkins School Residences	65	Yarmouth, MA	Oct. 2012 - (ant. May 2014)	Under Construction.
Coady School Residences	58	Bourne, MA	TBD	Chapter 40B (fully permitted), applying for financing.

In addition to the adaptive re-use developments, other recent affordable housing developments that the development team has been a member in include, but not limited to:

Development	Units	Location	Construction/Type
Residences at Government Center	270	Fairfax, VA	New Construction
Chelmsford Woods Residences	116	Chelmsford, MA	New Construction
Park Heights Apartments	100	Baltimore, MD	Acq./Rehab
The Reserve at Sugar Mill	70	St. Mary's, GA	Acq./Rehab
3 Tree Flats	130	Washington, DC	New Construction
Appian Way	204	Charleston, SC	Acq./ Rehab
Griffin Heights	100	Tallahassee, FL	Acq./ Rehab
Lakeside Apartments	110	Columbia, SC	Acq./ Rehab
Sand Dunes	104	Panama City, FL	Acq./ Rehab
Cypress Place	132	Marrero, LA	Acq./ Rehab
Pine Meadow	78	Gainesville, FL	Acq./ Rehab
Ashley House Apartments	61	Valdosta, GA	Acq./ Rehab
Elm Drive Apartments	60	Baton Rouge, LA	Acq./ Rehab

Tangi Village	96	Hammond, LA	Acq./ Rehab
Cypress Parc Apartments	63	New Orleans, LA	New Construction

SCG Development Partners, LLC (“Stratford”)

SCG Development Partners, LLC, a Delaware limited liability company and a Stratford Capital Group, LLC (“SCG”) wholly- owned subsidiary, leverages the expertise and resources of SCG principals to develop multi-family properties that benefit from affordable housing tax credits across selected markets in the United States.

Stratford was formed for the purpose of acquiring and developing affordable multifamily residential rental property investments. Stratford’s investment strategy is to identify and invest in development opportunities either as single property or multiple property portfolio acquisitions of multifamily rental properties located primarily throughout the Northeast, Mid- West, Mid-Atlantic and Southeastern United States, that will be eligible for affordable housing tax credits under Code Section 42 or historic rehabilitation tax credits under Code Section 47.

As real estate professionals first and foremost, the principals of Stratford have extensive experience in identifying unique opportunities, site selection, diligently underwriting and ultimately acquiring and financing rental apartment properties. Leveraging off of this skill set, the principals of Stratford Capital Group have been involved in the successful development of 50 properties using tax credits in the role of developer or co-developer.

Below please find the resumes of each of Stratford’s principals and key personnel.

Jerry Nelson, Chairman/Principal. A founding member and owner of Stratford Capital, Mr. Nelson’s primary responsibilities include strategic planning, business development and supervision of marketing activities. Prior to forming Stratford Capital, from 1995 to 2006, he was Chief Executive Officer of Franklin Capital Group, a real estate investment company specializing in the financing and development of apartment communities nationwide. During his tenure, Franklin Capital Group placed more than \$350 million in equity capital in over 115 residential rental properties consisting of more than 13,500 apartment units. From 1987 to 1994, he was Executive Vice President of Sumner Development Company, a real estate company, and president of an affiliated entity, Mount Vernon Financial Corporation, where he arranged debt and equity financing and participated in project acquisition and development. From 1975 to 1987, he was Managing Director of First Winthrop Corporation and subsequently Chief Executive Officer of Winthrop Financial Associates, both Boston, Massachusetts based real estate companies. As one of the founders of Winthrop, he was responsible for the acquisition and syndication to private investors of over \$5.5 billion dollars of property, including over 40,000 rental apartment units. From 1967 to 1969, he served as an officer in the United States Navy. He is a graduate of Yale University and holds an MBA from the Harvard Business School.

Ben Mottola, Principal/President/Chief Operating Officer. A founding member and owner of Stratford Capital, Mr. Mottola is responsible for the day-to-day operations of the company and his primary responsibilities include strategic planning, business development and the supervision and coordination of Stratford Capital’s various business units. Prior to forming Stratford Capital and since 1996, he was the senior member of the real estate investment acquisitions staff for the Franklin Capital Group where he was primarily involved with its real estate investment and acquisition activities. During that time, he was involved in the acquisition of over 9,000 apartment

units with a development value in excess of \$600 million. He also oversaw most investment analysis, real estate underwriting and other transactional activities. Prior to joining Franklin Capital Group, Mr. Mottola spent six years with Copley Real Estate Advisors, a Boston, Massachusetts based institutional real estate investment advisory firm where he was responsible for the asset management of over 4,000 multi-family apartment units. He received a Bachelor's degree in Business Administration from St. Michael's College.

Stephen Wilson, President (Virginia Office)/Principal. A founding member and owner of Stratford Capital, Mr. Wilson is primarily involved with the management and oversight of Stratford Capital's acquisitions activities. Prior to forming Stratford Capital, he was a senior member with the Franklin Capital Group where he was primarily responsible for the supervision of development projects. He has a broad development experience managing numerous types of projects that include new construction, moderate and substantial rehabilitation and adaptive re-use of historic structures. Prior to joining Franklin Capital Group in 1997, he served as president of Dulles Real Estate Corporation, a private Washington, D.C. area firm that specialized in commercial real estate and provided general advisory services to its clients, including project feasibility analysis, financing, budgetary review, marketing, development management and leasing and sales. He is an appointed Board Member of the Loudoun County Housing Advisory Board. He is a graduate of the University of Richmond with a Bachelor's degree in Finance and holds an MBA from The George Washington University.

Richard Hayden, Principal/ Executive VP/ Director of Development. A founding member and owner of Stratford Capital, Mr. Hayden is responsible for identifying, coordinating and closing real estate development and acquisition opportunities. He has over 25 years of real estate analysis, finance, development, acquisition and asset management experience. Prior to joining Stratford Capital, he was co-founder and principal of Baran Partners, LLC, a multi-family real estate investment and development firm. Prior to Baran, he was Senior Vice President and Director of Asset Management for Boston Capital Partners, Inc., an industry leader in multi-family housing. His responsibilities included management of the department, which oversaw the operation of 1,800 properties comprising 78,000 apartment units. He is a graduate of the University of Massachusetts, Amherst with a B.S. in Accounting.

Kyle Wolff, Principal/ Executive VP/Director of Acquisitions. A founding member and owner of Stratford Capital, Mr. Wolff is Stratford Capital's Director of Acquisitions and is primarily involved in identifying, analyzing and closing real estate investments. Prior to forming Stratford Capital, he was a senior member of the Franklin Capital Group, where he was primarily involved in real estate investment acquisitions and analysis. Prior to joining Franklin Capital Group in 2000, he was employed by BankBoston, N.A. where he was responsible for underwriting and managing commercial and residential real estate loans. Prior to BankBoston, he was a Senior Analyst responsible for underwriting commercial financing at Berkshire Mortgage Finance (now known as Deutsche Bank Berkshire Mortgage), a Boston, Massachusetts based real estate finance company. He received a Bachelor's degree in Industrial Engineering from Lehigh University and holds an MBA from Boston University.

Keith McDonald, Vice President at Stratford Capital. Mr. McDonald is primarily responsible for assisting in affordable housing development and acquisition activities. He has over 10 years of experience working in the affordable housing business. Prior to joining Stratford Capital, he served as Vice President at Focustar Capital, a boutique capital market firm responsible for originating and placing debt and equity on multiple real estate and energy market product types.

Prior to joining Focustar Capital, he was a Senior Analyst at Carpenter & Company, Inc, assisting development and acquisitions activities. Prior to Carpenter & Co., he was employed at the Reznick Group as a senior analyst where he assisted in structuring historic, new market, and affordable housing tax credit transactions. He received a Bachelor's degree in Accounting from the Boston College.

In addition to the principals and key personnel above, enclosed please find Stratford's Firm Profile located in Tab 7.

Development Team/Participants

Below please find a description of the relationship and responsibilities of several participants/development team members.

Each participant below has successfully collaborated in the undertaking of the development and or management of the developments/properties in the table above.

Architect. ICON Architecture ("ICON"), based in Boston, MA, will be the design and supervising architect for the Property. ICON is widely recognized for its award winning residential designs, specifically in the area of affordable housing. SDC's established relationship with ICON provides a decided advantage during the design and construction process. ICON has been and is the architect for SDC's recent developments located in the North East. ICON is certified by the State Office of Minority and Women Business Assistance.

Civil. CHA, based in Norwell, MA is a full service engineering firm with the in-house capabilities to supply all the engineering, planning, surveying, permitting, environmental, and construction inspection and administration services needed to complete your project. The technical staff possesses a strong sustainable design ethic that has been ingrained in our culture for decades. Throughout the 50-plus years in the business, CHA has led the way in developing innovative green designs. From CHA's early work on America's most scenic highways to its recent award-winning environmentally-friendly projects, CHA is proud of its green approach to planning and design.

Owner's Representation. Design Technique Incorporated ("DTI"), based in Newburyport, MA, is an established on-site construction administration company. DTI offers developers, owners and institutions, owner's representation and quality assurance services to manage risk and add value to their design and construction projects. DTI offers total program management, project support and site representation by providing personal, hands-on attention and staying fully engaged throughout the process.

Legal. Klein Hornig LLP ("Klein"), based in Boston, MA is counsel to the Sponsor. Klein is one of the nation's premier firms concentrating exclusively on affordable housing and community development. The firm focuses on structuring, managing and closing all types of multilayered affordable housing transactions for both new development and housing preservation/revitalization, under a myriad of federal and local programs including HOPE VI/mixed-finance, Affordable Housing Tax Credits, Section 202, and many more.

Accountant. CohnReznick, based in Bethesda, MD (offices nationwide, including Boston), is a leading national accounting firm which has one of the most extensive and experienced affordable housing industry practices in the United States. As such, CohnReznick provides input

into the review and development of government affordable housing programs. CohnReznick provides for-profit and nonprofit developers, public housing authorities, state housing credit agencies, syndicators, investors, and lenders with a range of accounting, tax and business advisory services.

Property Manager. It is anticipated that the Property will be managed by a third party management company familiar with affordable housing multi-family apartments and respected/well known by the Department of Housing and Community Development/State Agency.

2(n). Developer Resources

RFP. Section V(A)(14). Developer Resources. The proposal shall include evidence that the developer has adequate financial resources to complete the project, sufficient staff resources and prior experience in undertaking projects of comparable size and character.

Please see tab VII for Stratford's Firm Profile.

Please see tab V for evidence that Stratford is well capitalized and financially sound.

Enclosed please find the final Simpkins School Residences ("Simpkins") commitment letters on the following pages. These funding sources are very similar to the proposed Lower Cape Residences.

Project Financing and Financial Analysis

The **Lower Cape Residences** is very similar in size and scope to **The Brown School Residences**, **The Fulton School Residences**, **The School Street Residences**, and **The Simpkins School Residences** developments. The team members from these developments have reviewed and analyzed the financial feasibility of the Property. These entities are the developer; market studier, Bonz and Co.; architect, ICON Architecture; Civil Engineer, Coler & Colantonio; and Owner's Rep., Design Technique. The collaboration of these organizations provides a high level of certainty of the project's success, **as has been the case for all of these previous developments.**

The same investors and lenders on our previous developments will most likely participate in the development of the Property, namely, TD Bank as investor in Affordable Tax Credits and Federal Historic Tax Credits; Foss & Co as the syndicator for MA State Historic Credits; TD Bank as the construction lender; and TD Bank as the permanent lender. Moreover, we were able to close The Simpkins School Residences with this same investment/lending group in 2012. We feel this is testament to our capabilities.

Please see the following table that outlines **similar** completed adaptive re-use of former historic school(s) into affordable housing developments to that of the proposed Lower Cape Residences. The table lists the (i) participants, (ii) timing, and (i) total development costs/funding sources of these "**similar**" completed adaptive re-use of former historic school(s) into affordable housing developments.

Recent/ Similar Developments located in MA.	Participants	Timing	Total Dev. Cost / Financing Sources
<u>Brown School Residences</u> HISTORIC REHAB/ NEW CONSTRUCTION Peabody, MA (61 apartment units) 100% Affordable	Developer: SCG General Partner: Stratford (or affiliate) Limited Partner: Stratford (or affiliate) Architect: ICON architecture, Inc. Civil: Coler & Colantonio Accounting: Cohn Reznick Attorney: Holland & Knight Construction Lender: TD Bank Permanent Lender: MassHousing General Contractor: Callahan	Construction Start: July 2006 Construction End: July 2007 Stabilized: July 2008	<u>\$13.7M</u> -Construction Loan (TD Bank) -First Mortgage Loan (MassHousing) -LIHTC Equity (TD Bank) -Federal Historic Tax Credit Equity (TD Bank) -State Historic Tax Credit Equity -AHTF Funds (Mass Housing) -HSF Funds (DHCD) -HOME Funds (DHCD)
<u>Fulton School Residences</u> HISTORIC REHAB/ NEW CONSTRUCTION Weymouth, MA (63 apartment units) 100% Affordable	Developer: SCG Owner: Stratford (or affiliate) Limited Partner: Stratford (or affiliate) Architect: ICON architecture, Inc. Civil: Coler & Colantonio Accounting: Cohn Reznick Attorney: Holland & Knight Construction Lender: TD Bank Permanent Lender: Eastern General Contractor: Callahan	Construction Start: Sept. 2008 Construction End: Sept. 2009 Stabilized: September 2010	<u>\$14.2M</u> -Construction Loan (TD Bank) -First Mortgage Loan (Wainwright) -LIHTC Equity (TD Bank) -Federal Historic Tax Credit Equity (TD Bank) -State Historic Tax Credit Equity -AHTF Loan (Mass Housing) -HSF Loan (DHCD) -HOME Loan (DHCD)
<u>School Street Residences</u> HISTORIC REHAB Athol, MA (50 apartment units) 100% Affordable	Developer: SCG Owner: Stratford (or affiliate) Limited Partner: Stratford (or affiliate) Architect: ICON architecture, Inc. Civil: Coler & Colantonio Accounting: Cohn Reznick Attorney: Holland & Knight Construction Lender: TD Bank Permanent Lender: Eastern General Contractor: Callahan	Construction Start: Sept. 2009 Construction End: Nov. 2010 Stabilized: December 2011	<u>\$12.2M</u> -Construction Loan (TD Bank) -First Mortgage Loan (Eastern) -LIHTC Equity (TD Bank) -Federal Historic Tax Credit Equity (TD Bank) -State Historic Tax Credit Equity -AHT Loan (Mass Housing) -HSF Loan (DHCD) -HOME Loan (DHCD)
<u>Simpkins School Residences</u> HISTORIC REHAB/ NEW CONSTRUCTION Yarmouth, MA (65 apartment units) 89% Affordable	Developer: SCG General Partner: Stratford (or affiliate) Limited Partner: Stratford (or affiliate) Architect: ICON architecture, Inc. Civil: Coler & Colantonio Accounting: Cohn Reznick Attorney: Klein Hornig LLP Construction Lender: TD Bank Permanent Lender: TD Bank General Contractor: JJWelch	Construction Start: Oct. 2012 Ant. Completion: May 2014 Ant. Stabilization: December 2014	<u>\$15.2M</u> -Construction Loan (TD Bank) -First Mortgage Loan (TD Bank) -LIHTC Equity (TD Bank) -Federal Historic Tax Credit Equity (TD Bank) -State Historic Tax Credit Equity -AHT Funds (Mass Housing) -HSF Funds (DHCD) -HOME Funds (DHCD)
<u>Coady School Residences</u> HISTORIC REHAB/ NEW CONSTRUCTION Bourne, MA (58 apartment units) 100% Affordable	Developer: SCG General Partner: Stratford (or affiliate) Limited Partner: Stratford (or affiliate) Architect: ICON architecture, Inc. Civil: Coler & Colantonio Accounting: Cohn Reznick Attorney: Klein Hornig LLP Construction Lender: TD Bank Permanent Lender: TD Bank General Contractor: TBD	Construction Start: TBD Construction End: 12 months Stabilized: 6 months - Chapter 40B (fully permitted), applying for financing.	<u>\$17.6M</u> -Construction Loan (TD Bank) -First Mortgage Loan (TD Bank – ant.) -LIHTC Equity (TD Bank) -Federal Historic Tax Credit Equity (TD Bank) -State Historic Tax Credit Equity -AHTF Loan (Mass Housing) -HSF Loan (DHCD) -HOME Loan (DHCD) -HOME Barnstable Loan

Enclosed please find the final Simpkins School Residences ("Simpkins") commitment letters on the following pages. These funding sources are very similar to the proposed Lower Cape Residences.

Permanent Sources	Simpkins (actual- closed Oct. 2012)	Property (proposed)	Enclosed please find the following Simpkins commitment letters on the following pages.
Construction Loan	7,000,000	9,000,000	Simpkins commitment included.
Investor Capital (Federal LIHTC and Federal Historic Tax Credit Equity)	9,255,370	9,322,014	Simpkins binding LIHTC commitment is included.
First Mortgage Loan TD Bank	1,916,000	1,7820,000	Simpkins commitment included.
Affordable Housing Trust Fund	1,000,000	1,000,000	Simpkins commitment letter included.
Housing Stabilization Fund	1,000,000	1,000,000	Simpkins conditional reservation Included.
HOME federal	550,000	550,000	Simpkins commitment letter included.
Barnstable HOME Consortium	150,000	175,000	Simpkins commitment letter included
MA State Historic Equity	1,007,000	245,000	Simpkins MA State Historic Tax Credit Awards (\$1,200,000 in total) are Included.
MA State Affordable Housing Tax Credit Equity	0	2,352,000	
Deferred Development Fee	273,414	399,913	
Total	\$15,151,784	16,863,927	

Purchase Price	\$563,100	\$672,000	
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2(o). Financial Package

RFP. Section V(A)(15). Financial Package. A business pro-forma illustrating anticipated capital and operating expenses and projected revenues for the subsequent five (5) years, as well as evidence of conditional financing commitments, shall be submitted.

Project Financing and Financial Analysis

The **Lower Cape Residences** is very similar in size and scope to **The Brown School Residences**, **The Fulton School Residences**, **The School Street Residences**, and **The Simpkins School Residences** developments. The team members from these developments have reviewed and analyzed the financial feasibility of the Property. These entities are the developer; market studier, Bonz and Co.; architect, ICON Architecture; Civil Engineer, Coler & Colantonio; and Owner's Rep., Design Technique. The collaboration of these organizations provides a high level of certainty of the project's success, **as has been the case for all of these previous developments.**

The same investors and lenders on our previous developments will most likely participate in the development of the Property, namely, TD Bank as investor in Affordable Tax Credits and Federal Historic Tax Credits; Foss & Co as the syndicator for MA State Historic Credits; TD Bank as the construction lender; and TD Bank as the permanent lender. Moreover, we were able to close The Simpkins School Residences with this same investment/lending group in 2012. We feel this is testament to our capabilities.

The proposed development will fit within Category #4 listed in the Department of Housing and Community Development ("DHCD" or "State Agency") Funding Priority list.

"Family housing production in neighborhoods and communities that provide access to opportunities, including but not limited to, jobs, transportation, education, and public amenities. Access to opportunity locations will be defined by publicly-available data. At least 65 percent of the units in a project must be 2 BR or larger, and at least 10 percent must be 3 BR, unless that percentage of 2 BR or 3 BR units is infeasible or unsupported by public demand. Projects serving families, including families with a member with a disability or special needs, are eligible in this category."

The Partnership intends to obtain the following financing for the Property:

Investor Capital. The Partnership is requesting \$1,000,000 of Affordable Tax Credits per year from the State Agency. The Partnership assumed 7.60% for the applicable percentage for the rehabilitation credit, which is the applicable percentage as of March 2014. It is currently projected that the investor limited partnership ("ILP") will invest \$.90 per Affordable Tax Credit.

The Partnership will qualify for Federal Historic Tax Credits in the amount of approximately \$300,000 and it is anticipated that such Federal Historic Tax Credits. It is currently projected that the investor limited partnership ("ILP") will invest \$.90 per Federal Historic Tax Credit;

MA Historic Tax Credit Equity. The Partnership will qualify for MA Historic Tax Credits in the amount of \$300,000 and it is anticipated that such MA Historic Tax Credits are expected to be certificated and sold to a third party investor for approximately \$245,000 (the "MA Historic Tax Credit Equity");

State Affordable Housing Tax Credits ("State Tax Credits"). The Partnership is requesting \$672,000 of State Tax Credits per year from the State Agency. It is currently projected that the third party investor will invest \$.72 per State Tax Credit;

Construction Loan. A **construction loan** in the amount of \$9,000,000 (the "Construction Loan") will be provided by TD Bank. It is expected that the Construction Loan will (i) bear a variable interest rate equal to the thirty day LIBOR rate plus 3.0% adjusted monthly (assumed 5.25% in projections), and (ii) be payable interest-only during a term up to 30 months until permanent conversion ("Final Closing");

First Mortgage Loan. A **permanent first mortgage loan** in the anticipated amount of \$1,820,000 will be provided by an institutional bank (the "First Mortgage Loan"). It is expected that the First Mortgage Loan will (i) bear interest at a fixed rate of 6.31% pursuant to a 30 month forward commitment, (ii) be payable in level monthly installments of principal and interest over a 30-year amortization period upon Final Closing, (iii) mature in not less than 15 years after Final Closing, (iv) have an initial debt service coverage of at least 1.20:1, and (v) be non-recourse to the Partnership and its partners;

AHTF Loan. A **second mortgage loan** in the anticipated amount of \$1,000,000 will be provided by the Commonwealth's Affordable Housing Trust Fund which will be allocated by MassHousing. It is expected that the AHTF Loan will (i) bear no interest, (ii) not be payable until its maturity, (iii) mature in not less than 30 years after construction closing ("Initial Closing"), (iv) be subordinate to the First Mortgage Loan, and (v) be non-recourse to the Partnership and its partners;

HSF Loan. A **third mortgage loan** in the anticipated amount of \$1,000,000 will be provided by the Commonwealth Housing Stabilization Fund (the "HSF Loan") which will be allocated by the State Agency. It is expected that the HSF Loan will (i) bear no interest, (ii) not be payable until its maturity, (iii) be subordinate to the First Mortgage Loan (iv) mature in not less than 50 years after Initial Closing, and (v) be non-recourse to the Partnership and its partners;

HOME Loan. A **fourth mortgage loan** in the anticipated amount of \$550,000 will be provided by the Commonwealth HOME Investment Partnerships Program which will be allocated by the State Agency. It is expected that the HOME Loan will (i) bear no interest, (ii) not be payable until its maturity, (iii) be subordinate to the First Mortgage Loan, (iv) mature in not less than 30 years after Initial Closing, and (v) be non-recourse to the Partnership and its partners; and

Barnstable HOME Loan. A **fifth mortgage loan** in the anticipated amount of \$175,000 which will be allocated by the Town of Harwich ("Barnstable HOME Loan"). It is expected that the Local Loan will (i) bear no interest, (ii) not be payable until its maturity, (iii) be subordinate to the First Mortgage Loan, (iv) mature in not less than 30 years after Initial Closing, and (v) be non-recourse to the Partnership and its partners.

Enclosed please find a full budget and proforma (following pages).

*Not included in this
pdf.*

2(p). Marketing Information

RFP. Section V(A)(16). Marketing Information. Prospective bidders are encouraged to submit a marketing plan and/or market analysis of the proposed use(s) to facilitate a more thorough review of the proposal.

Stratford has commissioned a market study analysis which has been performed by Bonz and Company ("Bonz"). Bonz is certified appraiser and well respected company that provides market study and appraisal services for affordable housing developers. Bonz has thoroughly analyzed the market and written a two page report located in the following pages. The study confirms that the Property meets the demand of the marketplace.

March 24, 2014

Mr. Keith McDonald
Stratford Capital Group
100 Corporate Plazas, Suite 404
Peabody, MA 01960

RE: Lower Cape Residences
204 Sisson Road
Harwich, MA

Dear Mr. McDonald:

As requested, Bonz and Company has completed a Preliminary Market Assessment in relation to the proposed residential development to be located at 204 Sisson Road in Harwich, MA. As I understand the development it will contain 56 rental units including 16 one bedroom units, 28 two bedroom units, and 12 three bedroom units. All of the units will be restricted to tenants making 60% or less of the area median income ("AMI"), with 6 further restricted to tenants making 30% or less of AMI. Our preliminary analysis suggests strong demand for newly renovated units to be located in Harwich.

In order to determine the likely demand for each of the subject's unit types and the most appropriate rent levels by unit type we initially examined local rental options. Harwich and the balance of the Lower Cape are characterized by a limited level of renter housing and few large rental developments that are professionally managed. A large proportion of the limited renter housing on the Lower Cape is seasonal, not monthly or annually, much like other resort communities in the northeast. In a reflection of the types of units rented in the market, we examined units in smaller, less than four units, non-professionally managed properties located on the Lower Cape as well as larger properties in the surrounding secondary market.

For the smaller Lower Cape product we found that one-bedroom apartments typically rent from \$1,200 to \$1,400, 2 bedrooms from \$975 to \$1,200, and 3 bedrooms for \$2,000 to \$2,600 based. Standalone properties were found to be priced at a premium compared to units for rent in two to three-unit buildings with other existing tenants. The units available provided a limited level of site amenities. Properties typically provided limited information, but many provided parking and utility packages as shown below.

- One-BR, standalone, 50's finishes, W&D included, no utilities \$1,200
- One-BR, 2 family owner occupied home, shared W&D, private yard, no utilities \$1,400
- Two-BR, upstairs unit, 11,000 SF, bay views, no utilities \$975

- Two-BR (Truro), cottage, H & HW included, W&D hook-ups \$1,200
- Three-BR, 2nd floor unit, bay views, decks, luxury finishes, partially furnished \$2,600

The limited pool of rental units reviewed shows that rental prices in the primary market are more dictated by demand than type of unit. There is little to no correlation between unit size and rent and landlords typically charge as much as the market dictates. We supplemented the more local, but less detailed information, with a review of larger rental developments contained in the balance of the primary and secondary markets in order to determine the likely demand for each of the subject's unit types and the most appropriate rent levels by unit type. The comparables were selected to provide an indication of the rental rates through the primary and secondary markets.

We reviewed and evaluated six larger market rate rental developments. The comparables reviewed contain a mix of studio, one-, two-, and three-bedroom units. Current market data associated with these rental properties indicate strong demand for rental housing. In the apartment rental market, occupancies above 95% are generally considered effectively "fully occupied", with 5% vacancy attributable to frictional and not market occupancy. The comparable properties reviewed exhibited an overall occupancy of 99.47% with only 2 units in the pool of 225 units vacant at the time of this analysis. Four of the properties were fully occupied.

Vacancy Rates at Comparable Properties

Comparable	Total	Vacant	% Vacant
1. Edgerton Drive	24	0	0.0%
2. Founders Court	21	0	0.0%
3. Admiralty Apartments	38	1	2.6%
4. Cedar Meadows	59	0	0.0%
5. Holly Hill	46	0	0.0%
6. Mashpee Commons	<u>37</u>	<u>1</u>	<u>2.7%</u>
	225	2	0.53%

A preliminary examination of the market suggests that a new rental development could achieve a stabilized occupancy at the rent levels exhibited by these six comparables. The rents exhibited at the market rate comparable properties provide one perspective of the market context in which we can evaluate the rent potential and competitive position of the subject property. The range of the comparable unit sizes, monthly rents and rent per square foot of living space for each unit type is displayed in the exhibits to follow. We have displayed the rents as a monthly rent and as a rent per foot of living space.

Summary of Comparables Reviewed

BEDROOM	BATH	SQ. FT. RANGE		UNIT RENTS			
				RENT RANGE		\$ / SQ. FT. RANGE	
Studio	1	550	642	\$850	\$1,050	\$1.55	\$1.73
1 BR	1	586	900	\$932	\$1,375	\$1.19	\$1.70
2 BR	1-2	707	1,408	\$1,025	\$1,475	\$1.18	\$1.67
3 BR	1-2	1,012	1,012	\$1,150	\$1,150	\$1.14	\$1.14

Based on our review, it is our opinion that the subject's market rate rent potential significantly exceeds the currently applicable 60% AMI rents, with a rent advantage of more than 30% for each unit type.

Rent advantage is considered to be one indication of likely demand. Capture rate provides a second indication. We estimate that a primary demand market area consisting of the area commonly known as the Lower Cape contains more than 17,000 households who are income-qualified for the proposed affordable units. Of these qualified households, approximately 6,100 are renter households and 2,850 are renter households of the appropriate size for the subject's one to three-bedroom units. The 2,850 households yield a capture rate of less than 2.0% for the subject's units. The addition of the secondary market, defined as the balance of Cape Cod including the Mid and Upper Cape, reduces the capture rate to less than 0.5%. Investors typically consider any capture rate less than 10% to indicate a competitive market. The subject's capture rate points to the strong local demand for affordable rental housing.

We have enjoyed the opportunity to conduct this important assignment. If you should have any questions regarding this report, please do not hesitate to contact us.

Respectfully submitted,
Bonz and Company, Inc.



Robert H. Salisbury
Director/Principal
MA Certified General
Real Estate Appraiser, Lic. #75492

2(q). Impact to Neighborhood

RFP. Section V(A)(17). Impact to the Neighborhood. The proposal shall illustrate and comment upon impacts to the elementary school and other adjoining properties as well as the surrounding neighborhood. Impacts to be considered include, but are not limited to, visual appearance, traffic, noise and lighting.

The Applicant recognizes that the Harwich Middle School is located in a residential neighborhood and therefore the adaptive re-use must be sensitive to this environment. We have completed numerous projects with the very same circumstance. Close attention will be paid to construction timing; site security; lighting; and noise. Once completed, the property will be professionally managed by a top-rated management company. There will be an on-site property manager and maintenance manager. Security cameras will monitor the property and all entrances.

ICON architecture, acting as the project architect, has designed an aesthetic consistent with the historic rehabilitation of the existing school and new townhomes compatible with its context, as well as open areas maximizing the site's potential. Additionally, the structures are in keeping with area's surroundings. As such, the Property shall have an immensely positive impact to the residents and community at large.

The Property will (is) involve environmental remediation or clean up, the (ii) eliminate/reduce neighborhood blight, (iii) significantly enhance an existing community or neighborhood by restoring an historic landscape, (iv) use numerous green elements in its construction, (v) comply with EPA's Energy Star guidelines or with a similar system, and (vi) strive to exceed the state energy code.

Environmental: An environmental report will be commissioned immediately after an agreement has been executed. All necessary steps will be taken to remove and abate all identified hazardous materials from the site in accordance with all applicable federal, state and local conditions and standards.

Energy conservation measures: The design team is working with an Energy Star Homes provider- Conservation Services Group in the detailing of energy conservation measures including a high performance envelope with insulation at the walls and tight air-sealing requirements at the new construction. Systems are designed with energy efficiencies that exceed the state building code requirements. All lighting, appliances, windows [new addition] and shingle roofs are Energy Star rated. All of these elements lend to greater occupant comfort and better operating efficiencies.

Construction oversight: Design Technique (Owner's Rep) will provide oversight of the construction activities in the field; additionally through the engagement of a third party provider of the Energy Star - MA Residential New Construction Program, Conservation Service Group will oversee construction practices for the execution of energy efficient measures to ensure the sustainable aspects of the project are executed in the field.

Conservation of Resources: The Property is on a previously developed site with the re-use of the existing Harwich Middle School for use in providing new family living opportunities. Hence energy, effort and cost expenditures are reduced in not clearing the site for a fully new construction project.

2(r). Project Schedule

RFP. Section V(A)(18). Schedule for Project Implementation. A proposal for completion of the project shall be submitted and must include the schedule for completion of project milestones such as, but not limited to, execution of the Purchase and Sale Agreement or Lease Agreement; completion of site and building redevelopment plans; submission of those plans and associated application forms to the appropriate local and state permitting agencies as necessary. The proposal also shall include anticipated dates for receipt of a building permit, start of construction and completion of construction. Note that the Purchase and Sale Agreement or Lease Agreement will incorporate the Schedule for Project Implementation and the entire Proposal submitted in response to this Request for Proposals.

Timeline: The Applicant anticipates the following timeline:

Timeline	Anticipated Date	Investment (\$)
Executed P&S	May 2014	Predevelopment Investment \$375,000
ZBA Decision/Approval	October 2014	
DHCD Application (Funding Applications)	October 2014	
DHCD Decision	January 2015	
Construction Closing	April 2015	Total Investment \$17m
Construction Completion (ant. 12 months)	April 2016	



Site Plan Diagram
March 27, 2014

LOWER CAPE RESIDENCES

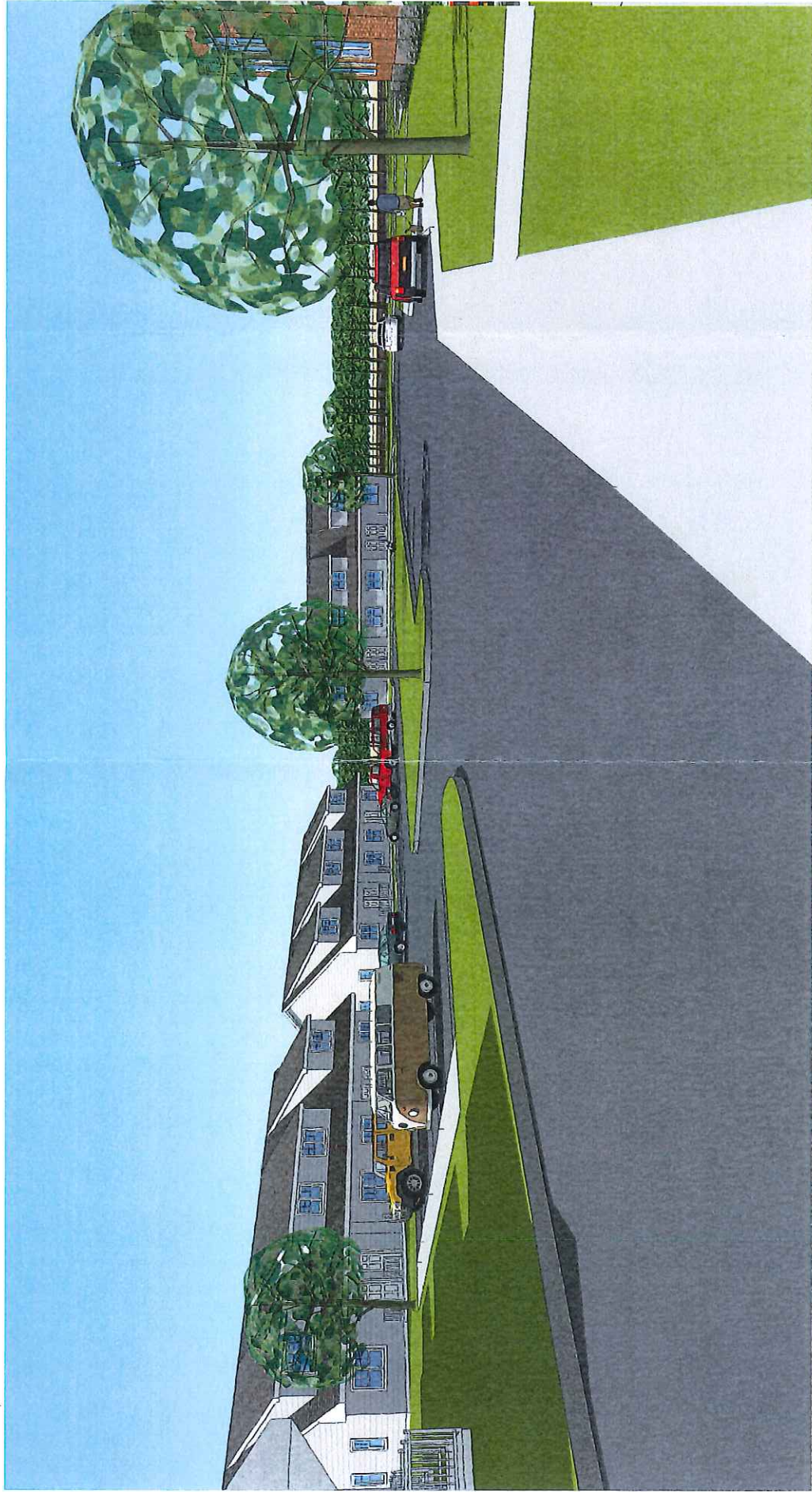
HARWICH
MASSACHUSETTS





LOWER CAPE RESIDENCES
HARWICH
MASSACHUSETTS

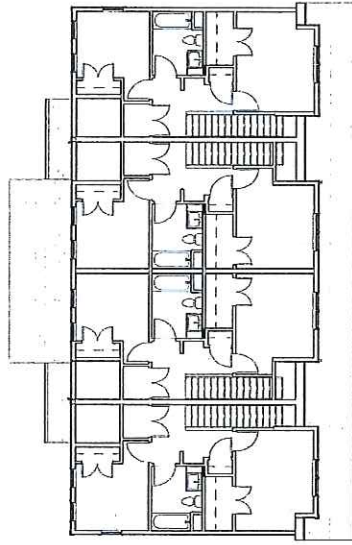
View Looking East
March 27, 2014



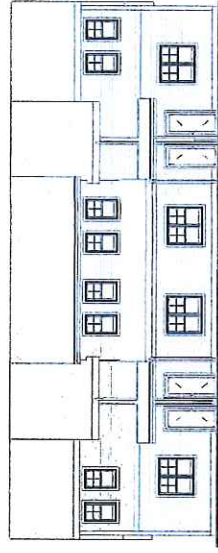
View Looking West
March 27, 2014

LOWER CAPE RESIDENCES
HARWICH
MASSACHUSETTS

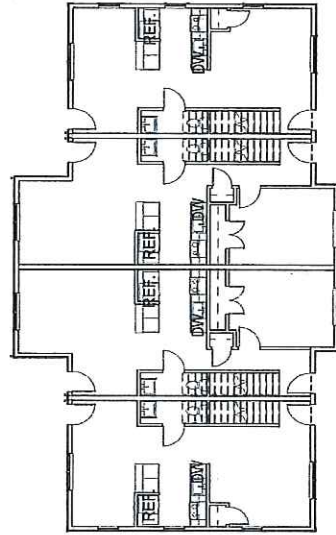




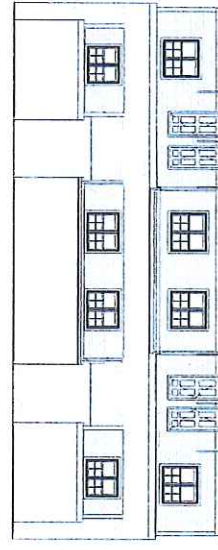
Second Floor Plan



Rear Elevation



First Floor Plan



Front Elevation

IV. Ownership Information

Introduction

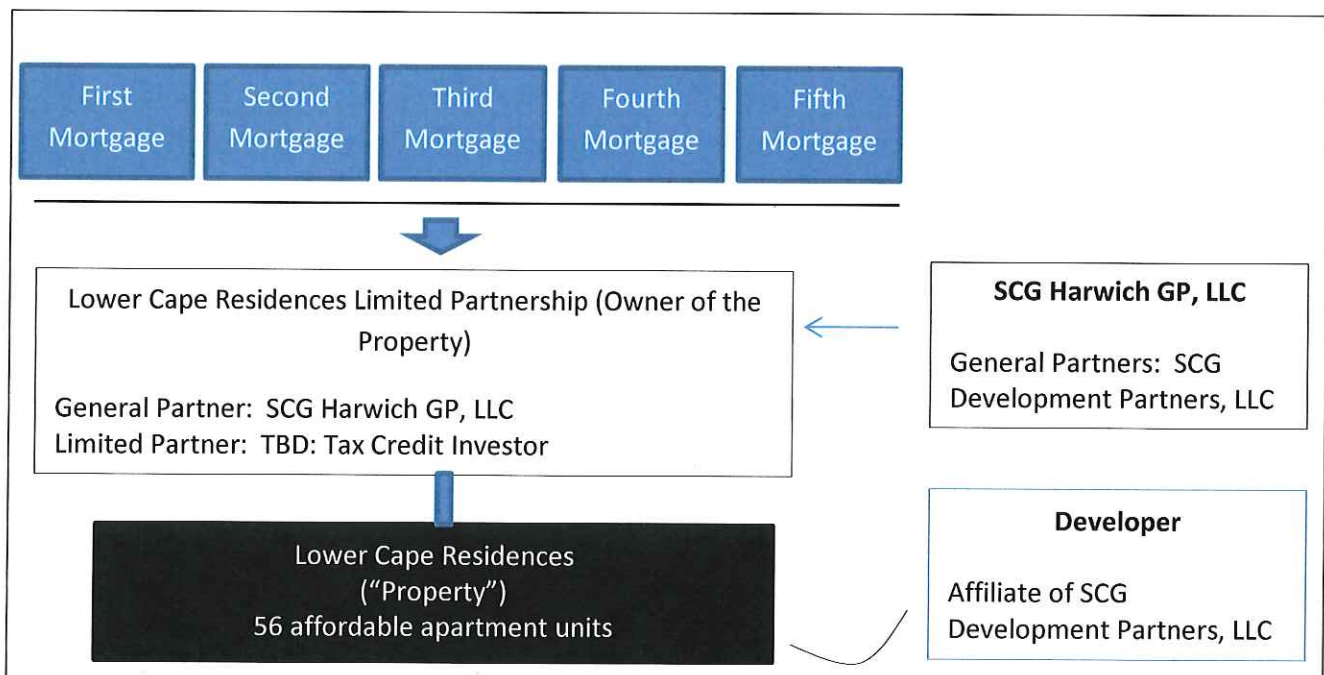
It is proposed that SCG Development Partners, LLC (“Stratford” or “Applicant”) will form the Lower Cape Residences Limited Partnership (the “Partnership”), a Massachusetts Limited Partnership that is qualified to undertake the planning, design, development, construction, ownership and operation of the proposed residential project known as The Lower Cape Residences (the “Property”), a 56 unit apartment complex located at 204 Sisson Road, Barnstable County, Harwich, MA. The Property will qualify for (i) affordable housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the “Affordable Tax Credits”), (ii) federal historic tax credits under Section 47 of the Internal Revenue Code (“Federal Historic Credits”), (iii) Massachusetts affordable housing tax credits (the “State Tax Credits”) and (iv) Massachusetts state historic tax credits (the “MA State Historic Tax Credits”) which have been awarded and are anticipated to be sold to a 3rd party investor. Collectively, the Affordable Tax Credits and the Federal Historic Credits are referred to as “Tax Credits”.

Organizational Structure

General Partner. Affiliates of Stratford will serve as the sole general partner (the “GP”) of the Partnership and therefore the managing entity responsible for all affairs. Stratford affiliates will provide the guarantees to the tax credit equity investor.

Investor Limited Partner. Stratford will identify an investor which will serve as the investor limited partner (“ILP”) of the Partnership and will contribute tax credit equity and (“Investor Capital”) in exchange for substantially all of the Tax Credits and losses allocated by the Property.

Proposed Organizational Chart



SCG Development Partners

SCG Development Partners, LLC (“Stratford”), a limited liability company and a Stratford Capital Group, LLC (“SCG”) wholly- owned subsidiary, leverages the expertise and resources of SCG principals to develop multi-family properties that benefit from affordable housing tax credits across selected markets in the United States.

Stratford was formed for the purpose of acquiring and developing affordable multifamily residential rental property investments. Stratford’s investment strategy is to identify and invest in development opportunities either as single property or multiple property portfolio acquisitions of multifamily rental properties located primarily throughout the Northeast, Mid-West, Mid-Atlantic and Southeastern United States, that will be eligible for affordable housing tax credits under Code Section 42 or historic rehabilitation tax credits under Code Section 47.

As real estate professionals first and foremost, the principals of Stratford have extensive experience in identifying unique opportunities, site selection, diligently underwriting and ultimately acquiring and financing rental apartment properties. Leveraging off of this skill set, the principals of Stratford Capital Group have been involved in the successful development of 50 properties using tax credits in the role of developer or co-developer.

V. Financial Information

One copy of current certified Financial Statements (Current Balance Sheet and Income Statement), Tax Returns or forms submitted in lieu of taxes to the Internal Revenue Service, as applicable, for the three (3) most recent years. To ensure confidentiality, this financial information may be submitted in a separate envelope which, although part of the proposal, will be kept in a separate file.

SCG Development Partners recent financials are included in a separate cover.

VI. Bank References

Bank references, including contact person, telephone number, account number, and permission letter to release information upon request by the Town.

TD Bank
Private Banking

Carol A Moe
Client Associate, Private Banking
61 Main Street-2nd Fl, Andover, MA 01810
Ph: (978) 684-6516

Bank:	TD Bank, NA
Account Name:	SCG Development Partners, LLC
ABA #:	211370545
Account #:	8250846430

TD Bank
Construction Lender & Permanent Lender Contact

Ms. Anne McCormack
Vice President-Commercial Banking
17 New England Executive Park
Burlington, MA 01803
Ph: (781) 221-6309

Eastern Bank
Permanent Lender Contact

Mr. Christopher W. Scoville
Community Development Manager
265 Franklin Street
Boston, MA 02210
Ph: (617) 295-0624

VII. Qualifications



<u>Property</u>	<u># of units</u>	<u>Year Acquired</u>	<u>Investment Type</u>	<u>Total Equity</u>	<u>Development Cost</u>
Walden Park Apartments	126	2011	Tax Credit	3,085,552	11,106,336
Acadamy Lofts	22	2011	Tax Credit	5,980,509	10,761,671
Serenity Terrace	52	2011	Tax Credit	6,958,600	9,155,004
Center Wise	30	2011	Tax Credit	166,512	12,396,139
Villas at North Little Rock Phase II	38	2012	Tax Credit	4,413,200	6,240,239
Woodcrest Apartments	48	2012	Tax Credit	2,559,700	8,005,681
Kingstown Crossing I	58	2012	Tax Credit	3,921,500	15,699,585
Alton Place	88	2012	Tax Credit	9,401,883	11,066,516
Mesa Vista Apartments	34	2012	Tax Credit	5,226,100	5,992,656
Mossy Oaks Village	96	2012	Tax Credit	6,860,700	11,881,806
State Street Apartments	180	2012	Tax Credit	6,761,700	30,465,380
Lakewood Terrace	132	2012	Tax Credit	2,682,000	11,311,923
The Elysian	100	2012	Tax Credit	3,676,200	17,031,775
Dickson Gardens	48	2012	Tax Credit	6,241,118	7,391,118
Ridge at Texarkana - Phase II	48	2012	Tax Credit	5,001,700	6,744,919
Downtown Apartments	252	2012	Tax Credit	15,061,200	40,138,604
Essex Place I & II Apartments	144	2012	Tax Credit	5,517,600	21,331,998
Idlewild Creek Apartment	215	2012	Tax Credit/GP	4,851,998	19,491,998
The Woods at Blairville	168	2012	Tax Credit/GP	2,668,788	9,188,788
Waterford Apartments	72	2012	Tax Credit	6,193,000	21,065,163
Ashton Pines Apartments	70	2012	Tax Credit/GP	5,655,100	9,224,009
Kingstown Crossing II	46	2012	Tax Credit	10,050,700	12,400,910
Simpkins School Residences	65	2012	Tax Credit/GP	10,180,907	15,911,044
Beckett Gardens Apartments	132	2012	Tax Credit	7,117,100	22,037,583
St. John Townhomes II	49	2012	Tax Credit	10,409,349	16,403,231
Country Village Apartments	232	2013	Tax Credit	11,289,300	40,676,156
Total	11,721			\$ 500,337,989	\$ 1,409,085,002
Total Tax Credit Properties	9,918			\$ 455,258,989	\$ 1,279,210,002
Total Market Rate Properties	1,803			\$ 45,079,000	\$ 129,875,000



<u>Property</u>	<u># of units</u>	<u>Year Acquired</u>	<u>Investment Type</u>	<u>Total Equity</u>	<u>Development Cost</u>
Walden Park Apartments	126	2011	Tax Credit	3,085,552	11,106,336
Acadamy Lofts	22	2011	Tax Credit	5,980,509	10,761,671
Serenity Terrace	52	2011	Tax Credit	6,958,600	9,155,004
Center Wise	30	2011	Tax Credit	166,512	12,396,139
Villas at North Little Rock Phase II	38	2012	Tax Credit	4,413,200	6,240,239
Woodcrest Apartments	48	2012	Tax Credit	2,559,700	8,005,681
Kingstown Crossing I	58	2012	Tax Credit	3,921,500	15,699,585
Alton Place	88	2012	Tax Credit	9,401,883	11,066,516
Mesa Vista Apartments	34	2012	Tax Credit	5,226,100	5,992,656
Mossy Oaks Village	96	2012	Tax Credit	6,860,700	11,881,806
State Street Apartments	180	2012	Tax Credit	6,761,700	30,465,380
Lakewood Terrace	132	2012	Tax Credit	2,682,000	11,311,923
The Elysian	100	2012	Tax Credit	3,676,200	17,031,775
Dickson Gardens	48	2012	Tax Credit	6,241,118	7,391,118
Ridge at Texarkana - Phase II	48	2012	Tax Credit	5,001,700	6,744,919
Downtowner Apartments	252	2012	Tax Credit	15,061,200	40,138,604
Essex Place I & II Apartments	144	2012	Tax Credit	5,517,600	21,331,998
Idlewild Creek Apartment	215	2012	Tax Credit/GP	4,851,998	19,491,998
The Woods at Blairville	168	2012	Tax Credit/GP	2,668,788	9,188,788
Waterford Apartments	72	2012	Tax Credit	6,193,000	21,065,163
Ashton Pines Apartments	70	2012	Tax Credit/GP	5,655,100	9,224,009
Kingstown Crossing II	46	2012	Tax Credit	10,050,700	12,400,910
Simpkins School Residences	65	2012	Tax Credit/GP	10,180,907	15,911,044
Beckett Gardens Apartments	132	2012	Tax Credit	7,117,100	22,037,583
St. John Townhomes II	49	2012	Tax Credit	10,409,349	16,403,231
Country Village Apartments	232	2013	Tax Credit	11,289,300	40,676,156
Total		11,721		\$ 500,337,989	\$ 1,409,085,002
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Total Market Rate Properties		1,803		\$ 45,079,000	\$ 129,875,000



<u>Property</u>	<u># of units</u>	<u>Year Acquired</u>	<u>Investment Type</u>	<u>Total Equity</u>	<u>Development Cost</u>
Brittany Point Apartments	431	2006	Tenant In Common	11,200,000	29,500,000
Breckinridge Square Apartments	294	2007	Tenant In Common	7,300,000	19,800,000
Patchen Oaks Apartments	192	2007	Tenant In Common	5,425,000	14,800,000
Signature Point Apartments	198	2007	Economic	4,254,000	11,654,000
The Observatory	231	2007	Economic	5,700,000	22,700,000
Stonewood Village	144	2008	Economic	3,085,000	10,585,000
Brandywine at LaFayette	113	2008	Tenant In Common	2,615,000	7,265,000
Clara Verner Apartments	198	2007	Tax Credit	12,300,000	14,952,720
<u>Stratford Fund I Limited Partnership</u>					
<u>Southeast Properties</u>		2008	Tax Credit/GP	18,623,048	51,315,048
Cedar Forest Apartments	40				
Forest Village Apartments	192				
Mallard Cove Apartments	160				
Marsh Landing Apartments	250				
Sterling Trace Apartments	48				
Arrington Place Apartments	68				
Gable Oaks Apartments	200				
Sycamore Run Apartments	48				
Holly Brook Apartments	32				
Concord Chase Apartments	124				
Harbor Landing Apartments	32				
Ridgewood Senior Apartments	40				
Ridgewood Family Apartments	32				
Rose Hill Apartments	32				
Thomas Jefferson Apartments	30				
Fulton School Residences	63	2008	Tax Credit/GP	11,250,000	14,988,000
Pentacle Apartments	182	2008	Tax Credit	5,150,414	19,208,514
Newport Manor Apartments	200	2008	Tenant In Common	5,500,000	13,571,000
Lakeside Apartments	110	2009	Tax Credit/GP	3,850,000	8,653,729
Appian Way Apartments	204	2009	Tax Credit/GP	3,543,000	16,494,958
Georgia Commons Apartments	130	2009	Tax Credit/GP	7,583,000	30,850,506
The Gates at Coral Bay	160	2009	Tax Credit	12,258,000	20,157,326
School Street Residences	50	2009	Tax Credit/GP	10,163,880	13,853,880
The Muses	211	2009	Tax Credit	10,641,000	49,054,591
Litchfield Terrace Apartments	216	2009	Tax Credit	4,627,000	23,725,413
Grand Boulevard Lofts	134	2009	Tax Credit	9,322,498	33,444,584
William Booth Towers	114	2010	Tax Credit	5,663,000	13,151,017
Metro Lofts Apartments	111	2010	Tax Credit	11,517,862	22,250,109



<u>Property</u>	<u># of units</u>	<u>Year Acquired</u>	<u>Investment Type</u>	<u>Total Equity</u>	<u>Development Cost</u>
Brittany Point Apartments	431	2006	Tenant In Common	11,200,000	29,500,000
Breckinridge Square Apartments	294	2007	Tenant In Common	7,300,000	19,800,000
Patchen Oaks Apartments	192	2007	Tenant In Common	5,425,000	14,800,000
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The Observatory	231	2007	Economic	5,700,000	22,700,000
Stonewood Village	144	2008	Economic	3,085,000	10,585,000
Brandywine at LaFayette	113	2008	Tenant In Common	2,615,000	7,265,000
Clara Verner Apartments	198	2007	Tax Credit	12,300,000	14,952,720
<u>Stratford Fund I Limited Partnership</u>					
<u>Southeast Properties</u>					
Cedar Forest Apartments	40	2008	Tax Credit/GP	18,623,048	51,315,048
Forest Village Apartments	192				
Mallard Cove Apartments	160				
Marsh Landing Apartments	250				
Sterling Trace Apartments	48				
Arrington Place Apartments	68				
Gable Oaks Apartments	200				
Sycamore Run Apartments	48				
Holly Brook Apartments	32				
Concord Chase Apartments	124				
Harbor Landing Apartments	32				
Ridgewood Senior Apartments	40				
Ridgewood Family Apartments	32				
Rose Hill Apartments	32				
Thomas Jefferson Apartments	30				
Fulton School Residences	63	2008	Tax Credit/GP	11,250,000	14,988,000
Pentacle Apartments	182	2008	Tax Credit	5,150,414	19,208,514
Newport Manor Apartments	200	2008	Tenant In Common	5,500,000	13,571,000
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William Booth Towers	114	2010	Tax Credit	5,663,000	13,151,017
Metro Lofts Apartments	111	2010	Tax Credit	11,517,862	22,250,109

VIII. References

Three references that attest that the Applicant can sustain uses outlined in its proposal.

Brown School Residences

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