

MEMORANDUM

TO: Cape Elizabeth Town Council
FROM: Maureen O'Meara, Town Planner
DATE: February 8, 2021
SUBJECT: Town Center Affordable Housing development

Introduction

At the February 1, 2021 workshop, the Town Council received a presentation for an affordable housing development in the Town Center. The project will need some adjustments to Town Center zoning requirements, as well as a TIF (Tax Increment Financing) District and shared parking agreement.

Discussion

The affordable housing project maximizes the "building envelope" on lots 3 and 4 of the Ocean Common subdivision in order to create 49 dwelling units, of which 39 will be affordable to low-income households. The proposal will need adjustments to maximum density, maximum height, maximum building footprint and mandatory first floor commercial use.

Town Councilors generally expressed support for the project, and for zoning adjustments as long as the adjustments preserved the overall vision for the Town Center. In particular, relief from the first floor commercial use requirement should be limited to projects that provide a substantial public benefit, such as providing a significant quantity of affordable housing.

The developer has proposed that a TIF district be created for the lot, and that 65% of tax revenues from the project be returned to the developer to service a project mortgage. Similar to another town center development, the developer will also be seeking a shared parking agreement with the town for a parking lot addition on the town hall lot.

Motions for consideration

A. Planning Board referral

The Town Council refers to the Planning Board development of Town Center Affordable Housing Amendments. The amendments should preserve Town Center requirements to the extent feasible while also permitting an affordable housing project that provides a substantial public benefit. Recommended amendments should be returned to the Town Council by April 30, 2021.

B. Staff direction

The Town Council directs staff to develop TIF District and Shared Parking proposals to be completed May 1, 2021 for Town Council consideration.