February 23, 2021

Cape Elizabeth Planning Board

Town of Cape Elizabeth

320 Ocean House Rd

Cape Elizabeth, Maine 04107

**Re: Potential Affordable Apartment Project in Town Center**

Dear Planning Board members:

Please accept these updated materials for the proposed affordable housing development located in the new Ocean House Commons subdivision next to Town Hall. (We have a provisional name for this project: Dunham Court. The name is in honor of Linwood Dunham, who served as head farmer at Ram Island Farm in Cape Elizabeth from 1929-1971, and assisted many other Cape farmers during that time. Mr. Dunham died in 2000 at age 108, at which time he was the second-oldest Mainer. I will refer to the project as Dunham Court (or “DC”) in this letter.)

DC would consist of one 4-story building with 49 rental apartments. These would be open to residents of all ages, and would be a mix of affordable and market rate, with 39 being set aside for households whose income is less 60% of the Portland-area median income.

A zone amendment is proposed for projects in the Town Center which provide a substantial amount of affordable housing. If this amendment were adopted, it would make Dunham Court feasible with MaineHousing funding (the only way we know of to finance such a project).

We write today to answer some questions you asked at the last workshop.

**Bedroom Size**

We have heard feedback from the Town Council, Planning Board and community members that a variety of apartment sizes are highly desirable. We have worked with our architect, David Lloyd, to consider ways to include some two-bedroom units at Dunham Court. While we can’t reduce the unit count below 49 while remaining financially feasible, David was able to include eight two-bedroom units by widening the footprint in the rear half of the building. He is working to update the rendering images to reflect this proposed option, and we will provide those to you as soon as they’re available.

**Parking**

We feel confident there is enough parking available for this project to succeed. In studies of our existing properties, we have found that of our residents over age 55 in Portland, 13 out of 28 (46%) of those households owned vehicles. In Biddeford, that number was 40 out of 55, i.e. 73% of households headed by a person 55 or older owned a vehicle. This suggests strongly to us that a significant number of the 55 and older residents of Dunham Court would not own vehicles.

DC is not age restricted, and is of course different from our other projects in the current absence of public transit. However, regardless of access to transit, many elderly tenants will no longer be driving for medical and safety reasons. The proposed site on Ocean House Road has excellent walkability, with a grocery store, post office, pharmacy, library and many other amenities very close by.

We will have 34 dedicated parking spaces on the Ocean House Commons site, some of which may be tandem parking spaces, where two people from the same household can both park without taking up an additional space. We are looking to utilize shared parking with the Town Hall parking lot for the remainder of our parking needs. Our civil engineer has reviewed the existing parking lot at Town Hall, including the grassy area at the east end of the lot and determined that up to 40 additional parking spaces may be able to be added in this area, if necessary. We are still working on this, with guidance from Maureen.

With all these options, we feel confident we can achieve the number of spaces per apartment which you decide to require of us.

**Building Height**

We wanted to explain the reason for the change in height from the Town Council Workshop to the Planning Board Workshop.

Originally, our architect advised us that the building height was 42’, measured from the grade at the front of the building to the midpoint of the pitched roof. So that’s what we quoted to the Council. Before our first Planning Board meeting, our architect discussed his calculations with Ben McDougal, Cape’s code enforcement officer. Ben indicated that average grade on all sides of the building should be used in height calculation (not just the grade at the entrance to the site). Since the site slopes away from Rt. 77, the average grade of the site was 17½ inches lower than the grade at the front of the site. That changed the height calculation to 44’3 ½”. The design of the building has not changed.

**Effects of Affordable Housing on Property Values**

The Planning Board requested information on how affordable housing projects affect property values. We have attached two representative studies to this letter for your review.

One study, from The Center for Housing Policy in Washington D.C., looked at a wide variety of studies carried out on this question in different locales. They concluded that “the vast majority of studies found that affordable housing does not depress neighboring property values, and may even raise them in some cases. Overall the research suggests that neighbors should have very little to fear from the type of attractive and modestly size developments that constitute the bulk of newly produced affordable housing today.”

A study done by Trulia, an online residential real estate site, found that in general, low-income housing tax credit (LIHTC) projects have no discernable impact on the value of nearby properties. In the nation’s 20 least affordable markets, the analysis shows no significant effect on home values located near a LIHTC project, with a few exceptions. Out of the 20 markets studied only 2 (Boston and Cambridge) had a negative effect on the cost per square foot of surrounding homes. Denver was the only metro area surveyed where homes located near LIHTC projects registered a positive effect in terms of price per square foot after the project was completed. The rest of the markets studied showed no effect.

We look forward to answering any further questions you may have at your workshop on March 2. In addition, should you have questions at any time regarding our potential project, please don’t hesitate to contact me at 207-245-6436 or kmartin@szantoncompany.com.

Thank you for your time to review this.

Sincerely,

Kristin Martin

Development Officer

The Szanton Company