**MEMORANDUM**

 TO: Cape Elizabeth Planning Board

 FROM: Maureen O'Meara, Town Planner

 DATE: March 16, 2021

 SUBJECT: Affordable Housing options in the RC District

Introduction

As part of the Planning Board's review of the Town Center Affordable Housing amendments, board members have inquired about locating affordable housing in residential zones, in some cases as an alternative to building affordable housing in the Town Center District.

Cottage Housing

A Planning Board member noted that a recently approved affordable housing project in Dover, New Hampshire, 54 Back River Rd, might be a good option. An excerpt from the Dover Planning Board minutes describing the project is attached. The Dover project could be considered "cottage housing," which is a housing concept included in the comprehensive plan (see attached for excerpt from comp plan).

Cottage Housing has been included as a recommendation in the 2019 Comprehensive Plan:

27. Evaluate options to increase density and related provisions to potentially allow conversion of a large single family home into multiplex units and to allow Cottage Housing development.

This comprehensive plan recommendation has *not* been referred to the Planning Board for implementation. If it had, it is likely that the same kind of zoning adjustments would be needed as were provided to the Back River Rd project in Dover.

Potential RC District Affordable Housing

The Residence C District is the compact housing development portion of town. It has both public water and public sewer availability, which is needed for affordable housing developments.

The Back River Rd project is a 44-unit cottage development on 7.16 acres. The developed area is 3.4 acres. A Conservation waiver was required for .4 acres of steep slopes. The City of Dover, NH has created a TDR fee program that allows fees to be waived for affordable housing projects and the approximate value of the TDR fee is $235,000. The TDR approval allowed the density to be increased from 9 lots to 44 cottages. Thirty-five of the cottages will be restricted to HUD "fair market value rates" for workforce housing (below 80% AMI). The rents are proposed to be $950/384 sq. ft.

Comparing the Dover Project to the current RC Zoning District, both minimum lot size and density amendments would be needed. There is also very little vacant land in the RC District available for residential development.



Comprehensive Plan Public Opinion Survey

Development of the comprehensive plan included a public opinion survey with almost 800 respondents. The entire public opinion survey is included in the comprehensive plan and excerpts of survey responses are included below. More than 1/2 of survey respondents support or strongly support residential development. Under types of residential development, multi-family homes, condos and apartments aggregated indicate substantial support for diversifying housing stock.



**Dover, NH PB minutes 2-23-2021**

C. Parker explained the applicant is seeking to create a 44 unit residential project. The units are all 384 sf 1 bedroom units and there is an expectation that the majority of the units are single occupant. The Developer worked with staff over the past 6 months to create a layout that features common open space and walking trails for the units, is set back over 200’ from the Bellamy River and works with the land. Furthermore, the applicant has worked with life safety staff to identify restrictions and operation and maintenance plans that need to be in place regarding snow clearing, landscaping, maintenance and general restrictions on the site.

In discussion with staff, the applicant agreed to a note on the plan that any change of ownership, including creating a condominium for individual sale requires Planning Board approval. The applicant has also recognized the traffic concerns raised by residents along Back River Road and has provided a program for car and van pooling to work and provided limited opportunity for vehicles. In fact the 44 units have a similar level of vehicular use that a 3-4 bedroom larger home might have.

The site was considered for a 9 home subdivision in 2019, and that plan was abandoned by a previous applicant. That 9 unit plan served as the base calculation to identify the 44 total. 35 of the units would be purchased through the Transfer of Development Right’s program. Those units utilize the provisions created in 2020 to allow the units to be purchased without cost, as they will be rent restricted to meet the HUD Fair Market rates for Dover, as published annually by New Hampshire Housing Finance Authority. Currently, for a 1 bed room that rate is $1,029 a month in Dover.

The units would be served by private forced main to public sanitary sewer and public water. The street is intended to be private.

The Technical Review Committee reviewed the application at their October 8, 2020 and January 14, 2021 meetings.

As part of the proposal, the applicant is requesting a conditional use permit to affect 18,799 s.f. of steep slopes. The applicant has provided a written narrative explaining how they meet the criteria of the conditional use permits for the Conservation District including how the avoid, minimize, mitigate, and the efficacy of the soil erosion and sedimentation control plan. The Conservation Commission endorsed this project at their February 8, 2021 meeting.

Finally, the applicant is requesting two waivers: (1) for lighting and (2) a second for landscaping to be a smaller caliper of tree than the regulations require for parking lot areas. Staff has since determined that the waiver for tree regulations is not required for this application.

Much of the concern about this project, expressed before the meeting centers not really on the project but the existing and potential conditions at Back River Road. This area is a known congestion point. The City Council has funded a plan to design improvements at this intersection. As noted before, staff expects to request proposals for a design engineer to be hired to develop engineering plans so we can improve the intersection. The best option would be to relocate Back River to flow onto Mill Street. This would involve creating a new bridge connection and remove one light. The proposed alternative is to create a roundabout at Back River and Durham Road.

This work needs to be completed in conjunction with improvements the State is looking to make on the Spaulding Turnpike at Exit 7. Currently, there is a bottleneck under the turnpike where you have additional lanes to the west, but we cannot add them underneath. The intent it to design our improvements and coordinate with the State on implementation.

A concern was emailed by a few members of the public regarding the sewer capacity. There should be no concern with the City’s system. Due to the grades, the applicant is including a private pump station to tie into the sanitary system in Back River Road. This will have a generator back up and an operation and maintenance plan is required.

To be clear this affordable housing is not replicating the housing Dover Housing provides or replicating what is in Bradly Commons or similar low income housing, not that there isn’t a need for that. This housing is designed and intended for employees of the applicant, young professionals who don’t want to live in an apartment building, empty nesters who wish to downsize. This is your teachers, fire fighters, planners, grocery store employee etc. There should be no property value impact, because the metrics used are home sales and not rental or proximity to rentals. Affordable housing is something we struggle with in Dover, as does the Seacoast. There is a dearth of homes being created and demand far outweighs supply.

