

MEMORANDUM

TO: Cape Elizabeth Town Council
FROM: Planning Board
DATE: May 5, 2021
SUBJECT: Town Center Affordable Housing Amendments

Introduction

At the February 8, 2021 meeting, the Town Council referred to the Planning Board development of Town Center Affordable Housing Amendments, with a deadline to provide a recommendation by April 30, 2021. The Planning Board voted to recommend Town Center Affordable Housing Amendments Option 1 by a 4-2 vote at the April 20, 2021 meeting, and is also providing related comments.

Supplemental comments and recommendations

1. **Split vote.** The Planning Board developed two amendment options. Option 1, which includes all the revisions requested by the developer, is recommended to the Town Council with the support of 4 Planning Board members. Option 2, which does not include replacing a non-residential use on the first floor with residential use, was supported by a minority of the Planning Board.
2. **Narrow applicability.** Early in the discussion, the Planning Board endorsed a minimalist approach to develop amendments that did not apply to the entire Town Center. The recommended Option 1 amendments provide affordable housing options to approximately 5-6 lots in the Town Center District.
3. **Recommendation #83.** All Planning Board members expressed support for creating affordable housing, however there is discomfort in processing a zoning amendment in response to a specific project. While a majority of the Planning Board felt the current proposal has merit to meet identified affordable housing needs (subject to obtaining all necessary approvals), there is unanimous support for a comprehensive review of existing regulatory barriers to creating affordable housing in Cape Elizabeth.

The Planning Board requests that the Town Council delegate responsibility for Recommendation #83 in the 2019 Comprehensive Plan to a designated body.

83. *Undertake a Housing Diversity Study that evaluates current costs, needs, impacts on services and other relevant elements and recommends actions to create more affordable opportunities for seniors to downsize, and for young adults and young families to move to Cape Elizabeth. At a minimum, options to evaluate should include incentives to create permanently affordable housing and municipal purchase of land for construction of affordable housing, and coordination of regional efforts with the Metro Coalition.*

The housing study would satisfy the Planning Board's desire for a town-wide approach to affordable housing amendments. Board members noted comments made by Randy Blake (see attached) that town regulations should align with the Maine State Housing Authority (MSHA) rules as MSHA financing makes affordable housing development possible.

4. **Bedroom number diversity.** Board members discussed how town affordable housing amendments should mandate diversity in the number of bedrooms provided in affordable apartments to accommodate families. The study should include whether affordable housing should mandate diversity in the number of bedrooms per apartment, such as at least 1/2 to 1/3 of proposed units be 2-3 bedroom units.
5. **Public Comment.** The Planning Board received substantial public comment during the amendment process, which included a lot of opposition to the amendments. The Planning Board read and appreciated the comments provided.

Recommendation to the Town Council

BE IT ORDERED that, based on the materials and the facts presented, the Planning Board recommends the supplemental Town Center Affordable Housing Amendments comments and recommendations.

Maureen OMeara

Cape Elizabeth Planning Board

Town Plann

Town of Cape Elizabeth, Maine

My name is Richard Blake and I live at 2 Ivie Road in Cape Elizabeth, Maine. I am writing to comment on the proposed Town Center Affordable Housing Amendments.

I think it is great that the Town is considering making amendments to the Town Center Zone requirements to allow development of affordable housing however I think some of the proposed amendments should be drafted in a manor that allows more flexibility.

I fully support eliminating the requirement that all buildings in the Town Center need to have commercial space on the first floor. I also think the proposed affordable housing project by Nathan Zsanton will be a great project for the Town and the Town Center.

However, if the Town wants to attract other affordable housing projects in the future it needs to create ordinances that address the nuances of creating affordable housing.

Affordable housing development in the State of Maine is for the most part controlled by the Maine State Housing Authority which establishes the rules, regulations, and restrictions under which projects can be developed. Each year the Authority establishes or creates a plan that addresses the housing needs that the Authority wants to address and developers strive to create housing that meets those needs. The plan generally addresses where the Authority wants projects developed, income levels they want to serve, and development cost among other items. Thus, any affordable housing amendments the Town creates should take into consideration the requirements of the Authority.

My suggestions for changes to the proposed amendments are as follows.

In the proposed amendments the requirement that a building have 36 dwelling units affordable to low-income households is too specific and restrictive. What happens if the next project wants to develop 12 units? I think having a fixed number should be deleted allowing more flexibility for the Town and the developer to meet the requirements of the Housing Authority.

Also, the requirement that a project have an affordability restriction of 45 years is again too restrictive and should be deleted. The Housing Authority establishes the affordability requirements that developers must meet for its various programs and our ordinances need to have the flexibility to reflect the policies of the Authority. Not all affordable housing programs have the same requirements.

I suggest that the 70% requirement of affordability in the parking section of the amendments be deleted also.