

Town of Cape Elizabeth
Housing Diversity Study Committee
Final Meeting Minutes
March 6, 2023

Present: Kevin Justh (KJ), Timothy Thompson (TT), Curtis Kelly (CK), Stephanie Anderson (SA), Katie Reeves (KR), Amit Oza (AO)

Absent: Victoria Volent (VV)

Committee Support Staff: Kristina Musante (KM) and Josh Biehler (JB) of K&J Strategic Solutions consulting firm

Public Guests: 7

1. Welcome and Introductions

The meeting began at 6:30 pm.

2. Attendance

Victoria Volent was not present.

3. Public Comment

Cynthia Dill thanked the committee for including her email on their agenda for correspondence. She also mentioned that she had done her research in preparation for the walk she will be conducted on March 18 and that the existing laws allow for multifamily housing in Gull Crest.

John Volt mentioned his frustration that although we were in Council Chambers, it was frustrating that we could not be hybrid or recorded. He felt that everyone should have access to this committee and its essential work.

4. Conversation with Laura Reading, Developers Collaborative —

Laura wanted to give the committee an idea of where the community is now and where the community could go, and how to get community involvement. The Cape Elizabeth Comprehensive Plan stated that $\frac{1}{3}$ of residents and $\frac{1}{2}$ renters are cost-burdened.

The committee asked a question about what is Developers Collaboration and projects they have conducted. Laura responded that they develop residential and commercial but her focus is on affordable housing. The resident projects, which the committee focused on were Bridgton which is for low-income and is 48 units on 7 acres, but only 2 is used for the building, Scarborough (the

Downs) 39 units, and in Portland a 30 unit building. All of these buildings are at 50-60% AMI. The committee asked more about workforce housing and although there isn't one specific building that does workforce housing the company has built property that has a mix. There was a question about the issue with Cape Elizabeth is where to build and how can developers help with that issue. Laura responded that developers can fit within existing but changes before the developers came in is what made it more possible, for example in Bridgton the city got CBDG money to help extend the sewer to build the complex. There were a few questions on community support which Laura said she was unaware of before she came in, but from her understanding and knowledge is it an informal process typically in the comprehensive plans and people want these changes. The question about if they worked on Town own land arose and she responded that in Belfast they did build on Town own land. There was a question about if the first floor was non-residential would the work, and Laura mentioned it can - such as typically that is where the community room is, leasing office, but if they allow too much commercial space then it wouldn't be affordable to a developer.

A question from the public, John Volt, inquired more about Bridgton and the proximity to downtown, since there are points developers need to check in order to build affordable housing and one is close to 3 points of destination. John was inquiring since Bridgton is half the size but two times the population of Cape Elizabeth. Laura mentioned that the building is approximately .5 miles from town center and that the reasoning is LMI credits dictate everything and have strict property tax reimbursements such as making sure there is transportation, 3 destinations, can they fit at least 30 units and the land is affordable.

There was a lot of concern from the committee about workforce housing and how there is funding for the lowest AMI but the workforce is around 60% AMI and how to build for that. Laura suggested finding local funding, if that is a Cape Elizabeth trust fund or combine it with creating TIF district or town land. All funding sources for affordable housing were listed by AMI requirements and include: Low Income Housing Tax credit (LIHTC), Federal Home Loan Bank Affordable Housing Program, Rural Affordable Rental Housing Program, Community Solutions grant, TIF, and Maine Housing Subdivision program. These programs often require: 1) integrated with the community/addresses community needs; 2) utilization of existing infrastructure; 3) safe and affordable access to services (e.g. grocery stores, libraries, schools); 4) the project is financially viable and an efficient use of funds.

Housing affordability and development costs and availability of land concepts were presented. It was noted that: Existing infrastructure includes public water/sewer, sidewalks; Local zoning regulations includes use and density; Costs of construction includes housing typologies such as cost savings with attached v detached housing; and Height restrictions could create cost savings with wood frame construction up to 5 floors versus a larger building footprint that is only two stories tall.

Reading suggested the committee explore alternate density standards for senior housing in close proximity to amenities and services and to expand definition of Eldercare Facility to include independent living units. Examples: York Village Affordable Elderly Housing Overlay District, Windham Retirement Community and Care Facility Overlay District, Kennebunk's Elderly Congregate Housing Standard.

Reading suggested the committee explore implementing design review standards to ensure new development fits in with existing neighborhoods. Examples: Yarmouth's Form-Based Code, Design Review Standards in Kennebunk, Bar Harbor, Freeport, etc.

Reading suggested the committee identify relationships between housing typologies and growth areas and to focus investment on town center and its potential expansion to support social, healthy lifestyles while still preserving rural areas, and to use existing public infrastructure to reduce community tax burden.

Reading presented on the Community Investment Tax Increment Financing Districts. Affordable Housing TIFs are where 33% of units earning 120% AMI or less Local Housing Trust Funds. (Examples: Scarborough, Portland, South Portland, Augusta). Funding comes through the municipality's portion of TIF income or fees in lieu of Mandatory Affordable Housing Regulations, thus it is important to leverage state and federal sources with local sources of funding.

A question arose about the applicants to their buildings, specifically Bridgton which is a 55+ community, and although she doesn't have access to see where people work and such on average about 75% of applicants for the building the company develops come from residents and 25% are new people coming to the community.

A question about LD2003 and parking spaces arose and Laura responded that typically they receive a waiver because generally 1-1 ½ space ratio is typically more than enough for the 30-40 units. Seniors generally need less parking than younger residents. It was also suggested Cape Elizabeth may develop their own public transportation system like other communities to include a regional explorer bus or an on-demand van transportation option like Cumberland County uses. Qualifying for LITCH funding requires that the project be in close proximity to transportation, shopping, and necessary services.

5. Conversation with Liz Trice, Maine Cooperative Development Partners

Liz Trice presented to the committee a PowerPoint presentation that encouraged the committee to dream of the community that they want and then plan for it. Trice showed many examples of communities that have been successful in building beautiful and affordable houses. Trice encouraged the committee to develop walkability with sidewalks and trails that lead to the village center and other important destinations.

Adjusting zoning costs very little, where all other strategies require large amounts of funding. Trice encouraged the committee to increase density and reduce lot sizes as a means to attract development. The current zoning prohibits feasible development of more affordable housing.

Trice encouraged the committee to protect what they love and build a community that they love. To plan for what they love so that the result is beautiful. Protect first, then develop, she suggested. And gave the example of 31 acres and building on only 5 acres of the property.

Trice encouraged the development of several types of housing, pointing out that only single family homes are in oversupply, everything else is under supply in the USA. She encouraged the removal of minimum lot size ordinance to allow for more natural affordability in ADU's and other types of housing. She also stated that because of high interest rates building ADU's is more difficult.

Trice recommended that Christopher Lee, an ADU expert, be invited to present to the committee as he is doing excellent work.

Trice stated that the size of homes has grown from 980 square feet for 3.5 people in 1950 to 2500 square feet for 2.5 people in 2020. She encouraged the committee to design small (as small as 300 square feet), efficient, affordable, and beautiful homes to support the housing needs of the community and its workforce. She encouraged the committee to utilize home sharing as an option for more efficient use of housing. She gave the example of seniors living with college students or young professionals as a means to support both groups' needs. The sharing of existing homes is the fastest and least expensive way to increase affordable housing. She advised to refer to "households" rather than "families" in language for zoning and ordinances to allow for home sharing.

Car Ownership: Trice reported that having a car costs about \$11,000 or more per year. Where there is more density people drive less and have less need for a car, allowing them more income for housing and other needs. She suggested the following ideas for transportation: Share school and community transit vehicles, replicate the Island Explorer Bus concept, On-demand van services, South Portland transit partnership, create a plan for car share, and eventually a metro bus line. Also maintain sidewalks, bike paths, and trails.

Trice, ideally, you choose a place that is walkable to village center. Make a plan so it is well thought out and operates the way you would like. Imagine a 1-acre village vs. a 1-acre parking lot. She gave Newcastle Village, Maine as an example. Create a positive vision then change the ordinances. Other examples Casco Village, Freeport Village.

Trice advised the committee to choose building types that they love, and pre-approve them. Reduce risk and cost by planning effectively. She offered Dooryard design in Madison as an example of 9 units that look "old" but are new.

Trice advised that the committee create a public right of way by reducing speed limits to 20 mph on narrow streets. Create lanes, alleys, mews, sidewalks, and paths with tall trees that are bird friendly to reduce noise and fatalities that occur on larger roads. Maple trees grow 3 to 7 feet per year and were suggested for areas that want big trees. Trice advised that these wants should be in the ordinances so that the community grows in a way that is positive.

Trice advised zoning changes so to develop what you want is a legal right and there is no political process. This will increase quantity, innovation, and affordability. Density also increases tax revenue.

Trice stated that if the risk is too then developers will not take the risks and develop. Trice suggested the following zoning changes to allow for more housing creation:

- A1. Reduce or eliminate parking requirements – if it's within ¼ mile of transit, no parking required. Allow shared cars to replace 5 + parking spaces.
- A2. Switch to regulating height by number of floors to allow for higher ceilings, roof decks, elevators, and nicer rooflines.
- A3. Explicitly allow up to 4 units on any lot where residential is allowed (or formally adopt LD2003) Use only pre-approved buildings types + internal ADUS if desired.
- A4. Reduce setbacks based on measuring the neighborhood and figuring out the conditions on the group.
- A5. Allow residential in all zones.
- A6. Increase density by reducing or eliminating minimum lot areas. Focus on number of stories, total lot coverage, and other form-based codes.

Create Incentives and Remove Barriers to New Housing Creation:

- C1. Provide up to 2 new STR licenses for new unit creation and have all STR licenses sunset after 5 years
- C2. Speed up development timelines, lower development fees and set maximum timeline for approvals for new housing development.
- C3. Allow map and text zone changes needed for council approved developments.

Align City Codes, Ordinances, and Processes with City Policy Goals

- D1. Use neighborhood master planning to work to integrate climate, environment, housing production, transportation and equity goals.
- D2. Increase storm water fee and/or create utility fees based on length of road frontage and/or exposed pavement to incentivize infill in suburban big box-style development and accomplish forest canopy, walkability, and heat island reduction goals. Use fee revenue to create a fund for canopy development.

Remove barriers or add incentives as needed.

- 1. Invest in affordability permanently using Land Trusts, Covenants or Limited Equity Cooperatives.
- 2. Create financing for small scale projects through bonding, a housing fund, or project based TIFs.
- 3. Put out public land for RFP

Trice then reported on Limited Equity Housing Cooperatives benefits:

- 1. Each household has complete housing unit with kitchen
- 2. Stable housing costs like owning
- 3. Democratic decision making by the resident-owners about monthly housing cost, investments in the building, and policies
- 4. Tax benefits of owning
- 5. Model encourages long-term tenancy and community relationships
- 6. Shared indoor and outdoor amenities
- 7. Cap on equity preserves affordability for future residents

Q&A then began with a question about using ADUs as a short term rental for a short period of time to recoup costs. Monthly rent is usually 1% of the cost of the build out. Thus, \$300,000

investment on an ADU means a \$3,000 a month rent, which is not affordable. Therefore, ways to build affordable ADU's and other innovative ideas are key.

HUD could fund a limited housing cooperative with a 40-year loan. These are for 60-100% AMI. This allows for depreciation through an LLC as a tax benefit. Other sources of funding are TIFF, Housing Trust Fund, and Maine Housing for affordable housing projects.

John Volt, member of the public, encouraged the committee to run towards what they want and create pre-approved styles of ADUs and smaller homes and develop a walkable town center. The committee discussed these ideas and asked that the presentation be sent to the committee. Trice recommended community involvement and feedback through a visual preference survey- a slide show where people vote yes or no to different ideas in community development. Trice offered to connect the committee to groups that have done online surveys for this subject.

6. Approval of Minutes from February 27, 2023, Meeting

TT made the motion to accept the minutes, with a spell check correction. CK seconded the motion. The vote was unanimous to accept the amended minutes.

7. Committee Staff Updates

a) Revised RFP for Public Opinion Survey

The committee reviewed the changes from the last meeting and accepted the newly updated cost. It will be sent to the Town Manager for posting on Thursday, March 9 and be posted for a month.

8. Reports and Correspondences

The committee accepted all correspondences for the record. The committee will be reviewing the Density Table and Cumberland Housing Task Force in further detail at additional meetings. Tim Thompson stated he would attend the Gulcrest trail walk offered by Cynthia Dill on March 18th at 9am.

9. List Items on the Agenda

a. Budget request for Town support discussion

Budget request discussion and vote over requesting the Town conduct a feasibility study on Gull Crest lot occurred. Discussion about the timing and need for the study commenced for several minutes. A petition with 866 signatures with 827 certified was discussed as a show of support for the Gull Crest feasibility study. A

motion for a vote was given by SA and seconded by TT, the vote was offered and failed with a 3-3 tie.

Davis Woods was also discussed as a potential site for a feasibility study.

b. Thomas Jordan Trust as a potential resource discussion

The Trust will be placed on a future agenda to consider as a potential local resource when planning for affordable housing and transportation projects.

c. Future meeting dates and corresponding agenda items

The committee had discussed this when under review of the minutes the correction of the date was noted. Additionally, it was suggested that a Community Forum may be planned for April 24th and Family Fun Day on June 17th be used as a way to interact and gather data from the community.

10. Next Meeting /Event

- a. HDSC Committee Meeting: March 20, at 6:30 pm at the Town Hall, Jordan Conference Room
- b. HDSC Committee Meeting: April 3, at 6:30 pm at the Town Hall, Council Chambers & CETV
- c. HDSC Committee Meeting: April 24, at 6:30 pm at the Town Hall, Jordan Conference Room
- d. HDSC Committee Meeting: May 1, at 6:30 pm at the Town Hall, Council Chambers & CETV
- e. HDSC Committee Meeting: May 15, at 6:30 pm at the Town Hall, Jordan Conference Room

The items for the Mar 20, 2023 meeting will involve discussions around permits and lot sizes. On Apr 3, 2023 there will be a discussion with Judy Colby-George about Loomio and how it can be used to help the committee., as well as other SME's that may be available.

11. Public Comment

No public comment.

12. Adjournment

Meeting was adjourned by chairmen at 9:30 pm.