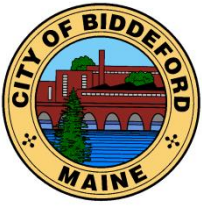


City of Biddeford
Mayor's Affordable Housing Task Force
October 25, 2022 5:30 PM Biddeford Council Chambers & Zoom
<https://biddeford.zoom.us/j/96888920371?pwd=aEo5S2xPWjN5Q3pneWpMK2xoQmlYdz09>
Webinar ID: 968 8892 0371 Passcode: 444535

Status: Mayor's Affordable Task Force-October 25, 2022, 5:30 City Council Chambers & Zoom

- 1. Call to Order**
- 2. Consent Agenda**
 - 2.1. Approval of Meeting Minutes from 9-27-22
[092722-Draft](#)
- 3. Discussion**
 - 3.1. Inclusionary Zoning Proposals for review, discussion & action
[10.25.22 Mayor's Affordable Housing Task Force Meeting -MEMO](#)
 - 3.2. Review & discuss which non-monetary tools to select to support affordable housing.
- 4. Adjourn-Next Meeting 11-22-22**



CITY OF BIDDEFORD

Planning and Development Department

Mayor's Affordable Housing Task Force Meeting Minutes

DRAFT

Date: September 27, 2022
Time: 5:30 PM
Location: Hybrid Meeting: City Council Chambers & Remote Access Meeting (1MRSA § 403-B permits public proceedings through remote access during the declaration of state of emergency due to COVID-19).

Committee Members in Attendance:

Doris Ortiz, Reverend Shirley Bowen, Dan Boucher, Ian Garcia-Grant, Dominic Deschambault, Ciel Caldwell (via zoom), Marty Grohman & Seth Harkness
Staff Present: Jim Bennett, Greg Mitchell, Gail Wilkerson & Nan Whitten

1. Chair Ortiz brought the meeting to order at 5:30
2. Acceptance of minutes from 8-23-22

MOTIONS:

Minutes were accepted by a unanimous vote

Adjustment to the Agenda-Inclusionary Zoning will be presented before Interim Report

3. 3.1 Presentation by Greg Mitchell on Inclusionary Zoning (IZ)
 - Mitchell told the task force the particulars of the IZ program.
 - This program will change with LD2003 taking effect in July 2023.
 - The changes are not available yet.
 - For renting a home, 80% of AMI qualifies
 - 120% of AMI for 30 years for purchase of a home.
 - IZ is not an appropriate program for smaller projects, they could not afford it.
 - IZ is just one affordable housing program
 - There is also a Housing Trust Fund to be used to create affordable housing. Money is invested for this trust fund proceeds or profit is invested in City owned affordable housing.
 - This fund would be adopted by the City ordinance and protected.
 - Biddeford's current AMI is \$54, 915.00 but it is raising dramatically due to new residents from out of town & state moving in with higher incomes.
 - Ward 1 changing from summer residents to permanent residents is also impacting the AMI of Biddeford.
 - The trick is to develop creative approaches that pinch the developers without scaring or hurting them.
 - The Task Force discussed affordable housing projects that are in progress now.

- A list of City owned properties will be created and handed out at the next meeting.

3.2 Discuss & Approve Interim Report

- The Task Force had time to go over the Interim Report before the meeting.
- The Task Force discussed the report: Statements/Opinions

Immediate action for the unhoused is needed; help is needed from the State at a minimum

Biddeford cannot stand alone taking care of the unhoused, we need to look to the County & State for help.

We need a voice to go to Council we have to end this, no regional or state plan. Get the Council's attention to say we need to do something. How do we keep a constant roof over their heads?

The problem with the statement is it is vague, we can't leave it to the City Council with no guidance.

We need to be of help.

Biddeford can't do it alone but we can be the first to work with the state & county to develop a plan. Biddeford can't afford to do it alone, it's not just housing. We cannot keep closing our eyes and ignoring it.

There are 40-50 unhoused already here and they are people who grew up in Biddeford. If there were a City Sanctioned Task Force for the unhoused, it would carry more weight.

It was suggested to hire an expert to assist the City Council with this issue.

The complexities are tough, what we are doing is not working, we need to do something else.

It was suggested to work with some of our neighboring towns.

Some members do not feel there is an immediate need, others feel there is an immediate need this is critical and winter is only a couple of months away.

MOTIONS:

To approve the interim report with suggested changes for Tuesday's Council Meeting

Motion Carried 6-1 (Bowen, Boucher, Garcia-Grant, Deschambault, Grohman & Harkness in favor; Caldwell against)

3.3 Next Steps

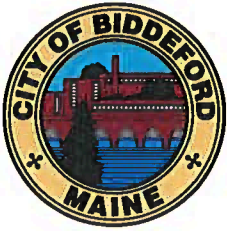
- Only 2 more meetings left before finishing
- It was discussed how people save an average of \$800 per month living downtown with no automobile.
- Complete Streets were discussed.

4 Adjourn: 7:06 PM

Task Force Chair

Date

These minutes are summary and are not intended to be verbatim. Archived meetings are viewable on the City's website: www.biddefordmaine.org.



City of Biddeford, Maine

MEMORANDUM

TO: Affordable Housing Task Force
FROM: Greg Mitchell
DATE: October 20, 2022
RE: October 25, 2022 Mayor’s Affordable Task Force Meeting

For review, discussion and action by the Task Force at your October 25th meeting, this memorandum concerns the following:

Inclusionary Zoning (IZ) Options. City staff recommends a menu of three (3) options for developers to select which one best meets their project requirements to support affordable housing investment; and

Non-monetary tools to support affordable housing. The TF discussed the use of non-monetary tools in previous meetings. Staff has recommended prioritization of these non-monetary options.

INCLUSIONARY ZONING (IZ)

City staff is recommending a menu of three IZ options, for developers to select which option best meets their project requirements, to support new affordable housing construction. These options are designed, to match local market conditions, at different affordability levels with required numbers of restricted affordable units over a reasonable number of years. *The goal is to attract private sector investment versus establishing IZ parameters that will reduce or in some cases eliminate private sector investment.*

Additionally, city staff is recommending that development projects which include five (5) – nine (9) units pay a fixed fee of \$7,500 per unit to support affordable housing investment.

Menu of IZ Options:

Number of Units	Affordability Level (Rental)	Affordability Level (Ownership)	% of Required Affordable Units	Term
10 or more	80% of AMI	120% of AMI	7.5%	10
10 or more	100% of AMI	120% of AMI	10%	15
10 or more	120% of AMI	120% of AMI	12.5%	20

The fee to opt out of the above three IZ options is recommended to be \$100,000 per unit based upon ten (10) percent of the total number of residential units.

NON-MONETARY AFFORDABLE HOUSING TOOLS

The following tools were discussed by the TF in previous meetings. City staff has recommended timeframes for researching and establishing new municipal programs that leverage these tools to achieve additional affordable housing units.

Affordable Housing Density Bonus – This tool allows developers of projects where more than half of all units are affordable to renters (i.e., those earning up to 80% of AMI) or owners (i.e., those earning up to 120% of AMI) to generate additional housing units (i.e., density) within a

given footprint than they would otherwise be permitted. A new affordable housing law in Maine (aka LD 2003), effective July 1, 2023, spells out a density bonus of *2.5 times* for developments meeting the 51% unit affordability threshold. This means an approved 6-unit project would be eligible to build a total of 15 units (6 units x 2.5 = 15), provided that 8 of the units (more than half) were affordable rental or ownership units. City staff expects changes to this law via upcoming rulemaking but will be prepared by Spring 2023 to present options to the Planning Board and City Council for establishing a tool like this to promote affordable housing development in the city

Relaxation of Parking Requirements – Reducing the number of off-street parking spaces developers currently need to provide for each living unit in a project will help lower overall development costs as well as per-unit costs. The savings also can be invested in the creation of affordable units. Byproducts of fewer parking spaces per housing project include potential increased use of mass transit and an overall lower carbon footprint for Biddeford. Following adoption of the City Comprehensive Plan Update, City staff will present options for less restrictive parking to the Planning Board and City Council.

Municipal Affordable Housing Trust Ordinance – This fund would be a special account for supporting affordable housing initiatives. One focus of the fund would be providing financial “gap” assistance to affordable housing projects. Deposited into this account would be the Devine Capital Project’s donation of \$500,000, fees in lieu/IZ payments, affordable housing TIF proceeds, and grants and other monies generated for affordable housing. On at least an annual basis, the fund could seek proposals from affordable housing developers, with funding priority given to projects that best support the City in meeting its 5-year affordable housing goals. By Spring 2023, City staff will draft an ordinance for Planning Board and City Council approval that will enable the city to establish the fund and receive dollars to invest in affordable housing.

Selling or Leasing Surplus City Property – Proceeds from the sale or lease of surplus City property could be prioritized as a source of funding for the Affordable Housing Trust. Certain City properties—such as former school and administrative buildings and vacant multi-story buildings-- lend themselves well to purchase and repurposing by housing developers. By Spring 2023, Staff will present to City Council an analysis of properties that are suitable to support affordable housing investment from either a sale or lease standpoint.

Streamlining the City Development Regulatory Process and Prioritizing Affordable Housing Projects – As elsewhere, time is money in the housing development world. Assuring housing developers spend an appropriate amount of time and resources in regulatory review--without overburdening the process or causing excessive delays--is the balance City staff want to achieve. Time and dollars saved from streamlining municipal review can instead be invested in the creation of affordable housing units. By Spring, 2023, City staff will present options to the Planning Board and Council for making these processes easier and faster while still retaining the necessary rigor of project review.

Encouraging co-operative ownership – Co-op housing models allow lower-income residents to co-own their housing development. As part-owners, the residents of a co-op are able to enjoy homeownership for less than it would cost on their own, participate democratically in the management of their housing, and benefit from long-term stability. This tool could be prioritized for investment by the City’s Affordable Housing Trust Fund (see related target date above).

Establish incentives to give tenants the right of first refusal to purchase apartment buildings – City staff need to research this topic further before making recommendations on the feasibility of this approach.

Establish a Community Land Trust to support affordable housing investment – A community land trust is a structure that allows land to be held “in trust” for community needs, beyond the influence of market pressures. It is usually an independent community-controlled entity that owns land and takes care of it, assuring it is used in ways that support the community. The land can be used for many things, including rental housing, cooperative housing, and homeownership. Land trusts today are best known for providing permanently affordable housing. This tool could be prioritized for investment by the City’s Affordable Housing Trust Fund (see related target date above).

Explore tiny house villages –Villages of tiny homes, which on average range between 100 and 400 square feet, are an appealing choice for residents who want to own, but cannot afford a traditional home or mortgage. In addition to their affordability (median price of @ \$60,000), tiny homes are known for being environmentally friendly and popular among millennials. A village of tiny homes enables a sense of community for its residents while requiring far less acreage than a traditional housing development. By Spring 2023, Staff will explore the feasibility of tiny house villages as an affordable housing solution and present findings and recommendations to the Planning Board and City Council.

NEXT STEPS

Suggested November 22, 2022 meeting topics include:

- Finalize any unfinished business and review a DRAFT Final Task Force Report to present to City Council in December 2022.