

City of Biddeford
Policy Committee
June 26, 2023 6:30 PM 205 Main Street

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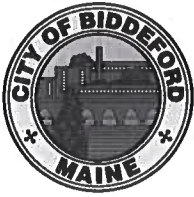
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Status:

- 1. Roll Call**
- 2. Pledge of Allegiance**
- 3. Adjustments to the Agenda**
- 4. Acceptance of Minutes**
- 5. Discussion/Review**
 - 5.1. Incentives to Create More Dedicated Affordable Housing Units
[Incentives to Create More Dedicated Affordable Housing Units](#)
- 6. Adjourn**

City of Biddeford, Maine



The Office of
City Manager

James A. Bennett

Email: jbennett@biddefordmaine.org

MEMORANDUM

TO:	Policy Committee
FROM:	James A. Bennett, City Manager
DATE:	June 22, 2023
RE:	Incentives to Create More Dedicated Affordable Housing Units

Below you will find recommendations that staff is supporting in order to create incentives for property owners to voluntarily create additional dedicated affordable housing units within the community. They are not listed in any particular order.

Major changes awaits every community in housing policy via the state preempting a community's local control. During the last legislative session, sweeping land use changes were enacted in what is being referred to as 'LD2003'. Modifications to the law occurred in this session, which included the delaying of the implementation dates. For Biddeford (and other communities that do not have a Town Meeting form of government), compliance has been delayed by six months (January 1, 2024).

Final rule making by the State is not expected for least another four months. Staff has prepared these recommendations based on the assumptions of what we reasonably believe the rules will be. The most significant of those assumptions are the hurdles that a project must meet in order to be in compliance.

There are two major categories of incentives within LD2003. Relaxation of parking standards as well as the creation of additional units on a property are allowable, if the project achieves the standards established for new affordable housing units. That standard requires that 51% of all of the new units must be affordable. The State's definition of affordability is the units must rent for no more than 80% of the AMI (average median household income) for a thirty year period.

Staff has concerns that the threshold put forth by the state will be economically challenging for most projects, unless the areas have extremely high AMI. In developing the incentives, much like the balance of IZ conversation, our attempted was to offer levels that we believe are obtainable. Further complexity in developing our incentives; they cannot be more restrictive than that of the state. We are offering the following:

1. Allowing a Biddeford incentive of 30% of the new units if the units are held at 70% of the AMI for a thirty year period. The City incentives would be similar to the state's.
 - a. Lowering the parking standards to one per every two units created;
 - b. Lowering the living space per unit to 500 square feet of gross space (excluding basement)..The current standard is 650 square feet of net living area;
2. These incentives would be allowed in the current MSRD 1, MRSD 2, MRSD 3, B1, GD1 and OR zones in the City.

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Diana Depaolo, Human Resource Director, 205 Main Street Biddeford, ME 04005, or call (207) 286-0593.*

3. Allow a portion of the R2 and R1A zones to also benefit from the affordable housing incentives. The simplest way would be to convert these areas to MRSD2. The areas are in the downtown and currently adjacent to the MRSD2 zone. A map is included.
4. Create an approval process where the expansion of affordable housing units under this provision would go through an accelerated process. That process would be to grant authority of approval at the Staff Review Committee (SRC) level instead of the Planning Board level. No other changes to the project would be allowed; otherwise the project would need to go through the normal Planning Board process. As part of this change, a conversation with the Planning Board should occur to discuss if a member of the Planning Board should be added to the SRC process.

Staff is suggesting that we take these steps as the initial consideration for the incentives. Further, evaluation on the impacts should be considered before expanding into areas outside of the immediate downtown area. Also, any consideration of changes to lot coverage, setbacks, lot frontage requirements should be considered outside of the affordable housing incentives based on Council feedback.

As always, staff is prepared to assist the Committee in working through these challenging discussions.

