



Affordable Housing Committee

TOWN OF YARMOUTH

200 Main Street, Yarmouth, Maine 04096

www.yarmouth.me.us

No teachers, police officers, town employees live in town...

Commercial rentals lie empty, as commercial tenants are uninterested in town due to a lack of local workforce...

The property tax burden falls increasingly on homeowners...

An older, wealthier population doesn't prioritize public schools...

Generational families no longer stay in town...

Residency in Yarmouth is transactional and transitional with no concern for the long-term health of the community...

Downtown is less vibrant, lacking the vitality that economic diversity brings...

This is some of what Yarmouth's future looks like if the Yarmouth Community does not address the urgent problem of affordable housing in town. For almost 30 years it has been clear that a lack of affordable housing is hurting the Yarmouth community. Yarmouth citizens have been aware of this and have been asking the Yarmouth Planning Board and Town Council to do something about the issue. In the 1993 Comprehensive Plan and again in the 2011 Comprehensive Plan, Yarmouth residents listed "increase in affordable housing" as one of the top goals. But despite this overwhelming support, dating back at least 29 years, the Yarmouth Planning Board and Yarmouth Town Council have made almost no progress and little effort toward creating new affordable housing in town, with the exception of 28 senior affordable housing units in Bartlett Woods built by Yarmouth Senior Housing and Avesta Housing.

It is time to change that. Almost daily we hear about the challenge of finding housing in the Greater Portland area, a challenge that is far more difficult for families and individuals of limited means. We read/hear about how, even now, the absence of housing compounds the difficulties of increasing inflation dulling the economic boom that has engulfed our area for the last 10 years. We read about nearby towns struggling to build even a small amount of affordable housing. Attached you will find the report of the Yarmouth Affordable Housing Committee (YAHC) on the first step toward tackling the issue of affordable housing in Yarmouth: a proposed Inclusionary Zoning (IZ) Ordinance.

If you are unfamiliar with the purpose of an inclusionary zoning ordinance, local inclusionary housing policies tie the creation of affordable homes for low- and moderate-income households to the construction of market-rate housing or commercial development. The ordinance is comprised of the following elements:

1. Purpose: This section lays out why developing affordable housing is in the public interest.
2. Applicability: This section identifies the types of development projects subject to the ordinance. Rental projects of 10 or more units and ownership projects of 5 or more units must comply with this ordinance. There are some exceptions as well.
3. Standards: This section has several purposes. First, it establishes that a development project is required to designate 10 percent of the total number of units in a development project as affordable to eligible households as defined in the ordinance. Second, it requires that projects may not be segmented to avoid compliance with the ordinance. It also ensures that affordable units are integrated in the project seamlessly, are dispersed throughout

"Our Latchstring Always Out"

the development project, and may not be used as short-term rentals. It establishes that offsite units would not fulfill the purposes of the ordinance but allows a payment in lieu of providing the required units. Finally, it requires that development projects comply with the CBDC Architectural Standards and Landscape Standards.

4. Development Incentives: Density and dimensional incentives for projects where a minimum lot area and/or a minimum lot area per unit are provided, as well as where these requirements are not applicable to a zoning or character district. Parking incentives are also provided.
5. Administration and Enforcement: This section requires that affordable units be subject to a deed restriction and must be affordable for 99 years.
6. Definitions: The ordinance establishes that affordable is an eligible household spending no more than 30 percent of the household's gross income on housing costs. It also establishes that an eligible ownership household is one earning no more than 120% of the area median income and an eligible renter household is one earning no more than 80% of the area median income. The current area median income is \$112,700 as determined by the U.S. Department of Housing and Urban Development.

The Town Council has directed the Committee this concept to the Planning Board for review and a recommendation to the Town Council on adoption. An inclusionary zoning ordinance is a big step. While the number of units created might be small at first, an IZ ordinance tells developers that Yarmouth is serious about affordable housing. Certainly, there are possible arguments against an IZ. Some may say our timing is wrong since the real estate market is cooling a bit. But an IZ is a step with long-term goals; it is not tied to particular fluctuations in the real estate market. Some may also contend that IZ is not a silver bullet and there are other affordable housing tools available. But the YAHC sees the IZ as a necessary first step toward creating some affordable housing in Yarmouth, because of earlier missed opportunities. The YAHC is already researching and discussing other tools and looks forward to working with the Planning Board and the Town Council on addressing this critical issue.

But we urge the Planning Board to recommend the IZ ordinance to the Town Council. Few of our neighboring small towns have had the courage to take this step. But we urge the Yarmouth Planning Board and Town Council to lead on this. Let's find a way to show our neighbors that an economically diverse citizenry is the hallmark of a strong, vibrant, successful town.

YAHC believes that the Yarmouth community wants the following now and in the future:

- A town for all ages- there are about the same number of kids and seniors in town according to the 2020 Census.
- A town that loves its Main Street with a mixture of local businesses, homes and apartments.
- A diversity of home styles, old and new, small and grand.
- A town that acts on the priority for affordable housing as documented in its comprehensive plans for the past three decades.
- A town that has a wide diversity of occupations and incomes.
- A town where local kids can live after they finish school.
- A town where a young couple can find a first home.

Will Yarmouth be a diverse, busy, multi-generational community? Or will it become a town only for the wealthy? Without urgent steps by the Planning Board and Town Council, Yarmouth will move toward the latter.

Yarmouth Affordable Housing Committee

Meghan Casey, Chair

Margaret Downing

Cecilia Guecia

Deborah Keefe

Leigh Kirchner

Steve Morris

Jay Waterman

Attachment: Proposed Inclusionary Zoning Amendment, dated October 31, 2022

Proposed Inclusionary Zoning Amendment

Amend Chapter 701, Zoning, Article II by adding the following section:

DD. AFFORDABLE HOUSING PROGRAMS

It is within the public interest to promote an adequate supply of housing that is affordable to a range of households at different income levels. This section outlines the Town of Yarmouth affordable housing programs.

1. Affordable Housing Requirements

- a. Purpose: The purpose of this section is to ensure that developments over a certain size provide a portion of affordable units and by doing so promote the health, safety, and welfare.
- b. Applicability:
 - i. This ordinance shall apply to development projects that create 10 or more net new dwelling units for rent through new construction, substantial rehabilitation of existing structures, adaptive reuse or conversion of nonresidential use to residential use, or any combination of these elements.
 - ii. This ordinance shall apply to development projects that create 5 or more net new dwelling units for sale through new construction, substantial rehabilitation of existing structures, adaptive reuse or conversion of nonresidential use to residential use, or any combination of these elements.
 - iii. This ordinance shall apply to development projects that create 5 or more net new lots in accordance with Town of Yarmouth Ordinance Chapter 601.
 - iv. This ordinance shall not apply to projects using public financing requiring affordability restrictions, as defined by tax increment financing, U.S. Department of Housing and Urban Development funds such as HOME or CDBG, other federal, state, or local housing program, or the Low-Income Housing Tax Credit program.
 - v. This ordinance shall not apply to projects which have received final approval as a Major Subdivision per Town of Yarmouth Ordinance Chapter 601 and final approval as a Development Plan per Town of Yarmouth Ordinance Chapter 703 prior to October 1, 2022.
- c. Standards: Development projects subject to this ordinance are subject to the following standards:
 - i. At least 10 percent of the units or lots in the project shall meet the definition of affordable housing unit for rent or sale to an eligible household. Where the required number of units results in a fraction, the development project shall have the option of paying a partial fee-in-lieu for any fractional value or rounding the number of onsite units up to the nearest whole number.
 - ii. Projects shall not be segmented or phased to avoid compliance with these provisions. In cases where projects are completed in phases, affordable units shall be provided in proportion to the development of market rate units per phase unless otherwise permitted through by the Planning Authority.

Proposed Inclusionary Zoning Amendment

- iii. Affordable units must be integrated with the rest of the development, must use a common entrance if in a structure containing multiple units, and must provide no indications from common areas that these units are affordable units.
 - iv. Affordable units shall be dispersed throughout the development and shall be comparable in size, number of bedrooms, materials, interior finishes, amenities and parking to dwelling units in the neighborhood and in the development in which they are located. Exteriors of affordable units shall be consistent with and indistinguishable from the exteriors of other units in the project.
 - v. Offsite units do not fulfill the purposes of this ordinance.
 - vi. As an alternative to providing affordable housing units, projects may pay a fee-in-lieu of some or all of the units. In-lieu fees shall be deposited into a municipal account dedicated to creating and maintaining affordable housing within Yarmouth. The fee for affordable units not provided shall be \$150,000 per unit, adjusted by the cost of living identified in the most recent six-month Consumer Price Index for All Urban Consumers (Northeast, All Cities, All Items, Not Seasonally Adjusted) as released by the U.S. Bureau of Labor Statistics upon the date of submission for a final plan approval, but never less than \$150,000. The payment shall be required in conjunction with a request for a Certificate of Occupancy.
 - vii. Affordable housing units, whether for sale or for rent, shall not be used for short-term rentals.
 - viii. Development projects shall be subject to the Architectural and Landscape Standards of Town of Yarmouth Ordinance Chapter 703, Articles 5.M and 5.N.
- d. Development Incentives for eligible projects: To facilitate the objectives of this section, the following modifications to the dimensional and parking requirements may be permitted.
- i. In zoning districts or character districts that establish a minimum lot size or a minimum lot area per unit, for each affordable unit required, one additional unit may be included in the development project regardless of minimum lot size or minimum lot area per unit.
 - ii. In the CD-4 and CD4-C Character Districts, for any mixed-use development project, the Planning Board may approve a structure height of 4 stories and 45 feet only if 50% of the ground floor area is commercial and 20% of the total residential units are affordable units.
 - iii. In the Commercial Zoning District, for any mixed-use development project, the Planning Board may allow an increase in the residential floor area to 50% and a structure height of four stories and 45 feet if 20% of the total residential units are affordable units.
 - iv. In any district, off-street parking may be reduced to 2 off-street parking spaces for every 3 units for the entire development project.
- e. Administration and Enforcement:
- i. The affordable units shall be subject to effective deed restrictions and covenants such as those used by MaineHousing which shall be recorded at the Cumberland County Registry of Deeds. The deed restriction shall outline sales

Proposed Inclusionary Zoning Amendment

prices, resale prices, initial rents and rent increases, and income verification processes, for affordable units to ensure affordability for the entire affordability term to the extent legally possible. The deed restriction shall also outline marketing and tenant selection for the affordable units consistent with state and federal fair housing laws. The deed restriction shall also identify a monitoring agent for the affordable units.

- ii. The term of affordability for affordable units provided shall be 99 years from the date of the Certificate of Occupancy.
- iii. Affordable housing units for sale, if converted to affordable housing units for rent, or vice versa, shall become subject to the income limits and other requirements of such units.

f. Effective Date: The effective date of this ordinance is January 1, 2024.

2. Reserved

Amend Chapter 701, Zoning, Article I by adding the following definitions:

Affordable: The percentage of income an eligible household is charged in rent and other housing expenses, or must pay in monthly mortgage payments (including insurance, condominium or association fees, real estate taxes, mortgage insurance, and utilities) does not exceed 30% of a household's gross income.

Affordable Unit: A designated unit that is affordable to Eligible Households.

Eligible Household: A household which qualifies, at the time of the mortgage or rental application, with regard to household income does not exceed the Area Median Income for the Greater Portland Metropolitan FMR Area, adjusted for household size, published annually by the U.S. Department of Housing and Urban Development (HUD); and the members of which do not at the time of the mortgage or rental application, own residential real estate.

Affordable Rental Unit: An affordable rental unit is affordable to an eligible household earning up to 80% of the Area Median Income for the Greater Portland Metropolitan FMR Area, adjusted for household size, and published annually by the U.S. Department of Housing and Urban Development (HUD).

Affordable Homeownership Unit: An affordable homeownership unit has a purchase price which is affordable to an eligible household earning up to 120% of the Area Median Income for the Greater Portland Metropolitan FMR Area, adjusted for household size, and published annually by the U.S. Department of Housing and Urban Development (HUD).