Laura Reading, Developers Collaborative

Our vision is rooted in serving the community while creating financially viable developments with community involvement, efficient smart growth strategies, and innovative financing approaches.

Agenda

1. Cape Elizabeth

- "Highly desirable and welcoming community"

2. Housing Affordability

- Welcoming and encouraging housing affordability for all residents and workforce that contribute to such a desirable community

3. Community Process

- Embracing curiosity and creativity to address both community needs and ideals

Cape Elizabeth

2019 Comprehensive Plan "Vision Statement"

With breathtaking coastlines, lighthouses, farms, forests, and leafy neighborhoods — all in proximity to Portland — Cape Elizabeth will continue to be a desirable place to live. We honor our heritage and history. We strive to encourage citizen engagement; support excellence in our schools; diversify housing choices; create a vibrant town center; preserve our open space, farming and natural resources; and connect neighborhoods through a safe pedestrian network. By embracing these ideals, our vision is for Cape Elizabeth to remain a highly desirable and welcoming community.

Cape Elizabeth

Housing Diversity Study
Town of Cape Elizabeth, Maine

September 2022

Prepared by
camoin associates
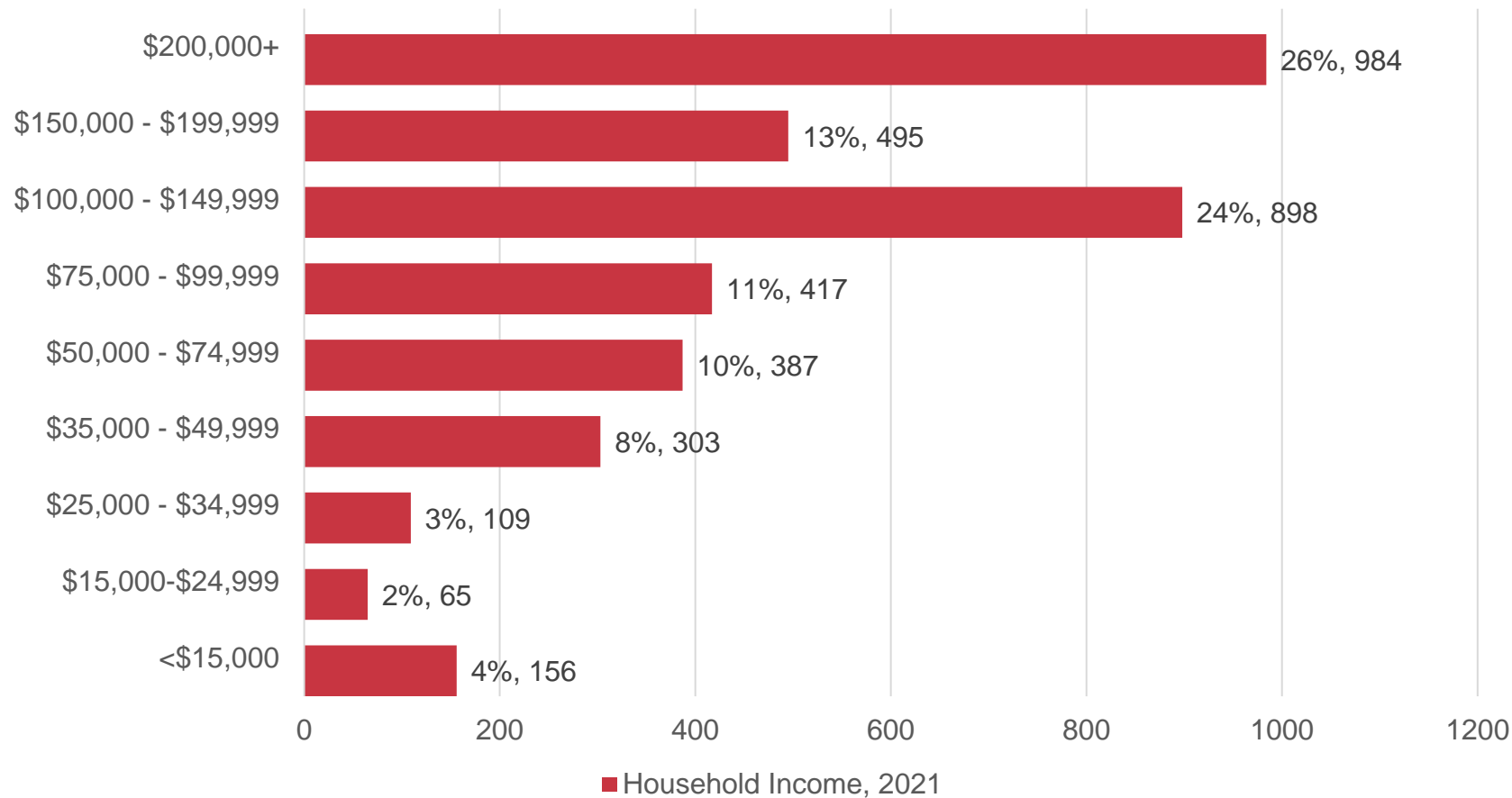
Housing Affordability

- **Local incomes – affordable housing costs** (30% of income)

- **Various affordable housing financing programs** available for different types of development and different income ranges that offset the gap between development costs and affordability

- Funding programs have limited availability in general and on a per project/per unit basis, **development costs have a big impact on feasibility**

Housing Affordability: Local Incomes

- Cape Elizabeth 2019 Comprehensive Study:
  - Approximately **1/3 of Cape households are cost burdened**
  - Nearly **half of Cape renter households are cost burdened**

- **"Cost-burdened"** defined as more than 30% of household income toward housing expenses

- Strong impact on individual households

- Community impacts may include lack of workforce and/or decreased spending at local businesses, or fewer/smaller families resulting in lower school enrollment
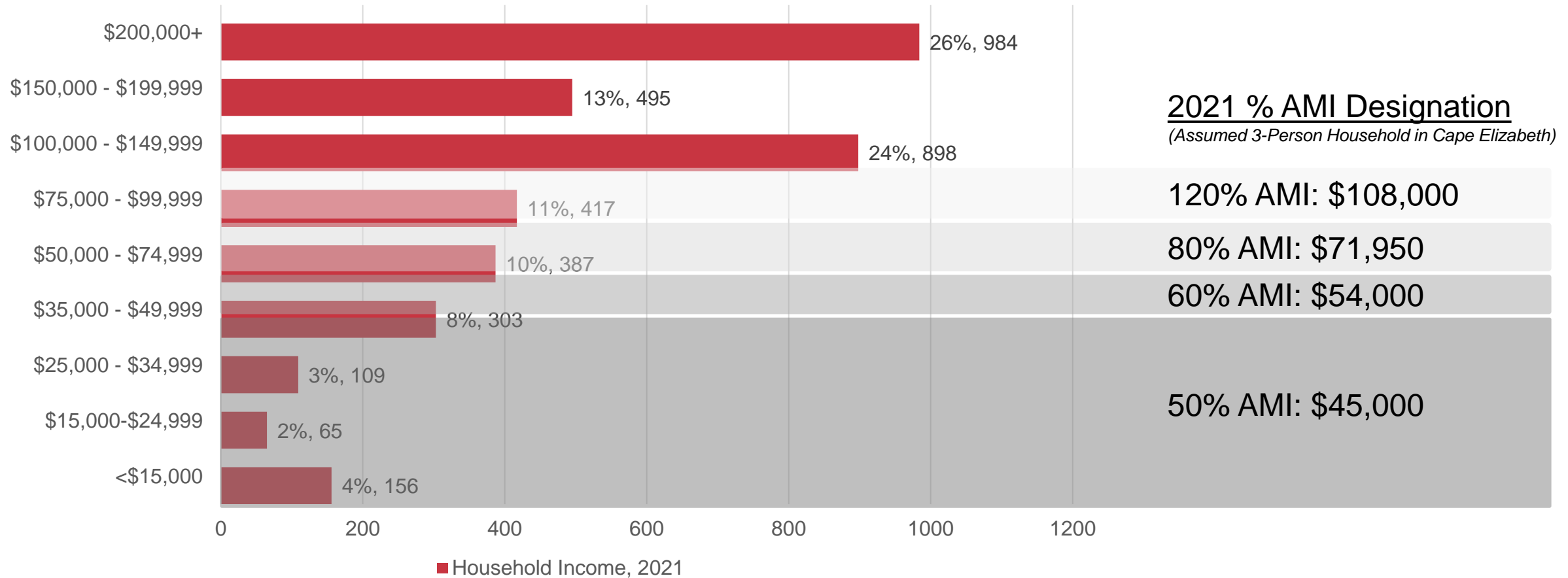
Housing Affordability: Local Incomes

Household Income Distribution in Cape Elizabeth, 2021

Income Range	Percent, Count
$200,000+	26%, 984
$150,000 - $199,999	13%, 495
$100,000 - $149,999	24%, 898
$75,000 - $99,999	11%, 417
$50,000 - $74,999	10%, 387
$35,000 - $49,999	8%, 303
$25,000 - $34,999	3%, 109
$15,000-$24,999	2%, 65
<$15,000	4%, 156

■ Household Income, 2021

- Approximately 633 households (17% of all households) make less than $50,000.

- Median annual income for municipal jobs estimated at $41,000.

- There are only 392 renter-occupied units in Cape Elizabeth.

- **Cape Elizabeth's Median Gross Rent of $1,151 per month is unaffordable to households making less than $46,040.**
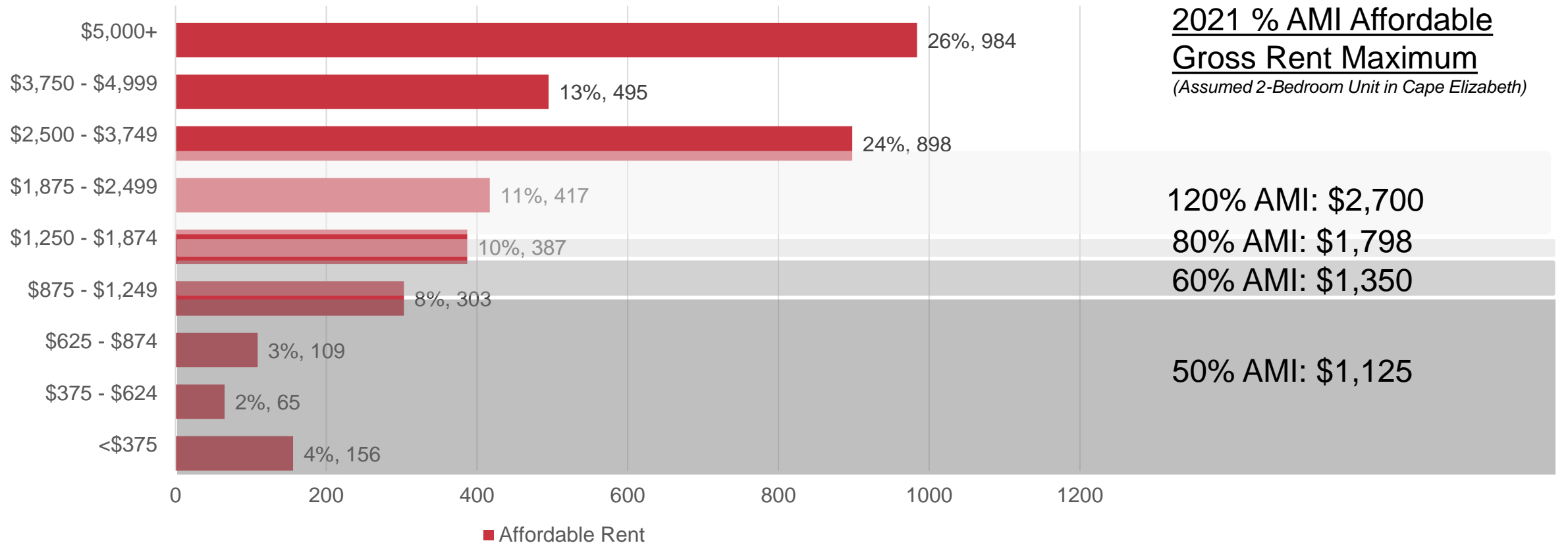
Housing Affordability: Local Incomes

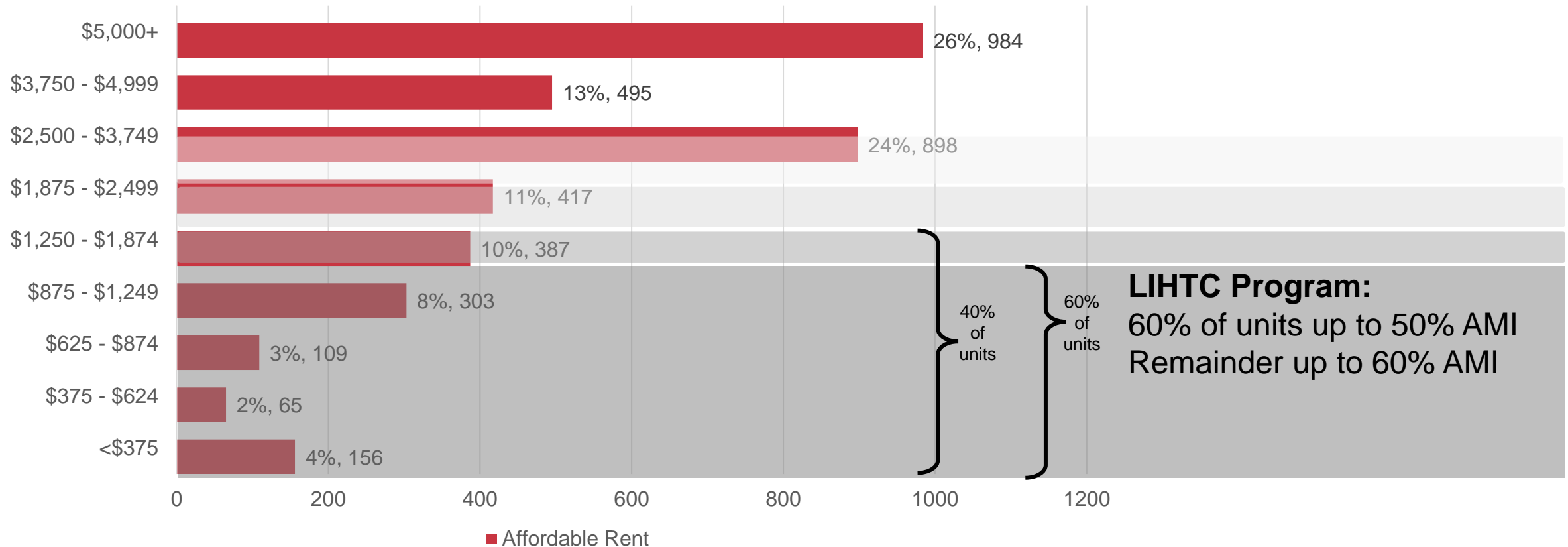## Household Income Distribution in Cape Elizabeth, 2021

Income Bracket	Percent, Count
$200,000+	26%, 984
$150,000 - $199,999	13%, 495
$100,000 - $149,999	24%, 898
$75,000 - $99,999	11%, 417
$50,000 - $74,999	10%, 387
$35,000 - $49,999	8%, 303
$25,000 - $34,999	3%, 109
$15,000-$24,999	2%, 65
<$15,000	4%, 156

■ Household Income, 2021

2021 % AMI Designation
(Assumed 3-Person Household in Cape Elizabeth)

120% AMI: $108,000

80% AMI: $71,950

60% AMI: $54,000

50% AMI: $45,000

Housing Affordability: Local Incomes

Affordable Housing Costs Based on Household Income
Distribution in Cape Elizabeth, 2021

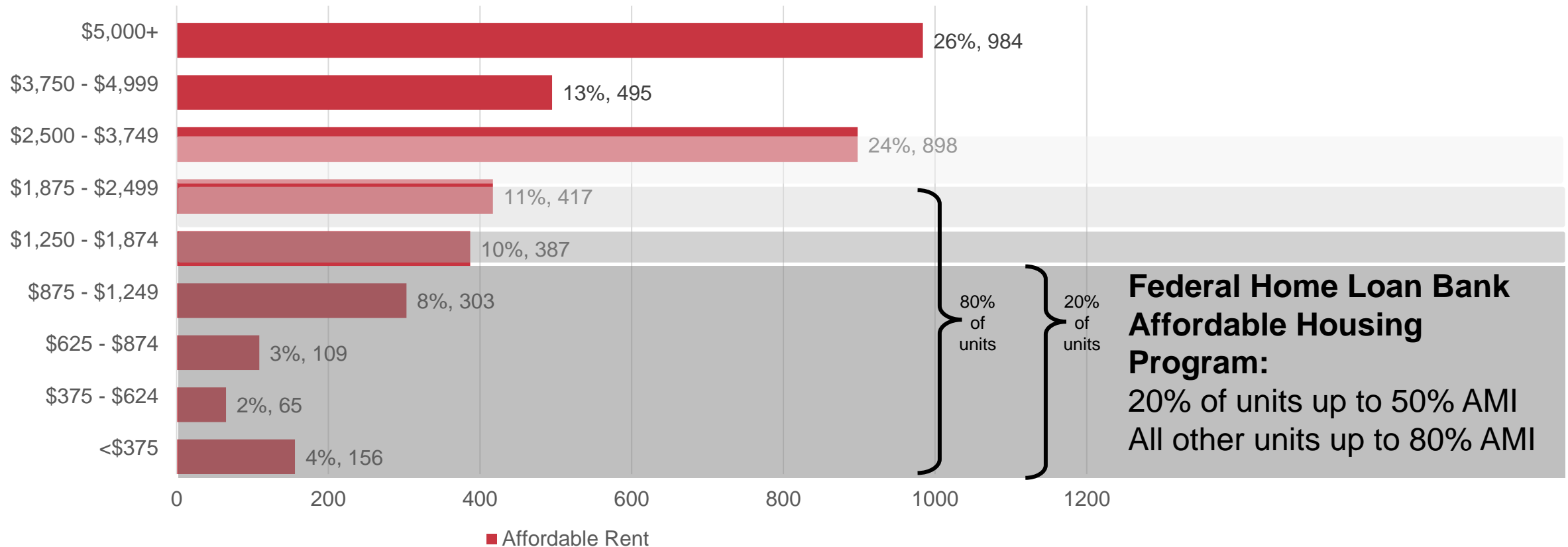| Income	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
$2,500 - $3,749	24%, 898
$1,875 - $2,499	11%, 417
$1,250 - $1,874	10%, 387
$875 - $1,249	8%, 303
$625 - $874	3%, 109
$375 - $624	2%, 65
<$375	4%, 156

■ Affordable Rent

2021 % AMI Affordable Gross Rent Maximum
(Assumed 2-Bedroom Unit in Cape Elizabeth)

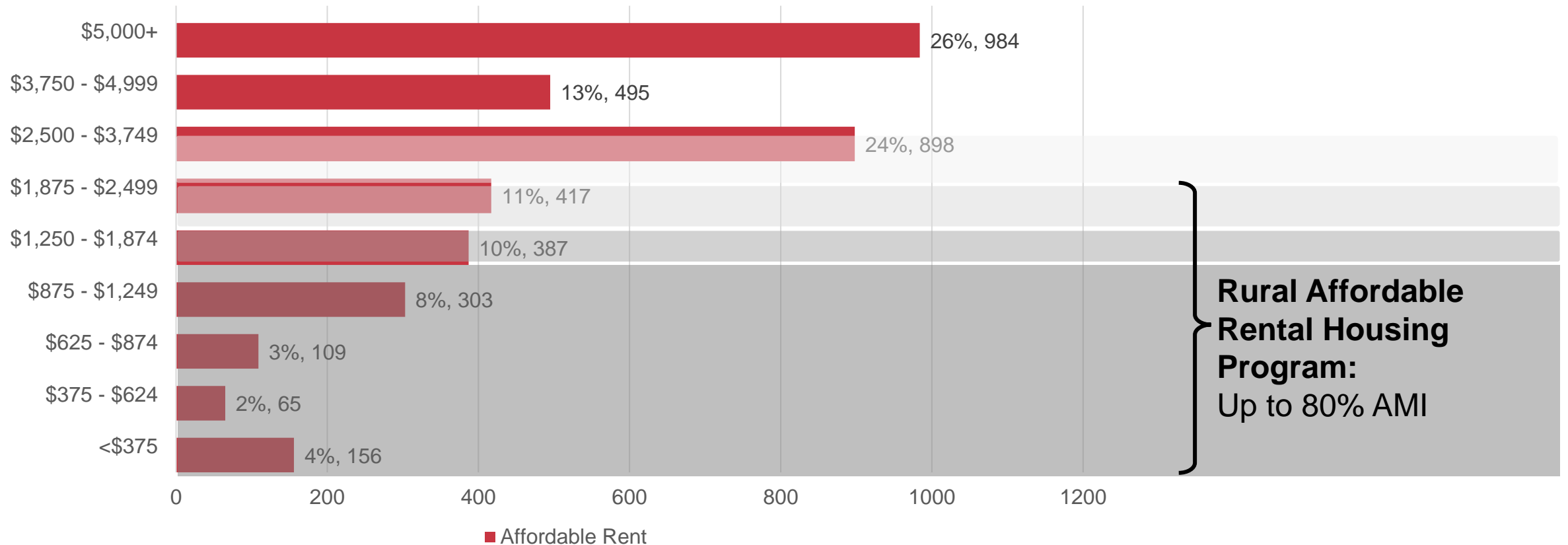120% AMI: $2,700

80% AMI: $1,798

60% AMI: $1,350

50% AMI: $1,125

Housing Affordability: Funding Sources

Affordable Housing Costs Based on Household Income Distribution in Cape Elizabeth, 2021

Income Range	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
$2,500 - $3,749	24%, 898
$1,875 - $2,499	11%, 417
$1,250 - $1,874	10%, 387
$875 - $1,249	8%, 303
$625 - $874	3%, 109
$375 - $624	2%, 65
<$375	4%, 156

40% of units

60% of units

LIHTC Program:
60% of units up to 50% AMI
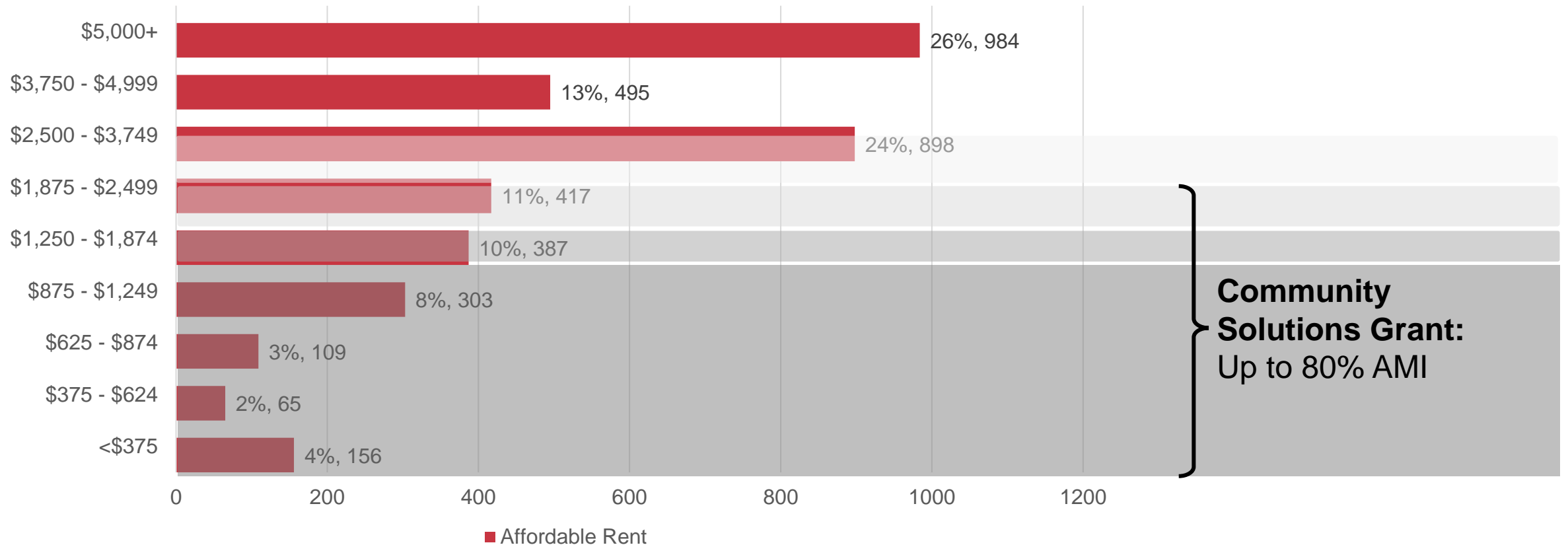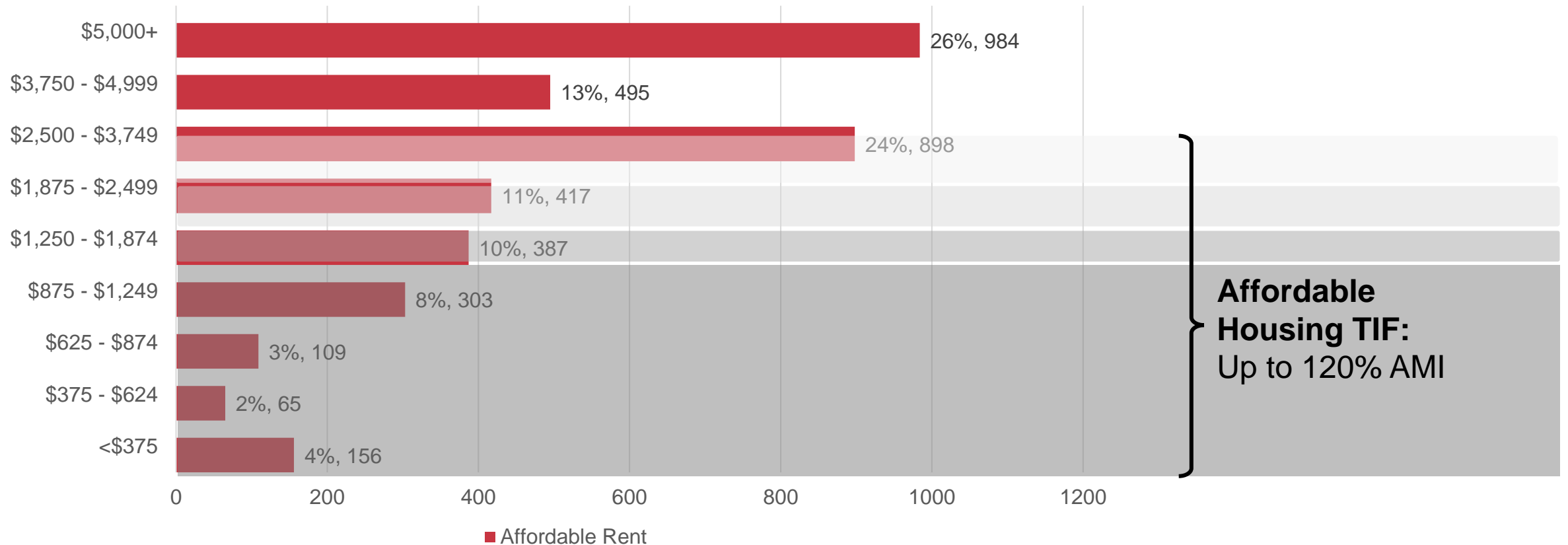Remainder up to 60% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

Affordable Housing Costs Based on Household Income
Distribution in Cape Elizabeth, 2021

Income	Affordable Rent
$5,000+	26%, 984
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$375 - $624	2%, 65
<$375	4%, 156

80% of units

20% of units

Federal Home Loan Bank Affordable Housing Program:
20% of units up to 50% AMI
All other units up to 80% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

Affordable Housing Costs Based on Household Income Distribution in Cape Elizabeth, 2021

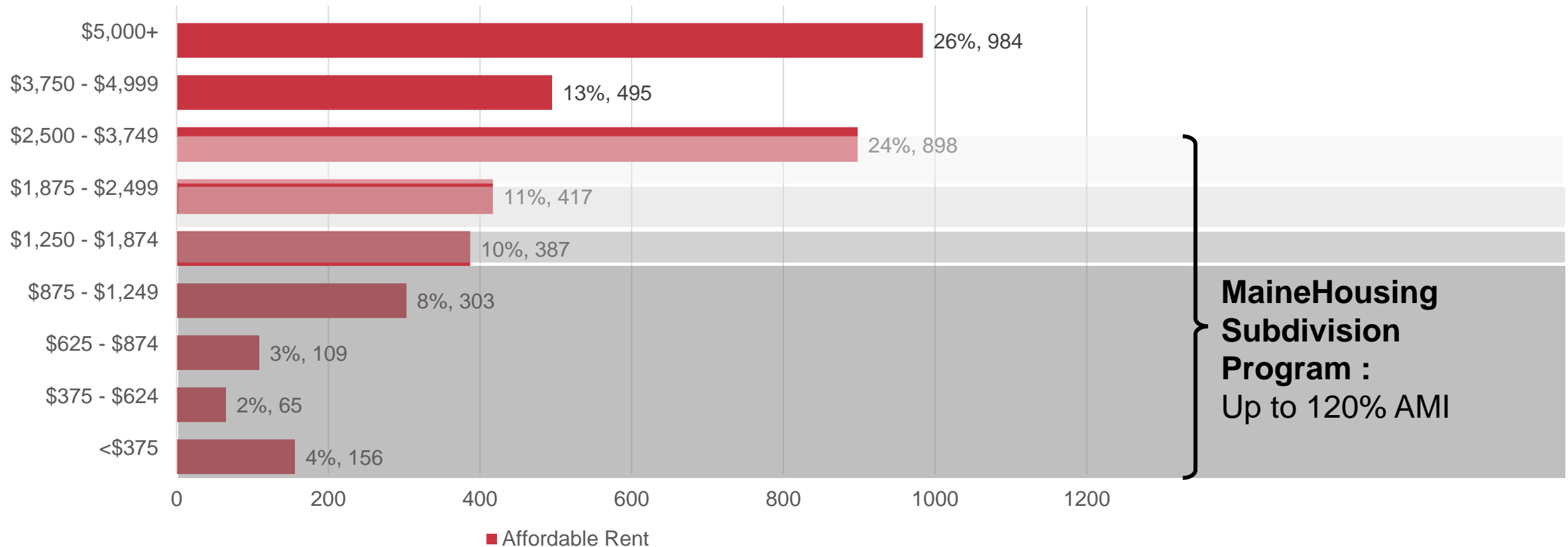| Income Range	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
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Rural Affordable Rental Housing Program: Up to 80% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

Affordable Housing Costs Based on Household Income Distribution in Cape Elizabeth, 2021

Income Range	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
$2,500 - $3,749	24%, 898
$1,875 - $2,499	11%, 417
$1,250 - $1,874	10%, 387
$875 - $1,249	8%, 303
$625 - $874	3%, 109
$375 - $624	2%, 65
<$375	4%, 156

Community Solutions Grant: Up to 80% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

Affordable Housing Costs Based on Household Income Distribution in Cape Elizabeth, 2021

Income Range	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
$2,500 - $3,749	24%, 898
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$1,250 - $1,874	10%, 387
$875 - $1,249	8%, 303
$625 - $874	3%, 109
$375 - $624	2%, 65
<$375	4%, 156

0   200   400   600   800   1000   1200

Affordable Housing TIF: Up to 120% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

Affordable Rent Based on Household Income Distribution in
Cape Elizabeth, 2021

Income Range	Affordable Rent
$5,000+	26%, 984
$3,750 - $4,999	13%, 495
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MaineHousing Subdivision Program : Up to 120% AMI

■ Affordable Rent

Housing Affordability: Funding Sources

There are a variety of funding sources that can be used to meet different needs and income levels. **They all require creative community solutions to provide a foundation of feasibility for a proposed development to qualify.**

Program	Target Population (by Household Income)	Scale of Development
Low-Income Housing Tax Credit Program	60% of units up to 50% AMI Remainder up to 60% AMI	30 to 50 units
Federal Home Loan Bank Affordable Housing Program	20% of units up to 50% AMI Remainder to 80% AMI Rental and ownership	Varies
MaineHousing Rural Affordable Rental Housing Program	Up to 80% AMI	5 to 18 units
Community Solutions Grant	Up to 80% AMI	Varies
Affordable Housing TIF	Up to 120% AMI	Varies
MaineHousing Subdivision Program	Up to 120% AMI Ownership	Minimum 5 units

Housing Affordability: Funding Sources

Common requirements include demonstrating that the proposed development:

- is integrated with the community/addresses community needs

- utilizes existing infrastructure

- has safe and affordable access to services (e.g. grocery stores, libraries, schools)

- is financially viable and an efficient use of funds

Housing Affordability: Development Costs

Costs (and availability) of land

- Existing infrastructure (e.g. public water/sewer, sidewalks)

- Local zoning regulations (e.g. use, density)

Costs of construction

- Housing typologies (cost savings with attached v detached housing)

- Height restrictions (cost savings with wood frame construction up to 5 floors versus a larger building footprint that is only two stories tall)

Community Process

Potential Areas of Focus:

- Target populations

- Housing typologies and growth area gradients/boundaries

- Community Investment

Community Process: Target Populations

Housing Diversity Study identified six potential housing objectives focusing on different target populations:

- Young adults
- Young families
- Seniors
- Displaced commuters
- Existing residents who are housing cost-burdened

Affordable housing funding sources broadly target either senior or workforce housing.

Community Process: Target Populations

Explore alternate density standards for senior housing in close proximity to amenities and services.

(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

Cost-Burdened Households by Age of Householder
(Households with Housing Costs at 30% or More of Household Income)

	Cape Elizabeth			Cumberland County		
Householder Age	All Occupied	Owner-Occupied	Renter-Occupied	All Occupied	Owner-Occupied	Renter-Occupied
15 to 24 years	18	0	18	1,746	163	1,583
25 to 34 years	15	0	15	5,234	1,112	4,122
35 to 64 years	343	308	35	16,845	10,517	6,328
65 years and over	380	380	0	11,411	7,465	3,946
Total	**756**	**688**	**68**	**35,236**	**19,257**	**15,979**

Source: ACS 2020 5-yr Estimates

Share of Households by Age of Householder that are Cost-Burdened

	Cape Elizabeth			Cumberland County		
Householder Age	All Occupied	Owner-Occupied	Renter-Occupied	All Occupied	Owner-Occupied	Renter-Occupied
15 to 24 years	23%	N/A	23%	51%	34%	54%
25 to 34 years	8%	0%	12%	29%	14%	41%
35 to 64 years	16%	15%	27%	25%	20%	39%
65 years and over	29%	30%	0%	33%	28%	50%
Total	**20%**	**20%**	**17%**	**29%**	**22%**	**43%**

Source: ACS 2020 5-yr Estimates

Key Housing Diversity Study Findings:
- Seniors comprise 34% of town's population
- Seniors make up 50% of all cost-burdened households
- About 29% of senior households (~380 households) are cost-burdened

Community Process: Housing Typologies

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.

Excerpts from Yarmouth's Form-Based Code

Community Process: Housing Typologies

Identify relationship between housing typologies and growth areas

- Focus investment on town center and its potential expansion to support social, healthy lifestyles while still preserving rural areas

- Use existing public infrastructure to reduce community tax burden
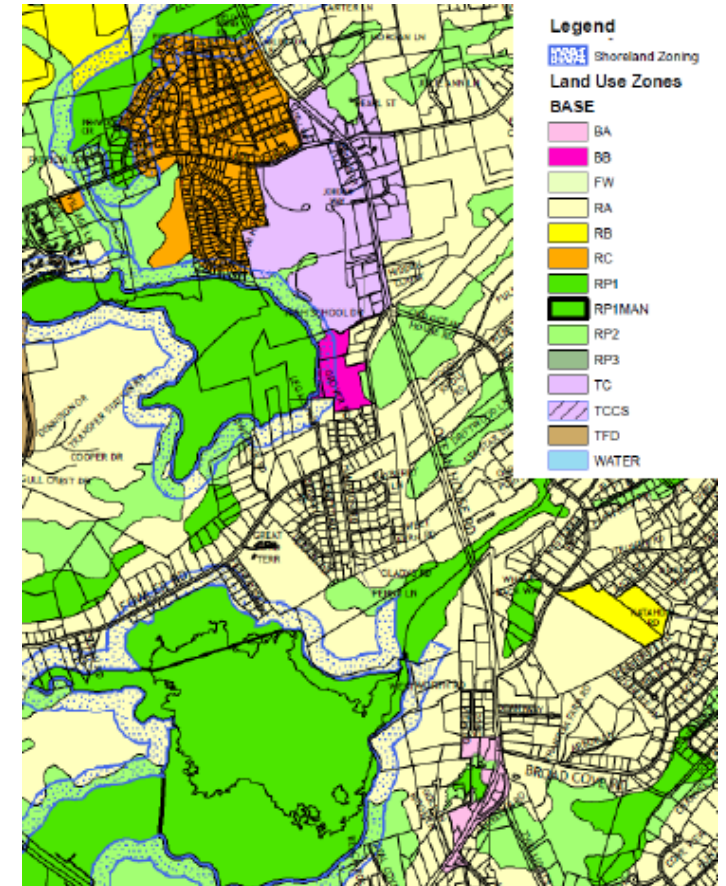
Town of Cape Elizabeth

Community Process: Community Investment

Tax Increment Financing Districts

- AH TIFs: 33% of units earning 120% AMI or less

Local Housing Trust Funds (Scarborough, Portland, South Portland, Augusta)

- Funded through municipal's portion of TIF income or fees in lieu of Mandatory Affordable Housing Regulations

- Leverage state and federal funding sources

Closing Thoughts

Thank you for having this conversation.

Reflect often on the vision to maintain a "highly desirable and welcoming community" because there's not likely one simple strategy or solution but an ongoing, iterative process.

Embrace curiosity and creativity throughout the process to gather forward momentum on meeting both community needs and ideals.

Questions?

Developers Collaborative / Cape Elizabeth Town Hall