

# **CUMBERLAND HOUSING TASK FORCE**

## **AFFORDABLE HOUSING RECOMMENDATIONS TO TOWN COUNCIL JANUARY 23, 2023 BY UNANIMOUS VOTE**

### **CUMBERLAND HOUSING TASK FORCE MEMBERS:**

**Jamie Broder – Chair**

**Brian Cashin**

**Betsey Harding**

**Katie Magoun**

**Gail Witherill**

**Lou Gallaudet, Vice Chair**

**Richard Doane**

**Mark Lapping**

**Eben Sweetser**

**Justin Wood**

### **Town Council Liaisons:**

**Bob Vail**

**Mark Segrist**

### **Town Staff:**

**Carla Nixon, Town Planner**

**Christina Silberman, Admin. Asst.**

**COVER LETTER**  
**HOUSING TASK FORCE CHAIR JAMES BRODER**

Transmitted herewith is the unanimous report of the Affordable Housing Task Force including a number of specific recommendations for your consideration. While the core of these recommendations revolves around the strengthening of existing municipal entities, we take note that every other Town and City in the County and in the State are dealing with the same issues. Other regional entities, such as GPCOG, and the HUD funded Cumberland County Community Development Program are addressing these same issues. Just read the paper every day for stories on the shortages of affordable housing and the rise of homelessness as a result. We are watching a not so slow motion societal disaster. No community is immune.

Regional and State players are beginning to come to grips the issue. Where concrete and reasonable proposals from regional bodies are made and an opportunity for our Town to participate in startup funding is offered, we ask that the Council respond favorably.

Respectfully Submitted,

James Broder, Chair

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## **AFFORDABLE HOUSING TASK FORCE RECOMMENDATIONS**

### **Chapter 1: Mandate and Process**

On July 26, 2022, the Cumberland Housing Task Force (“Task Force”) was sworn in as authorized by order of the Town Council and attached as Exhibit 1. Members are James (Jamie) Broder, Brian Cashin, Rick Doane, Lu Gallaudet, Betsey Harding, Mark Lapping, Katie Magoun, Eben Sweetser, Gail Witherill, and Justin Wood. Council Liaisons are Councilor Bob Vail and Councilor Mark Segrist. Staff support was provided by Town Planner, Carla Nixon and Christina Silberman, Administrative Assistant. The Task Force convened in Town Council Chambers with a mandate to come back to the Council no later than December 15, 2022 (extended to January 23, 2023) with its recommendations. This Report is the response to the Council’s charge.

The Task Force thanks Carla and Christina for very strong support of our efforts by providing historical context, a large number of relevant documents, and excellent advice and counsel on what exists, and how it came to be. Most importantly, they were able to communicate the extensive efforts that have gone on over the years, the progress made, and lessons learned. We could not have done this work without them.

Thanks to Mark and Bob for attending each meeting and playing a critical role by making sure that the Council’s processes and views were understood.

Huge thanks to Town Manager Bill Shane who advised us when asked on history, ongoing processes, programmatic options and brought us into the loop on possible projects that might help support the needs identified by the Task Force.

The Task Force elected Jamie Broder as Chair and Lu Gallaudet as Vice Chair. Our process strongly valued consensus and our deliberations sought that goal. The Task Force split into subcommittees to do deep dives on the issues initially identified by the group: Existing and proposed Affordable Housing in Cumberland; Review of the Comprehensive Plan and Zoning; Infrastructure Funding Sources; Land Acquisition, Specific Federal and State Affordable Housing programs; Role of the Cumberland Housing Authority (“CHA”), Housing Tax Increment Financing (“AHTIF”); Impacts of LD2003; and Innovative and Creative Responses to Small Scale Development.

Each of these subcommittees brought their thoughts to the Task Force Meetings for discussion. By mid-November apparent consensus was reached and the Chair was tasked with preparing a brief written executive summary of proposed recommendations and that executive summary served as the focus of the following meeting. Two more detailed, revised iterations of the recommendations were drafted and became the primary agenda item for subsequent meetings. The minutes of all these meetings are attached as Exhibit 2.

This Report reflects the unanimous consensus view of the Task Force. We respectfully submit this Report to the Council for its consideration and action.



## **Chapter 2: The Center of Excellence Concept and the Role of the Cumberland Housing Authority**

In reviewing the information, we have gathered, we are struck by the historical and continuing mention of housing affordability as a strongly held value in Cumberland. No wonder, as median housing prices in Cumberland continue to skyrocket far out of reach of the vast majority of our citizens, or their children, something needs to change. It was clear in the recent Town Survey that Affordable Housing remained a core value across a broad spectrum of residents. It is in our Comprehensive Plan, and in our Zoning. We even have a Housing Authority whose statutory powers are very broad indeed, but which lacks a broad mission statement. What Cumberland needs most is to use the structure it already has with a broader mission to meet today's municipal needs. The recommendations we now propose can have the effect of creating a Center of Excellence within an existing structure of municipal government with a new broad but clear mission, and the designated human resources necessary to accomplish that mission. That body is the CHA.

Note to Readers: The definition of the terms "Affordable" and "Work Force Housing" (whether in lower case or capitalized) are closely tied to the financing and/or subsidy program or programs associated with the project. There is no universal definition. If a project arises that has no mandated definition of these terms, we recommend that the CHA consider and determine the appropriate definitions for such a project on a case-by-case basis. See Exhibit 3 for program specific affordability standards.

### **Center of Excellence Concept:**

It is true that there is broad participation in the policy and development process of affordable housing from the Town Councilors individually and as a Council, to the Town Manager, the Code Enforcement Officer, the Planning Board and the Town Planner. While they all play a role, no one can claim affordable housing development as their primary mission. The result is that the Town is often forced to be reactive to the approach of developers with ideas rather than affirmatively approaching the issue.

We propose a more proactive process in which the first step is for the Town to decide what it wants and needs, to identify appropriate locations, and then issue Requests for Interest (RFI) from the development community to better focus these efforts. With broad input and the identification of needed assets, the Town decides whether the need can be best met by the CHA, with or without for profit or non-profit partners, or by the marketplace. The Town identifies any incentives that may be associated with such a project. Competitive Requests for Proposals (RFP) to qualified bidders would then be held. As will be noted in detail below, we propose CHA as the Center of Excellence.

Such a process should be the next step after this Task Force expires.

Such a process will establish means and methods to assure that housing developed as affordable stays that way for the long term.

Such a process will give the Town the benefit of competition.

### **The Cumberland Housing Authority: History and Accomplishments**

On July 16, 1991, a Special Meeting of the Town Council heard a report of the Cumberland Affordable Housing Alliance, a distant predecessor to this Task Force, to establish the CHA, and to adopt its bylaws. See Exhibit 4. The immediate purpose of creating the CHA was the development, financing and operation of the 30-unit Cumberland Meadows Senior Housing, and the CHA continues to monitor the operations of Cumberland Meadows.

That being said, the CHA was granted the full range of powers granted under Maine Law. Among the powers granted to the CHA include authority:

1. to build and to operate housing on its own account **or in combination with other private persons corporations, government agencies, or other appropriate body**. Please note the invitation to collaborate with others, both developers, non-profits, and governmental entities without limitation, and the opportunities for creativity in responding to identified needs, are all subject to municipal consultation and approval requirements as set forth below.
2. to conduct studies of housing need and creative means and methods of meeting such needs and making such studies public; thereby keeping a finger on the pulse of the housing needs of the community;
3. to contract for a broad range of services;
4. to lease, rent, insure and pledge any interest to support financing; and
5. to seek and to receive Federal, State and County grants, gifts and other funds, to hold and invest funds in instruments issued or insured by the United States or agencies thereof and to utilize these funds in part to defray initial increased staff costs for the implementation of the Center of Excellence concept, as well as for approved projects and the other purposes set forth above.

With the above discussion in mind, we propose the following recommendations:

### **Chapter 3: Recommendation**

**3.0 CHA: Expand the purposes of the CHA and implement structural leadership within town government as a Center of Excellence through a reinvigorated, fully functioning, and staffed CHA with a minimum of one (1) experienced development officer, with the focus of overseeing and performing the following critical functions:**

- 3.1 to develop and implement proactive processes for the identification of needs and solutions through its own research as well as Requests for Interest (“RFI”) and Requests for Proposals (“RFP”);

- 3.2 to administer Affordable Housing obligations under developer and owner covenants using token interests in projects to give it “signature authority” describing its right to enforce such obligations;
- 3.3 to continue to expand its role in the management/supervision of Affordable Housing projects;
- 3.4 to exercise its role as a Center of Excellence, by serving as the administrative contact and facilitator for the use by CHA, non-profits, and developers in the community of programs administered by the Maine State Housing Authority (MSHA), Low Income Housing Tax Credit (LIHTC) 4% and 9% financing, as well as other Department Housing and Urban Development (HUD) 202 grants, HUD mortgage insurance, Section 8 subsidies, Redevelopment Agency (RDA) 515 programs and other federal and state programs; (Please refer to exhibits for additional information.
- 3.5 to serve as the Town’s representative to regional organizations, such as Greater Portland Council of Governments (“GPCOG”) or Cumberland County, dealing with Affordable Housing Policy and Cooperation and as the contact point for urgent or emergency housing needs;
- 3.6 to create and to administer an Affordable Housing Trust Fund and to seek supplemental grants and other non-municipal funding to meet the broad base of CHA mission requirements;
- 3.7 to conduct studies and continue research on creative approaches and best practices and affordability options; and
- 3.8 for the avoidance of doubt, as an agency of the Town of Cumberland, the CHA may utilize the powers granted to it under Maine Law in support of the above, shall comply strictly with the statutory obligation to coordinate its actions with the appropriate municipal office or agency shall include, but not be limited to, requiring prior Town Manager or Council approval for any Project (whether sponsored by only the CHA or in conjunction with any third party), or proposed CHA financial obligations; and that the Executive Director of the CHA shall report directly to and serve at the pleasure of the Town Manager. Pursuant to the Organizing Resolution of 1991, Commissioners of the CHA already serve at the pleasure of the Council.

## **Chapter 4: Recommendation**

**4.0 Near Term and Long-Term Goals for Affordable Housing: Given the urgent need for affordable housing in Cumberland and the long lead time associated with the development process for such projects, we recommend a near term goal of 150 units of affordable housing**

to include a mix of workforce housing, age restricted, and non-age-restricted units. The Planning Staff and Town Manager have identified several potential developments that, when complete, will meet a substantial portion of the present unmet demand for affordable housing. The Task Force will also recommend affordability standards for other future projects or portions thereof that are not mandated by other programmatic requirements.

- 4.1 **Establish Affordable Housing Overlay zones** (to include workforce housing) in at least three (3) discrete areas of Town (e.g., West Cumberland, Cumberland Center, Cumberland Foreside) for the development in the near-term goal. The creation of these overlay zones should provide incentives such as density bonuses, AHTIF Districts for infrastructure development, and flexibility in other dimensional requirements as approved by the Planning Board. Projects developed in this zone shall not be eligible to make opt out payments in lieu of development of affordable units. The location of these Affordable Housing Overlay zones shall be the same as the growth areas depicted on the Comprehensive Plan Growth Area Map, attached as Exhibit # 5.
- 4.2 **Promote and support the development of one (1) significant development of at least fifty (50) affordable units in each Affordable Overlay Zone** area with all or a substantial percentage of units being Affordable (including workforce housing) and to be completed within the next three (3) – four (4) years.
- 4.3 **Require a minimum of twenty (20%) of units in any new housing development of 10 or more units in any zone other than the Affordable Overlay Zone allowing such development to be Affordable (to include workforce housing)** for a period of not less than forty-five (45) years to be enforced through deed restrictions and other mechanisms deemed appropriate, to be monitored and enforced by the CHA. Waivers of this requirement may be approved for good cause shown by the joint decision of the Planning Board and CHA for a reasonable portion of the Affordable requirement provided that an opt-out payment to the Housing Trust Fund in lieu of development for each unit granted such a waiver is paid before the issuance of a Building Permit for any unit. The amount of such opt-out payment shall be a material percentage of, but no less than 20% of, the cost of the affordable units waived, as determined by the CHA. These funds will be available for the CHA to develop additional affordable Housing units for unmet needs as determined by the CHA and approved by the Town Manager. There shall be no opt-out option for multiplex developments.
- 4.4 **Recommend the aggressive implementation of the Affordability and/or density mandates set forth in LD2003** through ordinances to include reasonable Affordable Housing obligations, as well as density bonuses

related thereto in all the categories of housing under LD2003. We also propose that the Town review and revise its Accessory Dwelling Units (“ADU”) requirements to comply with LD2003 and to consider changes in size limitations based on percentage of existing dwelling. We ask the Council to convene a workshop in the near term to facilitate these discussions.

- 4.5. Recommend the CHA amend the tenant eligibility standards at Cumberland Meadows to be non-age limited and to become income/asset based for all subsequent residents not currently residing therein.

## **Chapter 5: Recommendation**

**5.0 Housing TIFs: Generally, support the establishment of AHTIF Districts as a tool to support the development of eligible infrastructure. Actively participate in the creation of Affordable Housing TIF Districts as State law now permits. These AHTIFs are administered by the Maine State Housing Authority (“MSHA”) which also administers the Low-Income Housing Tax Credit (“LIHTC”), and such participation increases the proposed project’s scoring and likelihood of an approval. These AHTIF districts are authorized to create a Housing Development Revolving Loan Fund as well as an Investment Fund to purchase property by the municipality. See attached materials in Exhibit 6.**

## **Chapter 6: Recommendation**

**6.0 Empowerment of Local Volunteer Resources and Creative responses to Affordable Housing Needs: As part of the Center of Excellence concept, the Task Force recognizes the continuing mission of non-profits organizations to meet the needs of Cumberland residents. We propose that the CHA support and facilitate the research on, placement of and participation in the development of creative housing options proposed by non-profit organizations. Programs such as the HUD Section 202 Capital grant program focused entirely on non-profit sponsored projects has developed over 250,000 units of housing with services for low-income elderly people. Several of these projects exist in the Portland Metro area today. Technical assistance in these efforts was critical to their success. Many of the ideas brought to the attention of the Task Force are already happening in the region. For example, a limited equity housing coop in Portland sponsored by the Cooperative Development Institute; Tiny Homes up to 600 square feet in size created by 3-D printers at the University of Maines Advance Materials Laboratory; and Transitional Housing sponsored by GPCOG, and similar programs and facilities to meet emerging and emergent needs of Cumberland residents, as circumstances arise.**

## **Chapter 7: Recommendation**

**7.0 Support Housing for Cumberland Residents and Their Families: The development of Cumberland Meadows in 1991 was a reaction to the needs of many Cumberland elders who could no longer live safely in their own homes. It has met that mission, but it is not enough. In 2022, given the cost to buy a house and the lack of even reasonably priced apartments to come home to and start a family, the ability of our grown children and extended families to come**



**back home to Cumberland is very limited. How much of Cumberland's work force can afford to live in Cumberland? We support reasonable priorities for occupancy by residents of Cumberland and their families and non-residents who work in Cumberland as consistent with requirements of the Fair Housing Act.**

## **Chapter 8: Summary and a Note on Process**

There is a housing affordability crisis in the nation, in Maine, in Cumberland County, and in our Town. That isn't a question, it is a fact. The Council recognized this situation and asked the Housing Task Force, a group of ten Cumberland residents, to examine these issues and to come together to make recommendations to the Council. This was no small task.

We are a diverse bunch. Some of our families have ancestors buried in Cumberland, and others came to Town very recently. Some are young and some are old. Some have or will have kids in school and some have or will have grandkids who live here or away and would love to come home. We live in the Center, on the Foreside and in West Cumberland. Our experiences vary widely as do our values, and our opinions. Some of us are Republicans and some Democrats or Independents. This kind of diversity can sometimes become a barrier to consensus, as world views and politics can vary widely. We all held our views passionately, but yet, here we are with a unanimous report, a finding of common ground based on common values.

Politics is "the art of the possible." The possible starts with trust, and respect for each other's views. If there is no trust, there is no way to reach an agreement. If there is no respect, there is no way to reach agreement. There is just conflict. We began this process by sharing each of our backgrounds, and why we wanted to be on this Task Force, as we were all volunteers. We spent the whole first meeting and much of the second in that process sharing our substantive views and our desires to make a difference. At the end of the second meeting, the group elected its leaders. The third meeting was an overview of the issues, resources, programs, and discrete challenges we would face and the creation of sub committees to deal with one or more of those issues. Each member was asked to listen to the overview and then, at the end of the meeting, select from the list of issues those which they found most important or interesting. Everyone selected at least one area of interest and many took on multiple issues.

Then we went to work.

Ideas morphed into proposed solutions and solutions into recommendations. The next series of meetings had reports of the subcommittees and discussions of the ideas and proposals with the whole task force who shaped and refined the proposals until it became clear that there was an emerging consensus on an approach if not yet on all the details of implementation. We examined a brief outline level first draft attempt to synthesize the recommendations in outline form and presented that for discussion at the next meeting. Most of the recommendations were accepted by the group, but with many amendments. The next draft was a much more detailed version and several issues with a broad range of views were crafted into acceptability by the group. The report above is the result of the final editing process and unanimous acceptance.

This process was an essential exercise of the political process. No one has all the answers. Everyone was invited to participate. By sharing, by listening with open minds, and by trusting the good will of all around the table, we were able to craft a thoughtful and actionable set of recommendations that build on the institutions and processes that have already existed for years in our Town.

Chairs Comment: I am honored to have had the chance to work with all the members of the Task Force, our Liaison Council Members and the Town staff in this effort. First and foremost you showed up: first by volunteering, then with very consistent attendance by all at meetings, and doing the committee level of work that broke the issues into digestible morsels and the willingness to discuss all the issues openly and frankly and to work to find common ground. I am more convinced than ever that the level of government that governs best is that closest to the people being governed.

Respectfully Submitted,

Housing Task Force Members (in Alphabetical Order)

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James Broder, Chair

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Brian Cashin

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Rick Doane

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Lu Gallaudet, Vice Chair

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Betsy Harding

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Mark Lapping

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Katie Magoun

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Eben Sweetser

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Gail Witherill

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Justin Wood

# **HOUSING TASK FORCE RECOMMENDATIONS**

## **EXHIBIT 1: COUNCIL MADATE**

CUMBERLAND TOWN COUNCIL CHARGE  
TO THE  
**HOUSING TASK FORCE**  
ADVISORY COMMITTEE

The Cumberland Housing Task Force shall consist of up to 7 (seven) Cumberland residents appointed by the Cumberland Town Council to provide recommendations on ways to facilitate the development of affordable housing in the community.

The actions of the Housing Task Force shall include, but shall not necessarily be limited to, the following:

1. Review the results of the 2022 Community Survey to determine the level of concern that respondents expressed regarding the availability of affordable housing.
2. Review the 2020 U.S. Census data regarding demographics of the town and data related to the existing number, and types of, housing units.
3. Review the 2014 Comprehensive Plan to determine if the Housing chapter needs to be updated to reflect current conditions.
4. Review the 2014 Comprehensive Plan to determine if the current designated “Rural” and “Growth” areas should be revised to reflect new public utility locations, potential for public transit, and available land for development.
5. Make recommendations to the Cumberland Town Council on ways to facilitate the creation of affordable housing such as increasing density, reducing minimum lot sizes and expanding infrastructure (roads, water sewer).
6. Review the potential for development of all types of housing to include single family, duplex, multiplex, accessory dwelling units, tiny homes, and manufactured homes, which includes single-wide mobile, double-wide mobile and modular homes.

The Task Force shall submit a final report to the Cumberland Town Council for consideration and action no later than **December 15, 2022**.



**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 2:  
COMMITTEE ASSIGNMENTS  
AND  
MEETING MINUTES**



## CUMBERLAND HOUSING TASK FORCE ASSIGNMENTS

### Member Task Assignments:

1. **Gather information on existing/proposed Cumberland projects:** Please focus on process for these programs' approvals and how they did or did not prove to be effective in maintaining affordability and ways in which the approach could be approved.

Justin Wood

2. **Review of Comprehensive Plan:** Please examine Goals and implementation to determine effectiveness in meeting affordability objectives. Are the assumptions of the CP valid any more especially in the realities of prices for housing and increased population, not decreasing population. If something wasn't done, please look at why and what could be done to improve result.

Consider objective of meeting the needs of existing Cumberland residents or children of residents while addressing reality of increasing population and need for more affordability across the board.

Rick Doane

Betsey Harding

3. **Review current Cumberland zoning requirements:** Please look at Town's process of implementing mandates of LD2003 and advise on how to assure affordability of housing that results from these mandates. (With Bob Vail and Mark Segrist. See #10 below) Please examine the feasibility of Affordable Housing overlay zones in parts of the Town with available infrastructure to support higher density development. What is the future of 4 acre minimum lot sizes?

Please examine the historic use of the Contract Zone Agreement (CZA) for development whether as a safety valve or a substitute for the adopted zoning map.

Eben Sweetser

Lu Gallaudet

Betsey Harding

Brian Cashin

4. **Explore infrastructure funding sources:** Review available Town Federal and State funding for water and sewer service extensions to support affordable housing development.

Jamie Broder

5. **Investigate specific housing programs:** Examine the availability and the use of US HUD, RDA, Maine State Housing Authority and other state and local programs for use or facilitation for the production and long term viability of affordable housing.

Jamie Broder

Katie Magoun

Lu Gallaudet

6. **Look into the Cumberland Housing Authority (CHA):** Examine the legal powers of the CHA to develop, to own and to operate affordable housing including the issuance of bonds, possible grant eligibility from state and federal agencies and the practicality of deploying some of all of that authority to provide affordable housing in Cumberland.

Gail Witherill  
Eben Sweetser  
Town Attorney Natalie Burns

7. **Investigate Tax Increment Finance Districts:** Look at the availability of TIF derived funding already in the pipeline and Housing TIFs for future projects.  
Rick Doane  
Jamie Broder
8. **Investigate land acquisition:** Consider possibly available appropriate sites which are already owned or possibly available of a size and in locations consist with affordability goals. Including, but not limited to a Route 1 site and already owned site on Drowne Road.  
Justin Wood  
Eben Sweetser
9. **Explore creative ideas such as tiny houses, co-housing and other proven approaches to the development of affordable housing at a small scale:**  
Examine successful models of small scale or scalable development of housing, such as, but not limited to tiny houses and co-housing  
Mark Lapping  
Gail Witherill  
Katie Magoun  
Betsey Harding
10. **Research LD2003 and effects to affordable/elderly housing:**  
Bob Vail  
Mark Segrist  
(Also see # 3 above)

**Note from Chairman Bruder:** Thanks to all of you for volunteering for these tasks. Please feel free to ask Carla or Christina for support. Please keep me apprised of any meetings (live or zoom) of your group that are scheduled. I do not want your meetings to be scheduled taking my availability into consideration, but I will try to participate if asked and if I am available at that time. I'd like it if each group could give a brief (5-10 minute) update on their process and progress at future meetings.

**Cumberland Housing Task Force  
July 26, 2022 Meeting Minutes  
6:30 p.m. Town Council Chambers**

Members present: Robert Vail, Council Liaison, Mark Segrist, Council Liaison, James Broder, Brian Cashin, Rick Doane, Lu Gallaudet, Betsey Harding, Mark Lapping, Katie Magoun, Eben Sweetser, Gail Witherill, Justin Wood.

Staff present: Carla Nixon, Town Planner. Absent: Christina Silberman, Administrative Assistant.

Councilor Robert Vail opened the meeting, welcomed the committee members and explained his vision for the work to be done by the committee.

Carla Nixon, Town Planner, asked that each member provide a brief personal background and explain why they were interested in serving on the committee.

Ms. Nixon reviewed the Town Council charge for the committee and the requested deadline date for submitting its final report (December 15, 2022).

Ms. Nixon provided a description of previous affordable housing projects that the Town either developed or facilitated.

The committee agreed to elect a chair and vice chair at the next meeting. James Broder expressed willingness to chair the committee and Lu Gallaudet stated she would be willing to serve as vice chair.

The committee agreed to meet the second and fourth Wednesday of the month.

The committee asked that the Town Planner provide the following information for the next meeting:

1. A list and map of all Town-owned properties.
2. Information on what the term “affordable” means for the Town of Cumberland.
3. Information on previous affordable housing projects in Town.
4. A copy of LD 2003 (the recently enacted state law regarding affordable housing development).
5. Information on sewer capacity.
6. When available, results of the community survey. (Projected to be August 8<sup>th</sup>).

The committee adjourned at 8:40 pm.

**Cumberland Housing Task Force  
August 9, 2022, Meeting Minutes  
6:30 p.m. Town Council Chambers**

Members present: Robert Vail, Council Liaison, Mark Segrist, Council Liaison, James Broder, Lu Gallaudet, Mark Lapping, Katie Magoun, Justin Wood, Gail Witherill.

Members absent: Eben Sweetser, Brian Cashin, Rick Doane, Betsey Harding.

Staff present: Carla Nixon, Town Planner; Staff Absent: Christina Silberman, Administrative Assistant.

Carla Nixon, Town Planner, opened the meeting and stated that the first item on the agenda is approval of the minutes for the July 26, 2022, meeting. Lu Gallaudet asked if the committee would be using Roberts Rules of Order. Councilor Segrist offered to continue the meeting using Roberts Rules of Order. A motion to approve the minutes was made by Mark Lapping and seconded by Gail Witherill. The vote was unanimous of members present.

Councilor Segrist stated that the second item of the agenda is election of chair and vice chair. Bob Vail moved to nominate James Broder as chair and Lu Gallaudet as vice chair. Gail Witherill provided a second to the motion. The vote was unanimous of members present.

Mr. Broder took over the meeting and stated that all senior housing done to date has been high end. Ms. Nixon stated that three of the past projects were not high end: Cumberland Meadows Senior Housing, Drowne Road School Apartments and the 96 apartment units on Route 1.

Mark Lapping stated that the committee should start off with knowing what type of community we have. He stated that housing for teachers, firefighters, etc. was needed. That was the “sweet point” to be looking at.

Lu Gallaudet suggested that the committee be provided with background data. She asked that Ms. Nixon provide a list of previous affordable housing projects that the Town either developed or facilitated.

Chairman Broder stated that HUD’s Section 202 offers funding for low income elderly. The appropriation this year is for 1100 units. He asked Gail Witherill about the feasibility of the Cumberland Congregational Church partnering with the Retirement Housing Foundation (which has used HUD funds in the past and has an affiliation with the United Church of Christ which is associated with Cumberland Congregational Church) on low income housing for the elderly. Ms. Witherill said she would look into it.

Lu Gallaudet stated that the types of housing could include:

- Low Income: Ownership or rental.
- Affordable workforce housing.

- Senior assisted living.
- Housing for homeless.
- Immigrant/asylum seekers.
- Subsidized ownership.

Mark Lapping suggested the committee look at co-housing developments such as the one in Brunswick where different ages lived together.

Ms. Nixon suggested that in order to create more affordable “units” (without designating the projects/units as being one type only, such as senior housing) that long-term affordability was important and that it seems that doing projects on Town-owned land would be one way to do that.

Mark Segrist shared an idea that the Town could relocate the Little League field on Drowne Road to the new brush dump area and use that land to develop affordable housing.

Mark stated that the Community Survey results had been tabulated and that many residents supported the creation of affordable housing, especially for seniors.

Ms. Nixon summarized what she believed to be the “action items” in preparation for the next meeting:

1. Chairman Broder to gather information on specific state and/or federal programs with funding for affordable housing.
2. Gail to explore the Congregational Church option.
3. Ms. Nixon to provide a list of existing and proposed affordable housing projects.
4. Everyone to review the Housing Chapter of the Comprehensive Plan.
5. Ms. Nixon will try to get the survey report out to the committee, asap.

The committee adjourned at 8:50 p.m.



**Cumberland Housing Task Force  
August 23, 2022, Meeting Minutes  
6:30 p.m. Town Council Chambers**

**Call To Order:** Chair Broder opened the meeting at 6:30.

**Roll Call:** Present: Chair James Broder, Vice Chair Lu Gallaudet, Brian Cashin, Rick Doane, Betsey Harding, Mark Lapping, Katie Magoun, Eben Sweetser, Gail Witherill, Justin Wood, Council Liaisons: Mark Segrist & Robert Vail (Councilor Vail arrived at 7:12 pm). Staff Present: Carla Nixon, Town Planner & Christina Silberman, Admin. Asst.

**Approval of Minutes of last Meeting:** Ms. Witherill moved to approve the minutes of the August 9, 2022, meeting as amended, seconded by Ms. Harding and **VOTED**, all in favor.

**Chair's Report and Discussion:** Chair Broder outlined the process for future meetings. Chair Broder said he would like to give assignments to Task Force members to look at a particular thing and share information with the group.

Chair Broder lead discussion regarding the following items.

**a. Approach to Scope and Priorities:** Chair Broder stated that it is the Housing Task Force's job to facilitate creative ways to develop affordable housing and provide for long-term availability for those people in Cumberland that need it. Chair Broder said the mission is to deal with all people in Cumberland that have a need. Chair Broder noted that "affordable" means different things in different programs.

Chair Broder referred to the recent municipal survey that provided specific questions on affordable housing and showed that a solid majority are in favor of this.

The Housing Task Force reviewed existing housing projects as follows:

- Smalls Brook Crossing, with 49 single family homes, had a \$20,000 silent second mortgage. Some of the silent mortgages have been paid off and some are still in the program. Ms. Nixon will check to see how many of these properties are still in the program.
- Cumberland Meadows Senior Housing consists of 30 rental units with one or two bedrooms. This was done in 1991 by the Housing Authority. Chair Broder said this program looks to be successful with rents that are comparatively low. There are three subsidized units. Some MSHA (Maine State Housing Authority) money was used to develop this project but MSHA is no longer involved. The Town gives first preference to Cumberland residents on the waiting list when a unit is available.
- Village Green at Drowne Rd. School is a tax credit project with 59 units that are for low-income people that are 62+ or people that are disabled of any age. Phoenix Management is a private company that owns/manages the building and leases the land from the Town.
- Cumberland Foreside Village Apartments are privately owned with 96 units located on US Route 1. A minimum number of senior tenants is required. These are market rent units. Mark Lapping noted that Cumberland Foreside Village was originally for commercial development. The developer later requested residential development and the Town Council bargained to have a certain number of the units for the elderly.

The Task Force discussed the above projects and other projects that were done through a contract zoning agreement (CZA).

**b. Comprehensive Plan Changes:** Chair Broder said the Comprehensive Plan showed at the time that the population was going down. Maine's population is now going up. Chair Broder said the Task Force is not looking to put limits on how many people can come to Cumberland. Ms. Magoun noted that there may be some push back regarding impacts to schools.

Mr. Doane said that the data used in 2009 showed the average median home price was under 300K. This is no longer accurate. Chair Broder said the Comprehensive Plan has to be reconceived and the Task Force can make suggestions based on realities.

Mr. Lapping asked if the Task Force should recommend to the Town Council that the Town revisit the Comprehensive Plan. Chair Broder said the basis of the housing and infrastructure pieces are based on data that is no longer accurate. The Task Force can look at the Comprehensive Plan to see what should change.

The Zoning and Overlay Zoning Maps were reviewed.

Councilor Vail arrived at 7:12 pm. Council Vail noted that he spoke with Councilor Segrist previously and they both wish to be active participants in the Housing Task Force.

**c. Impacts of LD 2003 and other Zoning and Planning Issues:** Chair Broder said that by Statute the Town has the authority to tell every landowner what they can or can't do with their land and where things can go. There are concerns with zoning, such as exclusionary zoning. The State has passed a law that mandates changes in an area that was exclusively within the purview of the Town. Chair Broder said that zoning is now being changed by State law to increase density and other things.

Chair Broder said a workshop is scheduled with the Town Council and Planning Board on October 26<sup>th</sup> to meet with the Town Attorney to discuss the requirements and implementation of LD 2003. Chair Broder asked if the Task Force should present their concerns and recommendations to the Town Council and Planning Board and ask to be part of the meeting. Chair Broder said zoning changes that may be needed to change the approach from contract zones to something policy driven are a big deal. Councilor Segrist shared the Town Attorney's summary of LD 2003 with Task Force members.

Mr. Wood noted that the two successful projects, from an affordability standpoint, are on Town owned land or owned by the Town. Mr. Wood said to make a meaningful impact he thinks the easiest path would be to assess Town owned land for some type of development.

Ms. Gallaudet said LD2003 is trying to get more affordable housing by putting four houses on a one-acre lot and this would make them less expensive. Mr. Wood noted that this may not be true. Ms. Magoun said having more housing supply is key. There are not many options for people looking for a one-bedroom. Accessory dwellings may be the answer. Ms. Magoun said that anything not specifically restricted to being affordable is not going to stay affordable long-term.

Mr. Lapping reported on a Housing Opportunity Fund created under this LD and said the Town needs to understand how to apply to this fund.

**d. Infrastructure planning and funding:** Chair Broder said it is the Town that decides where public water and sewer is extended. The more property that is served, the more opportunity there is for housing to be built. Chair Broder said infrastructure needs, as part of the Comprehensive Plan, have to be looked at to facilitate more housing. Chair Broder said he believes there are grants associated with this kind of infrastructure and the Task Force needs to understand what is available.

The Task Force reviewed locations of public water and sewer. Chair Broder asked Councilor Vail to get information on the sewer capacity for the Town.

Chair Broder outlined a potential housing project in Heritage Village that has a CZA. There is additional land available for residential development and Chair Broder said this is something to look at. Chair Broder said he visited the Route 100 area and there are a lot of places where an elderly or affordable housing overlay could be meaningful.

**e. Cumberland Housing Authority:** Chair Broder said the Cumberland Housing Authority last did a project in 1991 with 30 units and runs the facility nicely. Chair Broder would like the Task Force to look at what the Cumberland Housing Authority's powers are and what it can do.

**f. Federal and State Programmatic Resources:** Chair Broder reviewed handouts of three programs; HUD's Section 202 – Housing for the Elderly, Rural Housing Service's Rural Rental Housing Loans Section 515 and the Congressional Research Service's Low-Income Housing Tax Credit.

Councilor Segrist was excused from the remainder of the meeting.

**g. TIF Funds:** TIF Funds will be reviewed at a future meeting.

**h. Land Acquisition:** Chair Broder noted that land acquisition has been discussed during review or prior items.

**i. Creative options; Tiny House, Co-housing:** Chair Broder said these would not provide great numbers but a lot of people are interested in these options and they are worthwhile to consider.

**j. Assignments and Deadlines:** Chair Broder outlined assignments and asked for two to three committee members to volunteer to work together on each assignment.

**Assignments:**

1. Gather information on existing/proposed Cumberland projects: Justin Wood & Brian Cashin
2. Review of Comprehensive Plan: Katie Magoun, Rick Doane & Betsey Harding
3. Review current Cumberland zoning requirements: Eben Sweetser & Lu Gallaudet Betsey Harding
4. Explore infrastructure funding sources: Jamie Broder
5. Investigate specific housing programs: Jaime Broder, Katie Magoun & Lu Gallaudet
6. Look into the Cumberland Housing Authority: Gail Witherill & Eben Sweetser

7. Investigate Tax Increment Finance Districts: Rick Doane
8. Investigate land acquisition: Justin Wood & Eben Sweetser
9. Explore tiny houses and co-housing: Mark Lappin, Gail Witherill & Katie Magoun
10. Research LD2003 and effects to affordable/elderly housing: Bob Vail & Mark Segrist

**Administrative Matters:** Ms. Nixon reported that the Housing Task Force will not be using SharePoint because it didn't work for everyone and suggested members create a folder in their email to save their Housing Task Force information.

**Adjournment:** The meeting adjourned at 8:30 pm.

**Cumberland Housing Task Force  
September 13, 2022, Meeting Minutes  
6:30 p.m. Central Fire Station Community Room**

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call:** Present: Chair James Broder, Vice Chair Lu Gallaudet, Rick Doane, Betsey Harding, Mark Lapping, Gail Witherill, Absent: Brian Cashin, Katie Magoun, Eben Sweetser, Justin Wood, & Town Council Liaisons Mark Segrist & Robert Vail  
Staff: Carla Nixon, Town Planner & Christina Silberman, Admin. Asst.

**Approval of Minutes of last Meeting:** Mr. Doane moved to approve the minutes of the August 23, 2022, meeting, seconded by Ms. Gallaudet and **VOTED**, all in favor.

**Progress Reports:**

Betsey Harding noted that she asked to be included on the assignment to explore creative ideas and Chair Broder added her to the group.

**Member Task Assignments - revised:**

**1. Gather information on existing/proposed Cumberland projects:** Please focus on process for these programs' approvals and how they did or did not prove to be effective in maintaining affordability and ways in which the approach could be approved. *Justin Wood & Brian Cashin*

**2. Review of Comprehensive Plan:** Please examine Goals and implementation to determine effectiveness in meeting affordability objectives. Are the assumptions of the CP valid any more especially in the realities of prices for housing and increased population, not decreasing population. If something wasn't done please look at why and what could be done to improve result. Consider objective of meeting the needs of existing Cumberland residents or children of residents while addressing reality of increasing population and need for more affordability across the board.

*Katie Magoun, Rick Doane & Betsey Harding*

**3. Review current Cumberland zoning requirements:** Please look at Town's process of implementing mandates of LD2003 and advise on how to assure affordability of housing that results from these mandates. Please examine the feasibility of Affordable Housing overlay zones in parts of the Town with available infrastructure to support higher density development. What is the future of 4 acre minimum lot sizes?

Please examine the historic use of the Contract Zone Agreement (CZA) for development whether as a safety valve or a substitute for the adopted zoning map. *Eben Sweetser, Lu Gallaudet & Betsey Harding (With Bob Vail & Mark Segrist, see #10)*

**4. Explore infrastructure funding sources:** Review available Town, Federal and State funding for water and sewer service extensions to support affordable housing development. *Jamie Broder*

**5. Investigate specific housing programs:** Examine the availability and the use of US HUD, RDA, Maine State Housing Authority and other state and local programs for use or facilitation for the production and long term viability of affordable housing. *Jamie Broder, Katie Magoun & Lu Gallaudet*

**6. Look into the Cumberland Housing Authority (CHA):** Examine the legal powers of the CHA to develop, to own and to operate affordable housing including the issuance of bonds, possible grant eligibility from state and federal agencies and the practicality of deploying some of all of that authority to provide affordable housing in Cumberland. *Gail Witherill & Eben Sweetser*



**7. Investigate Tax Increment Finance Districts:** Look at the availability of TIF derived funding already in the pipeline and Housing TIFs for future projects. *Rick Doane & Jamie Broder*

**8. Investigate land acquisition:** Consider possibly available appropriate sites which are already owned or possibly available of a size and in locations consist with affordability goals. Including, but not limited to a Route 1 site and already owned site on Drowne Road. *Justin Wood & Eben Sweetser*

**9. Explore creative ideas such as tiny houses, co-housing and other proven approaches to the development of affordable housing at a small scale:** Examine successful models of small scale or scalable development of housing, such as, but not limited to tiny houses and co-housing. *Mark Lapping, Gail Witherill, Katie Magoun & Betsey Harding*

**10. Research LD2003 and effects to affordable/elderly housing:** (Also see # 3) *Bob Vail & Mark Segrist*

Mr. Doane reported that the group assigned to review the Comprehensive Plan has not met yet. Ms. Nixon explained that updates to the Comprehensive Plan were made based on the 2010 census. The housing goals in the Comprehensive Plan are broad and Ms. Nixon said she doesn't think there is anything that will preclude what the Housing Task Force recommends. Mr. Doane said a weakness in the Comprehensive Plan, and in the recent survey, is that people can vote for everything.

Mr. Lapping said that the new LD is going to push towns to make decisions and be decisive. Mr. Lapping reported that his group looked at Cape Elizabeth's housing study and he recommended that everyone see it. Ms. Nixon will share a copy of the study with the Task Force.

Ms. Gallaudet reported that there are many different zones, most allow single family homes and multiplex and there are about ten overlay districts. Cumberland's median income is \$112,700, this is high. Ms. Gallaudet said the law, LD2003, relates to three categories; affordable housing density, single family housing density and accessory dwellings and the State is telling towns they must amend their ordinances to allow more density.

Ms. Gallaudet reviewed the following zoning suggestions:

- Tighten ordinances so contract zones are rarely used.
- Change the RR1 zone to a 2 acre zone.
- Encourage the use of back acreage to help maintain rural character. This could require putting a road in but current frontage requirements restrict this.
- Allow alternative construction, perhaps in an overlay district, for tiny houses or prefab houses.
- Limit restrictive covenants in HOAs, such as house size and requiring a garage, that could cause increases in the cost of homes. Chair Broder commented that this is a delicate issue for high-end market subdivisions. Mr. Lapping suggested having energy and water saving requirements.
- Require that every new project have some workforce or more affordable housing included. Mr. Doane suggested creating overlay districts for housing density for appropriate senior, workforce or low income housing.
- Focus on projects with no age restrictions, enough is being done, or will be done, for seniors. The Housing Task Force does not all agree on this.

Chair Broder reported that he met with the Town Manager recently and learned that there is enough sewer capacity to do whatever the Housing Task Force wants to do. How to get the water and sewer extensions built, and who pays for this, is the issue. Chair Broder said they need to look at whether there is sufficient money and sufficient demand in a particular area to extend water and sewer. Mr. Broder referred to a proposed project off Sky View Dr. for affordable, senior housing and reported that the cost to put in water, sewer and other utilities for 400 feet into the project is about \$500,000.00.

Mr. Doane said it is important to him to give preference to Cumberland residents but this may limit access to certain funding. Mr. Broder said there are ways to ensure this happens. Ms. Harding referred to a point system that could be used. Ms. Witherill said she would like to look at the affordable housing issue regionally and hopes projects are not exclusive to other towns residents.

Ms. Witherill reported that she worked with Mr. Sweetser to learn about the Cumberland Housing authority and has talked with Ms. Nixon and Mr. Shane. They have reached out to Housing Authority members and are in the midst of looking at what other housing authorities in comparable size communities do. Ms. Witherill said there does not appear to be a written document outlining the Cumberland Housing Authority's guiding principles. The Town through Ms. Nixon administers the Authority's finances and proposes projects, prepares a budget and proposes rent increases. The Authority votes on these at their annual meeting.

Ms. Witherill said the Town cannot find information in the Town Council minutes regarding the Cumberland Housing Authority creation. There are some members of the Housing Authority who have concerns about their purpose. The Cumberland Housing Authority currently has nine members and State statutes say there should be seven. Maine statutes have a lot of guidance. Chair Broder said housing authorities have two purposes, to build things and to operate things. Chair Broder said the Town could give the Authority a new job. Mr. Doane said to bond anything, there have to be bylaws and authorizations. Ms. Nixon noted that Cumberland Housing Authority is not a 501C3. The Town administered a MSHA bond for the development of the Cumberland Meadows Senior Housing project.

Mr. Lapping excused himself from the remainder of the meeting for a family matter.

Chair Broder said the Task Force needs to learn what additional capacity the Housing Authority may have. Ms. Witherill asked if the Authority's purpose relates to providing affordable housing according to HUD or something else and if the Authority has interest in doing something else. There are concerns in not having the Authority's organizing documents or guiding principles.

Ms. Witherill said she will be away for a couple of weeks but her group will continue looking at other housing authorities and what they do.

Ms. Harding reported on creative ideas. There are a fair number of conservative people in Town that may not see the need for affordable housing and the public will need to be convinced there is a need. Ms. Harding suggested collaborating with vocational schools to build tiny houses. Ms. Harding said they looked at co-housing projects and these were not affordable. Ms. Harding said there could be a town-wide overlay for workforce housing to require that for every 5 units, one has to be workforce housing or the developer has to contribute to a housing trust fund.

The creative ideas group looked at panel housing that goes up quickly and at a project that incorporated many different housing types into one building. The group suggested looking at tax exempt properties like a church with extra space that could collaborate to add housing. Ms. Harding feels it is important to blend age groups.

Chair Broder said it will be interesting to see how affordability is dealt with in LD2003. Ms. Harding said LD2003 seems to deal with income levels under 80% and people looking for lower cost housing in Cumberland are not going to find it here. Ms. Gallaudet said this is a beginning guideline. The Town doesn't know where they will get money to build anything. There are programs that require a 50% income level. The Task Force discussed funding options.

Ms. Gallaudet suggested publicizing information on help available through programs such as first time home buyers. Ms. Gallaudet reported on challenges with housing vouchers not being accepted because housing is so hard to find. Ms. Witherill referred to issues with Air BnB and said there don't seem to be a lot in Cumberland. The State recommends Towns are careful in allowing accessory dwelling units that they don't become an Air BnB.

Chair Broder suggested looking at the possibility of affordable housing projects in three locations; the Route 1 site of the proposed senior affordable project, the Town Center and West Cumberland along the Route 100 corridor.

The next meeting of the Task Force will be September 27<sup>th</sup>. Chair Broder would like to see reports that have real substance on plans that members would like to see move forward.

**Administrative Matters:** Ms. Nixon reported that the Housing Task Force will not be using SharePoint because it didn't work for everyone. Ms. Nixon suggested members create a folder in their email to save their Housing Task Force information.

**Adjournment:** The meeting adjourned at 8:38 pm.

**CUMBERLAND HOUSING TASK FORCE**  
**September 27, 2022, Meeting Minutes**

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call:** Present: Chair James Broder, Vice Chair Lu Gallaudet, Brian Cashin, Rick Doane, Betsey Harding, Katie Magoun, Eben Sweetser, Justin Wood, Council Liaisons Mark Segrist & Robert Vail and Christina Silberman -Admin. Asst. Absent: Mark Lapping & Gail Witherill.

**Approval of Minutes:** The amended minutes of the September 13, 2022, meeting were accepted.

**Chair Comments:** Chair Broder said the work of the Housing Task Force is moving along well with a lot of good ideas. The next meeting will focus on coming to a consensus on the broad principles at the core of the Task Force's mission. Chair Broder said his hope is that after the Oct. 25<sup>th</sup> meeting the Task Force can start drafting recommendations.

Ms. Magoun asked if the Task Force should seek public input. Chair Broder replied that the meetings are open to the public. The Task Force has no legislative authority. Their needs to be a consensus on recommendations to the Town Council and there is a tight timeline. Councilor Vail noted that the work of the Task Force is reported on at the Town Council meetings. Councilor Segrist replied that the Task Force members are the representation of the community tasked to come up with the recommendations and then the Town can have whatever public hearings are necessary.

**Progress Reports:**

Chair Broder said the Task Force needs to deal with the ability to create a requirement of some kind for affordability within the Town. Some ideas are to create density increases for meeting social needs or to require that a portion of all new development be affordable. This could give the marketplace opportunity for more density and result in not having to deal with each project ad hoc, time after time. Chair Broder said this can be done in a lot of different ways. The Task Force should consider mechanisms for affordability and for keeping things affordable.

The following Creative Ideas & Solutions Committee report, shared earlier today by Ms. Harding, was reviewed.

Creative Ideas & Solutions Committee report, for discussion on 9-27-2022

We continued to gather, examine, and discuss data, ideas and options for varied housing opportunities in Maine and other areas, trying to discover why some affordable, workforce, or moderate income housing proposals have failed in Maine, and how we could propose solutions suitable for Cumberland.

We are still in the examination stage of our work. Among the questions we need answers to are:

- What long term controls would work here without overburdening the Cumberland Housing Authority? Can we rely on deed restrictions, as many towns do?
- For rental housing – ADUs would be controlled by the owner, probably with no income level set. In rental complexes, most likely the landlord would be responsible for finding tenants who qualify for the housing units.
- Given that many want to live in a neighborhood but still appreciate a rural community, what types of co-housing would be popular here, and what sorts of funding could help to produce affordable co-housing units?
- What types of housing could fit into the area between the schools and Tuttle Road near Dara Restaurant?
- If we aim to address housing needs of people with an income range of 80 to 120% of the Median Income for this area – would we be serving local people who would want the housing? (See 2020 Census data on household incomes and housing costs, attached.) What is a typical salary range for local teachers, fire department workers, restaurant cooks and waiters, library workers, police, physical therapists, etc.?
- How can we ensure that some of the housing units Cumberland needs could be built within our community – not just placed along Routes 1 and 100, at the edges of Cumberland? We like the idea of having an inclusionary housing ordinance that would encourage or even require new housing developments to include some lower cost homes through use of a density bonus.

- What is a reasonable density bonus for our area, one in every 10 or 11 units?
- How can we encourage some desirable clustered developments while retaining the rural feel here? To what extent does our current zoning encourage sprawl?
- We like a mix of ages in housing complexes – possibly through a shared housing program, an apartment complex not restricted to those over 55, or housing units of varying sizes. Could the Route 1 complex have such a mixture?
- We are learning that lingo matters – apparently “moderate income” housing may be more appealing than “workforce housing.”
- Again, the primary effort must be to encourage “buy-in” among Cumberland’s current residents!

Chair Broder said creating a program with deed restrictions could work if the Task Force wants to do this. Ms. Harding said this would take the burden off the Town. Chair Broder questioned how the deed restriction would be enforced for subsequent owners. At times the covenants are ignored. Ms. Magoun said this would work well where there is a non-profit housing authority partner. Ms. Magoun referred to a successful program in MDI that is focused on home ownership. Chair Broder said that MDI has a non-profit housing authority that has first refusal on home sales. Mr. Wood asked if this would apply to new development and how would it be dealt with retroactively. Chair Broder said it could not be retractive. Chair Broder said it is possible to have the Cumberland Housing Authority be the vehicle for enforcement of the covenants by giving them certain powers and/or a right to acquire the property. Mr. Doane referred to the OceanView model and said this could have inconsistent results. Mr. Wood said having the Town involved would help to ensure long-term affordability. Councilor Vail said he does not want to lose sight, in talking about affordable housing, to include affordable rents.

Mr. Cashin explained how his cooperative ownership in NY works and questioned if the Town could develop a cooperative. Chair Broder said this could be a risk for the Town and cooperatives have not worked in Maine. Ms. Harding said Ms. Witherill has investigated cooperatives in Maine and none include workforce or affordable housing.

Ms. Magoun noted that 96% of Cumberland is single family homes and in order to have a breadth of opportunity for people, higher density is needed where it makes sense. The focus should not be just on single family homes. The Task Force should determine how and where to encourage density. People are not building starter homes because the land is too expensive. Ms. Magoun thinks the Task Force should think about how to add more units on a smaller space.

Mr. Sweetser said in working with the existing rules, ADUs are a good process to follow and would not requiring waiting for ordinance changes. Mr. Sweetser suggested a survey asking why residents don’t take advantage of building ADUs as a source of income. Mr. Doane noted that ADUs can be costly to build. Ms. Magoun reported on a grant program being considered in Kittery to encourage people to build ADUs that would have an affordability stipulation.

Councilor Vail suggested offering density bonuses for developments offering affordability and said costs to bring utilities to a single unit are nearly the same as for a multi-unit building.

LD2003 has language regarding affordability. Chair Broader gave an example of a single family lot that now could have three units, rental and/or affordable, and the Town could control the terms and conditions by which this happens. The law takes the power away from the Town to be more restrictive or exclusionary in zoning. Chair Broder said the Town now has a mandated legal structure of creating more density but this doesn’t say it can’t be denser. The Town has the ability now to change ordinances for the setback requirements to allow for more units.

LD2003 defines affordability. Ms. Magoun noted the Comprehensive Plan defines affordability. The LD2003 summary references what affordability means for rentals and for home ownership. This can be used as a starting point. LD2003 defines housing costs as affordable if within 28-33% of household income. The cost to build a house can be over \$400,000. Discussion was had about what the base amount is for affordable housing in Cumberland. Councilor Segrist reported that the Town Manager said the affordable housing cost would be under \$2,000.00 per month.

Ms. Magoun said the affordable housing definition talks about 80% of the County median income and there is a big difference between the County and the Town of Cumberland's median incomes. Councilor Vail said the work force can't afford to live in Cumberland. The Town needs rental housing at an affordable rate or to find an entity to pay a portion of the rent. There could be income maximums to screen tenants with the means to afford a higher rent elsewhere. A suggestion was made to run the senior housing program at a net gain to help fund other projects.

Councilor Vail said there is merit in the Town acting as a general contractor and a piece of Town owned property to develop some number of units to turn over to the Housing Authority. Chair Broder said the Housing Authority could build something affordable.

Chair Broder said tax credit incentives for private developers are enormous and the amount available has tripled. This is allocated by the State and is not just for senior programs. Funding will be needed through the bond market, low lending rates and/or tax incentives to have revenue to acquire and scale affordable housing in Town. Chair Broder said the benefits of having an active housing authority are substantial.

Ms. Gallaudet recapped the following discussion; ADUs are expensive but the Town could publicize them, the Housing Authority can be repurposed, create a policy to regulate short-term rentals to ensure permanent housing, and the use of contract zoning is too prevalent – the Town should preserve the underlying zoning.

Councilor Segrist said the Town can do something systemically at the route of our ordinances to make it easier for developers to come to Cumberland and build affordable housing. Chair Broder suggested looking areas of Town where affordable housing would be appropriate and creating an overlay zone.

Councilor Segrist shared an idea for using TIF funds for the infrastructure to relocate the ballfields next to the Drowne Rd. school in order to develop the area for more affordable housing. The two ball fields could be moved to the ten acre area where the brush dump is now.

Ms. Gallaudet suggested a townwide overlay to require new developments to include a certain number of lower cost homes. Ms. Harding suggested a requirement for workforce housing also. Mr. Doane said he would favor an impact fee with funds going to the housing authority for a public purpose.

Ms. Harding said restricting requirements in HOAs could be an opportunity to keep the housing costs down. Ms. Magoun suggested finding a way to incentivize developers to build starter homes.

Mr. Broder reported on the proposed Skyview Dr. development for 55 units of senior, affordable housing that looks to be moving forward as a tax credit project. This would leave 65 units of residential development for non-single family homes in this contract zone and leaves a significant portion for commercial development.

Councilor Vail read an email received from former Town Councilor Mike Perfetti.

Councilor Segrist said the Town can make some serious progress if focused on some zoning changes and a few key projects.

**Adjourn:** The meeting was adjourned at 8:30 pm.



**TOWN OF CUMBERLAND HOUSING TASK FORCE MINUTES**  
**October 11, 2022, at 6:30 pm**

**Call To Order:** Chair Broder opened the meeting at 6:30 pm

**Roll Call: Present:** James Broder – Chair, Lu Gallaudet – Vice Chair, Rick Doane, Justin Wood, Mark Lapping, Gail Witherill, Katie Magoun, Town Councilor Bob Vail, Town Planner Carla Nixon & Admin. Asst. Christina Silberman. **Absent:** Brian Cashin, Betsey Harding, Eben Sweetser & Town Councilor Mark Segrist.

**Approval of Minutes:** Mr. Doane asked that revisions be made to the prepared minutes. The minutes were not approved and Chair Broder will suggest revisions for consideration at the next meeting.

**Chair Comments:** Chair Broder reported that the Housing Task Force is engaged and communications are good. Focus tonight is on the Cumberland Housing Authority and the issue of accessory dwelling units and what policies could make ADUs more interesting for a greater number of people. The Housing Task Force's work will be done December 15<sup>th</sup> then the Town Council will deal with the Task Force's recommendations.

Chair Broder referred to the Cumberland Housing Authority and said it is a legally empowered organization that could do an enormous amount of additional work. Chair Broder asked what is needed to turn the Housing Authority into an activist authority, such as staffing and a new mission statement. Ms. Nixon said she is the Executive Director of the Housing Authority. The Housing Authority it there to oversee the housing available for one project, the Cumberland Meadows Senior Housing program with thirty units. Chair Broder said if the develops more housing, than the existing Housing Authority is likely to be involved with it. Ms. Nixon asked how the Authority would help with the process of creating more housing because the Authority may have the potential to do more but they would not go out and start a project.

Ms. Witherill noted that she looked at Westbrook Housing Authority that has a spinoff organization, the Westbrook Development Corp., which has done non-profit projects. Ms. Witherill noted the projects were for families also, not just seniors. Some projects included bring in services Head Start and Meals on Wheels.

Councilor Vail said that Cumberland in a unique position. Cumberland's history is agriculture and farms and the Town did not have workforce housing built. Chair Broder noted housing authorities and have power of eminent domain power and other broad powers that can be used how the Town wants them used. Mr. Broder said it would be impactful to engage in conversation to create a meaningful, active, housing authority.

Ms. Magowan said she finds most creative non-profit housing authorities include a fundraising component. Ms. Gallaudet said the Authority would need a staff. Mr. Broder noted that housing authorities can create revenue.

Mr. Doane said the idea of creating a housing authority, not like the one Cumberland has now, makes sense. This would need the blessing of the Town Council.

Mr. Lapping said no matter what the Task Force recommends, the housing problem is not going away. There is a need for continuity, to keep addressing the issue over the years. This is a regional problem, not just in Cumberland. Mr. Lapping said Cumberland should be prepared to liaise and connect with other towns for regional solutions. Mr. Lapping said the Housing Authority should be a creature of the Town and not a separate entity. The Task force could recommend what the Housing Authority such as work with developers, apply for financing and be attached to the Planning Department.

Councilor Vail agreed that affordable housing is a regional problem and said trying to solve the problem as a community is a challenge. Councilor Vail said Cumberland should not shirk from the task. Councilor Vail's goal is that people who have lived in the community their entire life have somewhere to go. Councilor Vail likes the idea of giving the Housing Authority license to grow and said not to lose sight of

people in need. Chair Broder said the purpose of the Housing Authority can be to focus on people in need.

Mr. Wood asked about the Task Force's scope of work and noted there is not much time to produce recommendations. Chair Broder said the Task Force is looking to make recommendations on a number of levels. The Task Force can recommend what the Housing Authority ought to be able to do and can recommend some real projects. Chair Broder said he would like to figure out why ADUs aren't doing what they were intended to do and to look at individual projects to create a substantial number of units.

Ms. Gallaudet said the Zoning and Comprehensive Plan Subcommittee members are looking at ideas individually and then will meet to look at specific issues to have a hard list.

Chair Broder noted that the Task Force should start drafting final recommendations after the next meeting. At the next Task Force meeting, each group should have their proposals ready for the Task Force to go through to develop a consensus and move to drafting recommendations.

Mr. Broder reviewed some suggestions provided by Mr. Doane for the Zoning and Comprehensive Plan Subcommittee such as investigating options for a Cumberland Housing Authority partner, partnering with other entities, ensuring projects meet the definition of affordability and to have Housing Authority projects have a preference of serving people with a connection to Cumberland.

Ms. Magoun said she does not agree with the idea of giving preference to Cumberland residents and that this seems like nativism. Mr. Doane said that when spending Town tax dollars, the Town should be providing to their constituents. Mr. Broder said it cannot be exclusionary. Mr. Doane said he is not averse to the Town providing some affordable housing to outsiders but he doesn't see paying taxes to support people outside of the community. Ms. Magoun noted that York Housing Authority has a requirement that applicants live within a certain distance of their town. Ms. Magoun said if the Housing Authority is more government funded, then she can see having a preference to people with Cumberland connections. Councilor Vail said Cumberland is a very affluent community and he likes the idea of providing a mix of diversity of incomes, this will need to be a community dialogue.

Mr. Wood said the Task Force should come up with recommendations that give a little something to everyone so there is a higher likelihood of being acceptable. The Task Force needs to be sensitive that what is recommended to have broad appeal to people to get them on board.

Ms. Witherill said mixed use zoning can have businesses on the bottom and residences on top. Councilor Vail said the Town is looking at this for West Cumberland.

Chair Broder asked Ms. Nixon why ADUs are not working in Cumberland. Ms. Nixon replied that the Town looked at ADUs several years ago and requires the owner to be one of the occupants. Ms. Nixon said LD2003 does not have a parking requirement and the Town ordinance does require that parking be available to add an ADU. Ms. Nixon said more there are not more ADUs being built because of the high cost of materials. Ms. Nixon noted that many Cumberland residents do not have a need for a second source of income and it is not desirable to have a tenant. Ms. Gallaudet noted that the Town ordinance or ADUs says there needs to be a parking space for every bedroom and Mr. Sweetser has suggested this be changed to requiring just one parking space.

Chair Broder said the impact of LD2003 on zoning is material to the Task Force's work. There will be a joint Town Council and Planning Board workshop to review the impacts of LD2003 on October 26<sup>th</sup>. The Housing Task Force will meet again on October 25<sup>th</sup>.

Mr. Lapping said a function of housing authorities is to promote new technologies and materials and he referred to an article in Planning magazine about successful innovations to bring down costs in construction.

Ms. Nixon said that it seems the Task Force envisions the Housing Authority as more of a Board of Directors with a staff and questioned whether the Town Council would be supportive of this. Chair Broder replied that housing authorities generate funds in a lot of ways and there are efficient ways to develop



housing. The Housing Authority would have to amend their organizing documents and define their mission and this could be subject to Town Council approval. Mr. Doane said that if the Town empowers the Housing Authority to become a 501c3 non-profit to seek grants and partnerships with other agencies this would not resemble the housing authority the Town has now. Councilor Vail said this would be a dynamic change. Mr. Doane said this new housing authority would need a staff person that understands this work and a Board of Directors making policy recommendations.

Chair Broder referred to a comment made about ensuring the Town's current senior housing program is for low income. Mr. Doane said there should be a movement for senior housing to have a low or moderate income test for new tenants.

Mr. Lapping said he is concerned with families and suggested a program where the family nets some equity. Mr. Wood said home ownership is a reasonable path to net worth building and long term affordability is a good thing and providing one time affordability can be okay too. Ms. Magoun said there is a movement with models for rentals and cooperatives where some money goes into an investment fund that tenants can then take when they leave the property. Ms. Magoun noted that not everyone can be a homeowner, single family home buying has been done in Cumberland but a lot of people can't afford this. Ms. Magoun feels that the Town is doing a disservice if not paying attention to meeting a range of housing needs. Mr. Doane proposed a condominium type property with thirty to forty units geared to be affordable and to build equity in partnership with the owner, maybe through the Housing Authority.

Ms. Gallaudet said she likes the idea of requiring new developments to have a percentage of starter homes or affordable homes. Ms. Witherill said she is in favor of this. Mr. Doane said the requirement could be to include affordable units or pay a certain amount into a housing fund dedicated to affordable housing. Ms. Gallaudet said there can be a requirement for smaller homes. Mr. Lapping proposed smaller lot sizes. Chair Broder said the Town will see some smaller lots with the State Statute going into effect next year.

Chair Broder said it is important for Task Force members to go to the Oct. 26<sup>th</sup> Town Council/Planning Board joint workshop.

Councilor Vail suggested offering density increases for projects that have an affordability aspect. Mr. Doane said if the Town requires affordability, this will kill growth because developers can't build something and then sell it at a lower price.

Mr. Doane said if public water is extended in West Cumberland, there could be many units being built there. Chair Broder said the Task Force can look at projects in the Foreside, Town Center, and West Cumberland. Chair Broder said there will need to be a program to create revenue for the Housing Authority to do work.

Mr. Wood asked about the West Cumberland proposal. Ms. Nixon said there is an affordable housing overlay district in the area of the Chase gravel pit where housing is being proposed if the public water can be extended.

Ms. Witherill reported on a cooperative affordable housing project in Portland that will be developed with fifty units of energy efficient homes on small lots on Lambert St.

Discussion was had about the impact to the property tax rate for a proposed new school for MSAD #51. The increase to the property tax rate due to the construction of a new school will likely hinder the Town's ability to raise revenue for municipal projects.

**Administrative Matters:** The next meeting of the Housing Task Force will be Oct. 25<sup>th</sup>. Chair Broder expects that subcommittees will put together what they want to see put forward for recommendations and the Task Force will debate what will be included.

**Adjourn:** The meeting was adjourned at 8:25 pm.



## TOWN OF CUMBERLAND HOUSING TASK FORCE MINUTES October 25, 2022

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call: Present:** James Broder – Chair, Lu Gallaudet – Vice Chair, Brian Cashin, Rick Doane, Betsey Harding, Mark Lapping, Katie Magoun, Eben Sweetser, Gail Witherill, Justin Wood, Town Councilors Bob Vail & Mark Segrist and Admin. Asst. Christina Silberman. **Absent:** Town Planner Carla Nixon

**Approval of Minutes:** The revised minutes of the September 27, 2022, Housing Task Force meeting and the prepared minutes of the October 11, 2022, Housing Task Force meeting were accepted.

**Chair Comments:** Chair Broder noted that tomorrow night is the workshop with the Town Attorney, Town Council, Planning Board and Housing Task Force for review of LD2003. Chair Broder read Town Councilor Allison Foster's email regarding the procedures for the workshop.

The Housing Task Force reviewed the Town Attorney's workshop presentation slides provided by the Town Manager and prepared questions.

Councilor Segrist reported that he recently started on the Legislative Policy Committee with Maine Municipal Association that has seventy members with two representatives from each State Senate District. The Committee met earlier in the month and LD2003 and LD 290, a tax forgiveness program for people 65 and over, were a couple of the topics reviewed. Some members of the Committee felt these need to be repealed and others felt changes are needed. Councilor Segrist said if he learns more, he will share the info with the Housing Task Force.

Mr. Cashin asked if density vs. fire suppression and water access has been considered. Councilor Segrist said this was not discussed. Councilor Vail said that statistically new homes don't burn, the building code is so much greater and burnable materials don't exist as they do in a 100 year old house. Mr. Cashin said new homes are larger with an open design that do not provide for fire separation.

Mr. Sweetser asked if they should think about how the existing growth areas match with this new rulemaking. Chair Broder said the growth areas are intended to be the areas where the Town would encourage development and where infrastructure should go. The current growth area map was reviewed.

Chair Broder referred to two outlines submitted by the Zoning and Comprehensive Plan Subcommittee and the Tiny Homes and Co-Housing Subcommittee and said both had a lot of reaction to the Cumberland Housing Authority.

Chair Broder said the Housing Task Force will submit their report to the Town Council in mid-December and will then go on with their lives and the Council will go on to other issues. Chair Broder said he suspects that absent some significant changes in the structure of town government, the issue of affordable housing will never come back up to the top unless the Town takes advantage of the existence of the Cumberland Housing Authority. The Housing Authority has the potential to become a place where the issue of affordable housing is dealt with on a regular basis.

Chair Broder said that the Housing Task Force can play strong role in redefining what the Cumberland Housing Authority is. Housing authorities have a lot of powers under State Statute and the Cumberland Housing Authority uses about 2% of these. The Cumberland Housing Authority Articles of Incorporation are needed to review for recommendations for changes.

The following recommendations from the Zoning and Comprehensive Plan Subcommittee were discussed.

1. Reorganize the Cumberland Housing Authority to be a robust entity (with a mission statement) that initiates, partners with, and stewards new projects to increase Cumberland's stock of affordable housing. Council should decide if a staff person is

needed. There was consensus of the Task Force for this recommendation. Chair Broder noted that a staff person would be needed.

2. Cumberland Meadows should shift to low and moderate income housing only. This shift should be realized through attrition. Because of the proximity to schools these units should be available to all ages. There was consensus from members of the Task Force for these units to have a low to moderate income cap and a general consensus for changes to allow the units to be available to all ages. Councilor Vail said he would want to see the addition of senior housing units to replace any units that are no longer designated for seniors.

3. Planning Board should review all zones and overlays and consider merging RR1 and RR2 to one 2 acre RR zone. The RR1 Zone currently requires a minimum of 4 acres per lot and the RR2 requires minimum a 2 acres per lot. Changing the RR1 Zone to a 2 acre minimum lot size will allow for more housing. A suggestion was made for the RR1 zone to allow for 2 acre lots only for affordable homes. A previous community survey showed that the majority of residents wished to keep the 4 acre minimum zone.

The Housing Task Force discussed how many affordable units the Town wants to incentivize. A reasonable number is needed to keep pace with surrounding Towns. There was a suggestion for 72 units but this number needs to be confirmed.

Chair Broder referred to the specific projects the group has discussed for three parts of Town and said that if the Town creates an entity to plan for and coordinate with the Town Council, non-profits and other organizations then the Housing Task Force will have done a good job of protecting the future of affordable housing.

**Administrative Matters:** Chair Broder will not be available to attend the meeting scheduled for Nov. 8<sup>th</sup> and this is Election Day. The Housing Task Force suggested meeting on Wednesdays, Nov. 16<sup>th</sup> and Nov. 30<sup>th</sup> instead of Tuesdays, Nov. 8<sup>th</sup> and Nov. 22<sup>nd</sup>. Ms. Silberman will confirm the availability of meeting space for the new meeting dates.

**Adjourn:** The meeting adjourned at 8:35 pm.

## **TOWN OF CUMBERLAND HOUSING TASK FORCE MINUTES**

### **November 16, 2022**

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call: Present:** James Broder - Chair, Lu Gallaudet - Vice Chair, Brian Cashin, Rick Doane, Betsey Harding, Mark Lapping, Eben Sweetser, Gail Witherill, Justin Wood, Town Councilors Bob Vail & Mark Segrist and Admin. Asst. Christina Silberman.

**Absent:** Katie Magoun & Town Planner Carla Nixon

**Approval of Minutes:** The prepared minutes of the October 25, 2022, Housing Task Force meeting were accepted.

**Chair Comments:** Chair Broder said the Town already has an agency with the authority to do a lot of things and noted that the Housing Authority creation documents were located.

The following draft of an executive summary prepared by Chair Broder was distributed and partially discussed.

Draft Cumberland Affordable Housing Task Force Preliminary Executive Summary

**1. Introduction and Background:**

- a. Authorizing Resolution (Mission Statement), Members, Leadership, Meeting Dates, Subcommittee Structure, Process for Adoption and Minority Views; Summary of Organizations and Individuals Consulted; Role of Designated Town Staff (Carla and Christina), Bill Shane, and Town Council Members (Mark Segrist and Bob Vail)
- b. Review of Comprehensive Plan and Zoning
- c. Review History of Efforts and Growing Need: Mixed Results
- d. The Cumberland Housing Authority (CHA)

Note: The final Report will include a full record of our meetings and deliberations.

**2. Recommendations:** Bracketed highlights some discussion items

- a. CHA: Repurpose CHA and implement structural leadership within town government through a reinvigorated, fully functioning and staffed CHA with a minimum of one (1) experienced development officer, with the focus of overseeing and performing the following critical functions:
  - i. The enforcement of Affordable Housing obligations under developer and owner covenants;
  - ii. the spin off of non- profit development companies as needed to assure (i) above;
  - iii. to continue to expand its role in the management/supervision of Affordable Housing projects;
  - iv. to serve as the administrative contact for the use of programs administered by the Maine State Housing Authority (MSHA), Low Income Housing Tax Credit (LIHTC) 4% and 9% financing, as well as other Department of Housing and Urban Development (HUD) 202 grants, HUD mortgage insurance, Redevelopment Agency (RDA) 515 programs and other federal and state programs, and for meeting urgent or emergency housing needs;
  - v. to create and to administer an Affordable Housing Trust Fund; and
  - vi. to continue research on best practices and affordability options.
- b. Set near and long-term Affordable Housing Goals and Implementation protocols through:
  - i. the establishment of Affordable Housing Overlay zones (to include workforce housing) in at least three (3) discrete areas of Town (e.g., West Cumberland, Cumberland Center, Cumberland Foreside) for the development of significant numbers of units in the near term and with a mandate for the development of at least three (3) significant developments of

- more than fifty (50) units each with all or a substantial percentage being Affordable (including workforce housing) and to be completed within the next three (3) years;
- ii. a requirement of a minimum of [20%] of units in any new housing in any zone allowing development of [ten (10)] or more units be Affordable (to include workforce housing) for a period of not less than [forty-five (45)] years to be enforced through deed restrictions and other mechanisms deemed appropriate by the CHA; and
- iii. providing incentives such as density bonuses, Affordable Housing Tax Increment Financing (TIFs) to support such projects and to allow flexibility on other requirements as proposed by the CHA and reviewed and permitted by the Town's Planning Board.
- c. Recommend the aggressive implementation of the Affordability and/or density mandates set forth in LD2003 through ordinances to include reasonable Affordable Housing obligations, as well as density bonuses related thereto.
- d. Support the establishment of Affordable Housing TIFs as a tool to support the development of Affordable (including workforce) Housing.
- e. Through the CHA, support and facilitate the research on, placement of and construction of Tiny Homes, coop housing, co-housing, and similar programs and facilities to meet emerging and emergent needs of Cumberland residents, as circumstances arise.
- f. Support priorities for occupancy by residents of Cumberland and their families and non-residents who work in Cumberland consistent with requirements of the Fair Housing Act.

Chair Broder said that the Task Force can make recommendations for what should be done within a certain period of time. A new housing authority could be appointed if the current Cumberland Housing Authority members do not want to serve on a revised authority. Housing authorities can have subgroups to focus on certain projects. Chair Broder suggested that the Housing Authority be structured to require approval from the Town Council before taking on financial obligations. Ms. Witherill questioned whether there is the will to have a more active Housing Authority and said the Task Force should offer other recommendations as well.

Mr. Lapping suggested that an Assistant Town Planner be hired under the Planning Dept. to be responsible for the revised/new Housing Authority. Chair Broder said there should be a person to do the work of the Housing Authority and this person should not come under the Planning Department.

Mr. Wood asked what other options there are for the Task Force recommendations. Oversight of affordability requirements for new developments was discussed. Mr. Doane said he doesn't want to see changes get in the way of private sales. Zoning changes to allow for higher density in certain areas if certain affordability requirements are met were proposed. Chair Broder predicted that most affordable housing projects will be rentals.

A suggestion was made for having a reserve for emergency needs, such as purchasing tiny house kits. Ms. Gallaudet said she wouldn't want to see money spent on tiny house kits. Ms. Witherill said that it is important that the Town look at the regional issue of homelessness. The Town will benefit if people stay here and get jobs. Ms. Witherill said Cumberland is part of the region and homelessness is a regional issue and it is important to be part of the solution. Chair Broder suggested there be language to recommend that the Town participate in regional efforts. Councilor Segrist said that it is

important to allow the Cumberland Housing Authority to deal with the most vulnerable people.

Councilor Vail reported that at the Planning Board review for the proposed 55 unit senior development he asked what happens if people don't want to leave and need elder care and will this be a problem for the community. The Town lacks funding for assisted living and nursing homes. Chair Broder said that housing for the elderly is about who is going to pay the bill. When an elderly person is no longer a resident but a patient, then insurance pays.

Mr. Doane said he likes the idea of providing housing for a variety of things, including emergencies, but it is not the Housing Task Force's mission to solve homeless needs.

Ms. Harding suggested expanding areas of increased density rather than spreading it out throughout the Town. Mr. Lapping said he is concerned about sprawl and how to protect areas that people say they like about Cumberland while balancing affordability. Mr. Sweetser said there are lots in Town that wouldn't be allowed to exist now because they don't meet the standards but they are working today.

**Administrative Matters:** The next meeting is scheduled for Wednesday, November 30<sup>th</sup> to fine tune and draft recommendations.

**Adjourn:** The meeting adjourned at 8:35 pm.

**TOWN OF CUMBERLAND HOUSING TASK FORCE MINUTES**  
**Tuesday, November 30, 2022, at 6:30 pm**

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call: Present:** James Broder - Chair, Lu Gallaudet - Vice Chair, Brian Cashin, Rick Doane, Betsey Harding, Katie Magoun, Eben Sweetser, Gail Witherill, Justin Wood, Town Councilors Bob Vail & Mark Segrist and Admin. Asst. Christina Silberman.

**Absent:** Mark Lapping & Town Planner Carla Nixon.

**Approval of Minutes of last Meeting:** The minutes of the November 16, 2022, Housing Task Force meeting were accepted.

**Chair Comments:** Chair Broder said he would like to go through his prepared draft of recommendations and noted that he tried to include all appropriate comments and concerns.

**Review of Draft Recommendations:** The Housing Task Force began review of Chair Broder's draft recommendations. Chair Broder said that a lot of focus has been put on having a point of contact where people can get information that has community interaction, support of local organizations and the statutory authority to build and finance projects and enter into partnerships with other entities. Chair Broder referred to the powers of the Housing Authority listed on page two of his draft. Chair Broder said he wants to make sure that the powers of the Housing Authority are communicated effectively to the Town Council.

Mr. Doane suggested that a statement be added to the Housing Authority section to soften the wording because it reads as if the Housing Authority didn't do what they should have done and they did what they were asked to do. Other Task Force members agreed with this. Councilor Vail suggested that a Council Liaison be assigned to the Housing Authority. Ms. Witherill asked if a conversation should be had with the Housing Authority regarding the recommendation. Mr. Wood said that the Task Force envisions what the Housing Authority can be, not what it is, and the recommendation can clearly delineate this. Councilor Segrist said that the Housing Authority was developed for a purpose that was needed at the time but times have changed. Mr. Sweetser asked if the outcome with the Town Council would change if the Task Force treads lightly versus goes full steam ahead. Councilor Segrist said the Task Force should stick to the facts of what has been determined and not lay blame. Chair Broder said he will redraft this section.

Chair Broder explained the recommendation to hire a competent advisor. Ms. Magoun suggested an intern with a background in urban development. Chair Broder said there needs to be someone with experience. Councilor Vail said the Housing Task Force needs to sell their recommendations to the Council and proposed suggesting the new position be funded for one year only to see how it works. Mr. Wood added that the revised Housing Authority could operate to be self-funded. Chair Broder said the organization would have revenue sources to pay for staff but it could take a while to get things up and running. Mr. Wood said it would be helpful to include some numbers/cost



estimations with the recommendations. Councilor Segrist referred to page three, item six of the draft for an affordable housing trust fund and suggested adding examples of where the funds would be derived from.

Mr. Doane suggested defining how many units the community should be creating and then saying at that point and time, thoughtful stewardship will be needed. Chair Broder said being realistic about what can be done in the near term is important. Mr. Doane said the Town needs to be careful about how much new development is being created. Chair Broder said this is not a part of the Task Force's mission. Mr. Doane referred to page three, item eight of the draft and said the wording seems to imply that the Council would have oversight and sign off on projects that it is being asked to fund and, by implication, the door is open to projects with other partners that the Council is not being asked to participate in. Mr. Doane said the idea of a housing authority taking property by eminent domain is something he could have some serious energy about. Chair Broder agreed with Mr. Doane and said this authority is in the State statute and the Town would want to control it. Mr. Doane said he doesn't think this is what it says. Chair Broder asked Mr. Doane to send him a proposed amendment to make it clearer.

Vice Chair Gallaudet said there has to be a numbers conversation and asked with 150 proposed new units, how many kids would this add to the schools that already don't have enough space. Chair Broder said the Town survey showed strong support for affordable housing. Ms. Magoun said there is a shortage of inventory of housing in Cumberland and this is part of the reason it is not affordable to live here. Ms. Witherill said the Town does not ask private developers how many families with kids there will be and asked why the Town would ask this of affordable housing through the Housing Authority. Mr. Doane said the Task Force is talking about creating special incentives for a level of development that wasn't contemplated when developing Town ordinances and there should be a target to strive for. Mr. Doane said he can support the idea of a trade off for "for profit" developments to pay into a pot but doesn't think there should be an immediate special incentive. Mr. Wood said development is happening and the Town can piggyback on projects that are already in flight but if the Town does nothing, development will all be market rate. Mr. Harding said a target could be set and revisited annually. Chair Broder said the Town is considering a new comprehensive plan and could ask if residents feel affordable housing should have lessened zoning restrictions. Mr. Doane suggested adding a finite number of units to their recommendation as a goal.

Ms. Gallaudet referred to ADUs and said she would like to see regulations in place for short term rentals. Mr. Wood said he doesn't think short term rentals are an issue in Cumberland. Ms. Magoun said short term rentals, when restricted, can push the issue into neighboring communities.

Ms. Witherill said she wants to see something added to the recommendations about regional issues. Ms. Witherill would like to encourage the Town Council to invite Greater Portland Council of Governments to come in and discuss raising funds for emergency housing needs. Ms. Gallaudet suggested Ms. Witherill go directly to the Town Council with her suggestions. Chair Broder said this issue can be presented to the Council in the Housing Task Force's cover letter for their recommendations.

The Task Force discussed ideas for requiring that a percentage of affordable units be required in new developments. Chair Broder suggested having a mandate to have affordable homes in every new development or to have an impactful fee in lieu of having affordable units.

Ms. Gallaudet asked about Cumberland Meadows' current status and suggested this housing become open to all ages and that it be affordable.

**Administrative Matters:** Chair Broder asked that additional comments be sent to him by email and he will draft a final report and share it prior to the next meeting.

**Adjourn:** The meeting adjourned at 8:38 pm.

## TOWN OF CUMBERLAND HOUSING TASK FORCE MINUTES

Tuesday, December 13, 2022, at 6:30 pm

**Call To Order:** Chair Broder opened the meeting at 6:30 pm.

**Roll Call: Present:** James Broder - Chair, Lu Gallaudet - Vice Chair, Rick Doane, Gail Witherill, Justin Wood, Mark Lapping. Town Councilors Bob Vail & Mark Segrist. Carla Nixon, Town Planner.

**Absent:** Betsy Harding, Eben Sweetser, Katie Magoun, Brian Cashin, Christina Silberman, Administrative Assistant.

### **Approval of Minutes of last Meeting:**

**Chair Comments:** Chairman Broder welcomed members to the final Housing Task Force meeting. Mr. Broder stated that he is assisting with a CDBG Grant Application that would partially fund a new Housing Authority Director. A match or contribution from the Town would be required and today the Town Manager signed the grant application.

Mr. Broder stated that the presentation to the Town Council with the Task Force's final recommendations has been moved to January 9, 2023, due to a conflict with the Christmas Holiday.

The Housing Task Force began review of Chair Broder's draft recommendations.

Mr. Lapping recommended that there be some way of setting off the key statements contained in Chapter 2. Perhaps bold or underlined font.

Typographical errors were noted by members. Ms. Nixon will take these and edit the final draft report.

Ms. Gallaudet asked if there should be a recommendation to restrict ADU's to owner-occupied properties. The members decided that this was not something that should be a recommendation in the report. Councilor Segrist stated that he would prefer to see such consideration given when and if there is a problem with ADU's.

Mr. Doane questioned whether the "near term goal of 150 units of non-age restricted affordable housing" would preclude counting the 45 units being proposed by the Szanton Group on Rt. 1. Ms. Nixon stated that the project is up for final review by the Planning Board on December 20<sup>th</sup>, which will be prior to the presentation to the Council on January 9<sup>th</sup>. Members discussed how to count unit development and how to define the type of unit affordability. Ms. Nixon proposed amended language to Chapter 4.0 to "near term goal of 150 units of affordable housing to include a mix of workforce housing and non-age-restricted units." Members agreed with this language change.

There was discussion about the ability of developers to "opt-out" of providing actual units to instead provide a fee which would be used to develop additional housing.

**Administrative Matters:** Chair Broder asked Ms. Nixon to make the changes to the draft report as discussed in the meeting and send it to him.

**Adjourn:** The meeting adjourned at 8:38 pm.

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 3:  
AFFORDABILITY DEFINITIONS  
BY PROGRAM**





# FY 2022 Income Limits Documentation System

- [HUD.gov](https://www.hud.gov)
- [HUD User Home](#)
- [Data Sets](#)
- [Fair Market Rents](#)
- [Section 8 Income Limits](#)
- [MTSP Income Limits](#)
- [HUD LIHTC Database](#)

## FY 2022 Income Limits Summary

Selecting any of the buttons labeled "Click for More Detail" will display detailed calculation steps for each of the various parameters.

FY 2022 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Portland, ME HUD Metro FMR Area	\$112,700	<b>Very Low (50%) Income Limits (\$)</b>	39,100	44,700	50,300	<b>55,850</b>	60,350	64,800	69,300	73,750
		<a href="#">Click for More Detail</a>								
		<b>Extremely Low Income Limits (\$)*</b>	23,450	26,800	30,150	<b>33,500</b>	36,200	38,900	41,910	46,630
		<a href="#">Click for More Detail</a>								
		<b>Low (80%) Income Limits (\$)</b>	62,550	71,500	80,450	<b>89,350</b>	96,500	103,650	110,800	117,950
		<a href="#">Click for More Detail</a>								

**NOTE:** Cumberland town is part of the **Portland, ME HUD Metro FMR Area**, so all information presented here applies to all of the **Portland, ME HUD Metro FMR Area**. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Portland, ME HUD Metro FMR Area**.

The **Portland, ME HUD Metro FMR Area** contains the following areas: Cape Elizabeth town, ME; Casco town, ME; Chebeague Island town, ME; Cumberland town, ME; Falmouth town, ME; Freeport town, ME; Frye Island town, ME; Gorham town, ME; Gray town, ME; Long Island town, ME; North Yarmouth town, ME; Portland city, ME; Raymond town, ME; Scarborough town, ME; South Portland city, ME; Standish town, ME; Westbrook city, ME; Windham town, ME; Yarmouth town, ME; Buxton town, ME; Hollis town, ME; Limington town, ME; and Old Orchard Beach town, ME.

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 4:  
MAINE STATUE GOVERNING THE  
CREATION AND OPERATION OF  
MUNICIPAL HOUSING AUTHORITIES**



**Title 30-A: MUNICIPALITIES AND COUNTIES****Part 2: MUNICIPALITIES****Subpart 8: DEVELOPMENT****Chapter 201: HOUSING AUTHORITY****Subchapter 2: ESTABLISHMENT AND ORGANIZATION****§4721. Creation of municipal authorities**

**1. Creation of housing authorities.** In each municipality there is created a public body corporate and politic to be known as the "Housing Authority" of the municipality. This authority may not transact any business or exercise its powers unless the municipal legislative body declares by resolution that there is a need for an authority to function in that municipality.

A. Any housing authority created and existing under Public Law 1943, chapter 260, shall, notwithstanding the expiration of that chapter, continue in existence for the purposes of this chapter and have the powers granted by this chapter, if the legislative body of the municipality for which the housing authority was created declares by resolution that there is a need for that housing authority to exercise the powers granted by this chapter.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**2. Procedure.** The municipal legislative body shall consider the need for an authority on its own motion or upon the filing of a petition with the mayor of the city or the select board of the town. This petition must be signed by 25 voters of the city or town and assert that there is a need for an authority to function in the municipality and request that the municipal legislative body declare that need.

[PL 2021, c. 275, §49 (AMD).]

**3. Standard.** The municipal legislative body shall adopt a resolution declaring that there is a need for an authority in the municipality if it finds that:

A. Insanitary or unsafe inhabited dwelling accommodations or blighted areas exist in the municipality; or [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. There is a shortage of safe or sanitary dwelling accommodations in the municipality available to persons of low income at rentals or prices that they can afford. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**4. Appointment of commissioners.** Upon the adoption of a resolution by the municipal legislative body, the mayor of the city or the select board of the town shall appoint the commissioners of the authority under section 4723, subsection 1 ([../30-A/title30-Asec4723.html](#)).

[PL 2021, c. 275, §50 (AMD).]

**5. Meeting with municipal legislative body.** Unless the municipality and the authority agree otherwise, an authority shall meet at least annually with the legislative body of the municipality for which it is created.

[PL 2017, c. 234, §9 (NEW).]

#### SECTION HISTORY

PL 1987, c. 737, §§2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§8,10 (AMD). PL 2017, c. 234, §9 (AMD). PL 2021, c. 275, §§49, 50 (AMD).

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If you need legal advice, please consult a qualified attorney.

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**Title 30-A: MUNICIPALITIES AND COUNTIES****Part 2: MUNICIPALITIES****Subpart 8: DEVELOPMENT****Chapter 201: HOUSING AUTHORITY****Subchapter 3: POWERS AND DUTIES****§4741. Powers generally**

An authority constitutes a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary to carry out and effectuate the purposes and provisions of this chapter, but not the power to levy and collect taxes or special assessments, including the following powers in addition to others granted: [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**1. General.** To sue; to be sued on its written contracts or in accordance with the Maine Tort Claims Act, the Maine Administrative Procedure Act, Title 5, chapter 375 ([../5/title5ch375sec0.html](#)), in the case of the Maine State Housing Authority, the Maine Rules of Civil Procedure, Rule 80B, or any successor rule of the Maine Rules of Civil Procedure in the case of a municipal authority or Title 1, section 409 ([../1/title1sec409.html](#)); to have a seal and alter it at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the authority's powers; and to make and from time to time amend and repeal bylaws, rules and regulations not inconsistent with this chapter, to carry into effect the powers and purposes of the authority;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**2. Housing projects.** Within its area of operation: To prepare, carry out, acquire, lease, manage, maintain or operate housing projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any housing project or any part of a housing project. An authority may perform any of these listed functions singly or in combination with other functions with respect to any individual housing project, and may perform these functions full-time, part-time or in combination with other private persons, corporations or government agencies or other appropriate body;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**3. Housing needs.** To undertake and carry out studies and analyses of the housing needs within its area of operation and of the meeting of those needs, including data with respect to population and family groups, and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting of those needs, and to make the results of these studies and analyses available to the public and the building, housing and supply industries; and to engage in research and disseminate information on housing;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**4. Contract for services, other uses; wages and hours of labor.** To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works or facilities for, or in connection with, a housing project or the occupants of a housing project; and, notwithstanding anything to the contrary in this chapter or in any other provision of law, to agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions which the Federal Government has attached to its financial aid of the project;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**5. Leasing or renting; eminent domain; insurance.** To lease or rent any dwellings, accommodations, lands, buildings, structures or facilities embraced in any housing project and, subject to the limitations contained in this chapter, to establish and revise the rents or charges for those rentals; to own, hold and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise or otherwise any real or personal property or any interest in real or personal property; to acquire, by the exercise of the power of eminent domain, any real property; to sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property or any interest in real or personal property; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards; to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts of any bonds issued by an authority, including the power to pay premiums on any such insurance;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**6. Investment of funds.** To invest any funds held in reserves of sinking funds or any funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control, including, without limitation, shares of an investment company registered under the federal Investment Company Act of 1940, whose shares are registered under the United States Securities Act of 1933, only if the investments of the investment company are limited to obligations of the United States or any agency or instrumentality, corporate or otherwise, of the United States or repurchase agreements secured by obligations of the United States or any agency or instrumentality, corporate or otherwise, of the United States; to redeem its bonds at the redemption price established for the bonds or to purchase its bonds at less than that redemption price, all bonds so redeemed or purchased to be canceled;

[PL 1993, c. 651, §4 (AMD).]

**7. Slum clearance.** Within its area of operation: To determine where slum areas exist or where there is a shortage of safe and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas and the problem of providing dwelling accommodations for persons of low income; and to cooperate with the municipality, the county, the State or any political subdivision of the State in action taken in connection with such problems;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**8. Investigations and examinations.** Acting through one or more commissioners or other persons designated by the authority: To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the State or unable to attend before the authority or excused from attendance; to make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or similar conditions or of demolishing unsafe or insanitary structures within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**9. Powers granted.** To exercise all or any part or combination of powers granted;

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**10. Coordination with municipal officers.** The commissioners of a municipal authority or the director of the Maine State Housing Authority shall provide the municipal officers an opportunity to review and discuss proposed development projects prior to submitting the plans to the appropriate municipal officer or agency;

[PL 2017, c. 234, §20 (AMD).]

**11. Mortgage credits.** The Maine State Housing Authority may acquire from banks, life insurance companies, savings and loan associations, pension or retirement funds, any fiduciaries, the Federal Government and other financial institutions, persons or governmental or business entities mortgage loans and notes anywhere in the State and may sell mortgages and notes to insurance companies, other financial institutions, persons or governmental or business entities and the Federal Government or any fiduciaries or pension or retirement funds;

[PL 2017, c. 234, §20 (AMD).]

**12. Mortgage assistance payments.** Pursuant to the purposes of this Act to provide housing for persons of low income, the Maine State Housing Authority may make payments and binding commitments, subject to the authority's receipt of sufficient funds to honor these commitments from periodic appropriations from appropriate sources, to continue these payments if necessary over the life of the mortgage to mortgagors or to mortgagees on behalf of low-income persons to reduce interest costs on market rate mortgages to as low as 1%.

A. No commitment made by the authority under this subsection may be construed to commit the faith and credit of this State. [RR 2015, c. 2, §19 (COR).]

B. Persons benefiting from these mortgage assistance payments shall, according to guidelines to be included in the mortgage agreements, be required to pay a larger interest payment as their ability to pay increases; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[RR 2015, c. 2, §19 (COR).]

**13. Allocation of federal ceilings.** By rulemaking under Title 5, chapter 375, subchapter II (./5/title5ch375sec0.html), the Maine State Housing Authority may establish a process that is different from the federal formula for allocating that portion of the ceiling on the issuance of certain tax-exempt bonds established by the United States Code, Title 26, which has been allocated to the Maine State Housing Authority under Title 10, section 363 (./10/title10sec363.html), and may also limit the types of projects that are eligible to receive allocations or carryforward designations from the Maine State Housing Authority;

[PL 1991, c. 622, Pt. J, §21 (AMD); PL 1991, c. 622, Pt. J, §25 (AFF).]

**14. State housing credit agency.** The Maine State Housing Authority is designated the housing credit agency for the State and may receive and allocate, according to a process established by rulemaking pursuant to Title 5, chapter 375, subchapter II (./5/title5ch375sec0.html), the annual state housing credit ceiling for the low-income housing credit established by the United States Code, Title 26;

[PL 1991, c. 629, §1 (AMD).]

**15. State weatherization, conservation and fuel assistance agency.** The Maine State Housing Authority is designated the weatherization, energy conservation and fuel assistance agency for the State and, in accordance with Title 35-A, section 10104, subsection 8 (./35-A/title35-Asec10104.html), may apply for, receive, distribute and administer federal funds on behalf of the State for weatherization, energy conservation and fuel assistance pursuant to the Weatherization Assistance for Low-income Persons Program administered through the United States Department of Energy and the Low-income Home Energy Assistance Program administered through the United States Department of Health and Human Services in accordance with rules adopted under the Maine Administrative Procedure Act;

[PL 2009, c. 372, Pt. B, §2 (AMD).]

**16. Certification of bonds.** The director of the Maine State Housing Authority is the State's designee to certify to the United States Secretary of the Treasury that housing-related bonds issued in the State satisfy the applicable ceiling requirements of the federal Internal Revenue Code;

[PL 1993, c. 175, §6 (AMD).]

**17. Comprehensive housing affordability strategy coordinator.** The Maine State Housing Authority is designated the comprehensive housing affordability strategy coordinator for the State and has the power to prepare and submit on behalf of the State the annual comprehensive housing affordability strategy called for in the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, as amended, and to undertake all monitoring and certification procedures required under that law. The Maine State Housing Authority shall represent the State in carrying out the HOME Investment Partnerships Program created by the Cranston-Gonzalez National Affordable Housing Act, as amended;

[PL 2017, c. 234, §21 (AMD).]

**18. State designee for homeless programs.** The Maine State Housing Authority is designated the coordinating agency for the State for programs dealing with homeless persons and may apply for, receive, distribute and administer federal, state and other funds on behalf of the State for homeless programs including, without limitation, the Emergency Community Services Homeless Grant Program and the programs authorized pursuant to the federal Stewart B. McKinney Homeless Assistance Act, Public Law 100-77, (1987), as amended;

[PL 2021, c. 270, §1 (AMD).]



**19. State designee for National Housing Trust Fund.** The Maine State Housing Authority is designated as the entity to receive and allocate funds from the National Housing Trust Fund established by the federal Housing and Economic Recovery Act of 2008; and

[PL 2021, c. 270, §2 (AMD).]

**20. Affirmatively further fair housing.** The Maine State Housing Authority shall, to the extent consistent with federal law, ensure that any Maine State Housing Authority funding or any state or local funding is used in a manner that will affirmatively further fair housing in this State. For the purposes of this subsection, "affirmatively further fair housing" means to engage actively in efforts to address barriers to and create opportunities for full and equal access to housing without discrimination on the basis of race, color, sex, sexual orientation or gender identity, physical or mental disability, religion, ancestry, national origin, familial status or receipt of public assistance.

[PL 2021, c. 270, §3 (NEW).]

#### SECTION HISTORY

PL 1987, c. 737, §SA2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §SC8,10 (AMD). PL 1991, c. 622, §SJ21,22 (AMD). PL 1991, c. 622, §J25 (AFF). PL 1991, c. 629, §S1-3 (AMD). PL 1991, c. 871, §S2-4 (AMD). PL 1993, c. 175, §S6-8 (AMD). PL 1993, c. 651, §4 (AMD). PL 2007, c. 562, §6 (AMD). PL 2009, c. 372, Pt. B, §2 (AMD). RR 2015, c. 2, §19 (COR). PL 2015, c. 494, Pt. B, §S2-4 (AMD). PL 2017, c. 234, §S20, 21 (AMD). PL 2021, c. 270, §S1-3 (AMD).

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**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 5:  
COUNCIL RESOLUTION CREATING THE  
CUMBERLAND HOUSING AUTHORITY**

TOWN OF CUMBERLAND  
MINUTES OF THE MEETING OF THE TOWN COUNCIL  
JULY 16, 1991

\*\* SPECIAL MEETING \*\*

Present: E. Stephen Murray, Stephen Moriarty, Gary Varney, Susan McGinty, Harland Storey

Late: David Williams

Absent: Robert Humphreys - excused

- I. The meeting was called to order by the Chairman at 7:10 p.m. at the Cumberland Municipal Center.
- II. Legislation and Policy

91-98 To hear report from the Cumberland Affordable Housing Alliance and Town Attorney regarding status of Affordable and Elderly Housing Projects.

Phil Gleason, acting chairman of the Affordable Housing Alliance, reviewed the history of the project and the alliance.

Peter Piccirillo, Market Decisions, (consultant) spoke briefly on the marketing aspect for the elderly project.

Cindy Taylor, consultant, spoke regarding the costs of the project.

George Rickley spoke regarding his project (affordable housing).

Karen Day, Walter Abbott, and Craig Banton, Hemlock Drive residents, all stated concern about the proximity of the elderly project to their properties, as well as the design and what is planned for a buffer along the lot line.

\*\* Councilor Williams arrived 7:40 p.m.

It was agreed that Mr. Abbott will be notified of the Affordable Housing meetings and will in turn notify the other residents who are interested.

Town Attorney, Ken Cole, was also present and he and the other speakers answered questions from the Council and the public regarding these projects.

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COUNCIL  
JULY

- 91-99 To establish Cumberland Housing Authority and approve its By-Laws.

Attorney Cole explained the need for a housing authority and what Council action is required to create an authority.

Councilor McGinty moved the following resolution to establish the Cumberland Housing Authority:  
Whereas the Cumberland Town Council wishes to provide affordable housing for its low income and elderly citizens, and  
Whereas, there is a shortage of safe and sanitary dwelling accommodations available in the municipality for its low income and elderly citizens, and  
Whereas, the Council wishes to establish a municipal housing authority to build and manage facilities for its low income and elderly citizens,  
Now Therefore, in consideration of the foregoing premises, the Cumberland Town Council hereby resolves that there is a need for such a housing authority and pursuant to Section 4721 et. seq. of Title 30-A of the Maine Revised Statutes hereby creates the Cumberland Housing Authority and adopts as said Authority's initial by-laws, those attached hereto.

Councilor Moriarty seconded.

Councilor Moriarty moved to amend the fifth sentence of Article III, Section 5 to read as follows: He or she shall furnish to the Chairman, "Town Council" and the Commissioners, whenever .....

Councilor Williams seconded. Vote: Unanimous (6)

Councilor Williams moved to amend Article II, Section 2 to read as follows: ....the provisions of the Maine Housing Authorities Act ";except that said Commissioners shall serve at the pleasure of the Town Council".

Councilor McGinty seconded. Vote: Unanimous (6)

Vote on original motion as amended: Unanimous (6)

(A copy of the By-Laws of the Town of Cumberland Housing Authority, as amended, is attached to and a part of these minutes.)

- 91-100 To approve Loan Agreement with Casco Partners, Inc. regarding road and infrastructure construction at Small's Brook Crossing.

Attorney Cole explained that this is strictly a draft document for the Council's review. He stated that the

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Town will have no personal guarantees from the developer for this loan. The Town's first security will be the road and infrastructure. He also stated that the interest may be accrued into the payment structure if necessary.

Councilor Moriarty moved that the Council approve, in concept only, the proposed Loan Agreement with Casco Partner's, Inc. and that this item be scheduled for reconsideration at the next Council meeting.

Councilor McGinty seconded.

	Vote:	4 in favor
		2 abstentions
		(Murray, Storey)

- 91-101 To establish a committee to negotiate with Cumberland Meadows Homeowner's Association regarding severing Phase III for elderly housing project and/or inclusion of elderly project within Association.

Councilor McGinty moved that a committee be established to negotiate with the Cumberland Meadows Homeowner's Association regarding severing Phase III for elderly housing project and/or inclusion of elderly project within the Association; and that the following people be appointed to this committee: Phil Gleason, Bob Arsenault, Susan McGinty, E. Stephen Murray, as well as staff members Robert Benson, Ken Cole, Carla Nixon and Scott Cowger.

Councilor Moriarty seconded.      Vote: Unanimous (6)

### III. Adjourn

The meeting was adjourned at 9:00 p.m.

Charlene A. Doyle  
Charlene A. Doyle  
Council Secretary



**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 6:  
ORGANIZING DOCUMENTS FOR THE  
CUMBERLAND HOUSING AUTHORITY**



BY-LAWS  
OF  
TOWN OF CUMBERLAND HOUSING AUTHORITY

ARTICLE I

General

Section 1. Name and Purpose. The name of the Authority is the "Town of Cumberland Housing Authority," and it continues in existence for the purpose specified in, and has the powers granted by, Title 30-A M.R.S.A. §§4701 et seq., as amended (the "Maine Housing Authorities Act").

Section 2. Principal Office. The principal office of the Authority shall be located at the Cumberland Town Hall, in the Town of Cumberland and State of Maine. There may be branch offices located at or near any project developed or maintained by the Authority. The principal office may be moved, and branch offices established or moved, from time to time, by proper resolution of the Authority.

Section 3. Fiscal Year. The fiscal year of the Authority shall be from July 1 to June 30, inclusive.

Section 4. Seal. The Authority may adopt a seal which shall have inscribed thereon the name of the Authority and the year of its organization.

ARTICLE II

Commissioners

Section 1. Number and Qualifications. The business and affairs of the Authority shall be managed by six (6) Commissioners in accordance with the provisions of the Maine Housing Authorities Act.

Section 2. Appointment. Commissioners shall be appointed by the Cumberland Town Council to serve terms or fill vacancies in accordance with the provisions of the Maine Housing Authorities Act; except that said Commissioners shall serve at the pleasure of the Town Council.

Section 3. Powers and Duties. The property, affairs and business of the Authority shall be managed by the Commissioners who may exercise all such powers of the Authority and do all such lawful acts as are not prohibited by statute or by these By-laws.

Section 4. Meetings of Commissioners. Annual, special, and regular meetings of the Authority shall be held at its principal office, or at such branch office as may be designated by the Secretary, or at such other place or places as may be originally designated or subsequently changed by resolution adopted at any meeting. The place of any meeting may be ratified by subsequent resolution of the Authority.

(1) Regular Meetings. Regular meetings of the Authority shall be held on the \_\_\_\_\_ (designated day, e.g. second Wednesday) of each month or at such other times designated by the Commissioners, without notice, for the purpose of transacting such business as may be brought before the meeting.

(2) Annual Meetings. The annual meeting of the Authority shall be held on the \_\_\_\_\_ (specify day, e.g., second Thursday in July) of each year without notice

for the purpose of electing officers, receiving reports of the Chairman and Treasurer; and for the conducting of such other business as may be brought before the meeting.

(3) Special Meetings. The Secretary may, when it is deemed necessary, and shall upon the written request of any two Commissioners or of the Chairman, call a special meeting of the Authority for the purpose of transacting any business designated in the call, which shall be as specified in the request, if any. The Secretary shall mail, at least two days prior to the date of the special meeting so called to each Commissioner at his business or home address a true copy of the call, or the Secretary may deliver same in hand to any Commissioner. At such special meeting no business shall be considered other than as designated in the call, provided that if all the Commissioners are present, any and all business may be transacted at such special meeting.

Section 5. Quorum. Four (4) Commissioners shall constitute a quorum for the purpose of conducting business at any meeting of the Authority. The Authority may take action upon the vote of a majority of the Commissioners present at any meeting, provided there is a quorum.

Section 6. Compensation of Commissioners. Commissioners, as such, shall not receive any compensation for their services, but by resolution of the Commissioners, may receive reimbursement of expenses incurred in the discharge of the Commissioners' duties.

Section 7. Committees. The Commissioners may, by resolution, appoint such committee or committees as the Commissioners may from time to time determine to be necessary, which committee or committees shall have and exercise such powers as the Commissioners may by resolution determine. A majority of the members of any committee shall constitute a quorum for the transaction of business, and each committee may make rules for the conduct of its affairs. The Commissioners shall have the power at any time to change the membership of any committee, to fill vacancies in it, or to discharge it.

### ARTICLE III

#### The Officers

Section 1. Officers. The officers of the Authority shall consist of a Chairman, Vice Chairman, Treasurer, Secretary, and such other officers and agents as may be deemed necessary by the Commissioners. Any two or more offices may be held by the same person. The officers shall be elected annually by the Commissioners and shall serve until their successors are elected and qualified.

Section 2. Removal. Any officer elected or appointed by the Commissioners may be removed by such Commissioners whenever in their judgment the best interest of the Authority would be served thereby.

Section 3. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or

otherwise, may be filled by the Commissioners for the unexpired portion of the term.

Section 4. The Chairman. The Chairman shall be the principal executive officer of the Authority. He or she shall, when present, preside at all meetings of the Commissioners, shall have the general management control of the Authority, and shall see that all orders and resolutions of the Commissioners are carried into effect. He or she shall perform such duties as are provided by the laws of the State of Maine or by these By-laws or as may be prescribed from time to time by the Commissioners.

Section 5. The Treasurer. The Treasurer shall be the Town Manager of the Town of Cumberland. The Treasurer shall be the financial officer of the Authority, and shall have the custody of the Authority's funds and securities. He or she shall deposit such funds in the name of the Authority in such depositories as may be designated by the Commissioners. He or she shall disburse the funds of the Authority as directed by the Commissioners and shall keep records of account showing accurately at all times the financial condition of the Authority. He or she shall furnish to the Chairman, Town Council and the Commissioners, whenever requested, a statement of the financial condition of the Authority, and shall perform such other duties as these By-laws may require or the Commissioners may prescribe. The Treasurer may be required to furnish bond in such amount and with such sureties as the Commissioners shall determine.

Section 6. The Vice-Chairman. In the absence, disability or inability to act of the Chairman, the Vice Chairman shall perform the duties and exercise the powers of the Chairman. The Vice-Chairman shall also perform such other duties as these By-laws may require or as the Commissioners or the Chairman may prescribe.

Section 7. The Secretary. The Secretary shall attend meetings of the Commissioners and shall keep, or cause to be kept, in a book provided for that purpose, a true and complete record of the proceedings of such meetings. He or she shall attend to the giving and serving of all notices of the Authority, and shall perform such other duties as these By-laws may require or as the Commissioners may prescribe.

Section 8. Assistants. The Commissioners may elect one or more Assistant Secretaries and Assistant Treasurers, as the Board shall deem advisable. Such assistants shall assist the Secretary or the Treasurer, as the case may be, in the performance of his or her duties, and at the request of such officers or of the Chairman, shall perform the duties of such officers in the event of the absence or inability to act of such officers. They shall also perform such other duties as the Commissioners may from time to time direct. An Assistant Treasurer shall, if required by the Commissioners, furnish bond in such amount and with such sureties as the Commissioners may determine.



## ARTICLE IV

### Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Commissioners may authorize any officer or officers, agent or agents of the Authority, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Authority, and such authority may be general or confined to specific instances, provided it is not in violation of any statute or the other provisions of these By-laws.

Section 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Commissioners. In the absence of such determination by the Commissioners, such instruments shall be signed by the Chairman or the Treasurer.

Section 3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Commissioners may select.

Section 4. Gifts. The Commissioners may accept on behalf of the Authority any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Authority.

## ARTICLE V

### Prohibition Against Sharing in Authority Earnings

No commissioner, officer, employee, agent or representative of this Authority, or any other private individual shall receive or be entitled to receive at any time any of the net earnings or pecuniary profit from the operations of the Authority, and no such person or persons shall be entitled to share in the distribution of any of the Authority's assets upon the dissolution of the Authority. Upon the dissolution or winding up of the affairs of the Authority, whether voluntary or involuntary, the assets of the Authority then remaining in the hands of the Commissioners after all debts have been satisfied or provided for shall be distributed, transferred, conveyed, delivered and paid over, in such amounts as the Commissioners may determine, to the Town of Cumberland.

## ARTICLE VI

### Indemnification of Commissioners and Officers

To the extent permitted by the laws of the State of Maine as they may now or hereafter exist, the Authority shall indemnify any officer or commissioner of the Authority who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that he or she is or was an officer or commissioner of the Authority, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit

or proceeding; provided that no indemnification shall be provided with respect to any matter as to which he or she shall have been finally adjudicated in any civil proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Authority or in any criminal proceeding, to have had reasonable cause to believe that his or her conduct was unlawful.

## ARTICLE VII

### Amendments

These By-laws may be amended, altered or repealed and new By-laws adopted only by resolution of the Cumberland Town Council.

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 7:  
SELECTIVE SAMPLE OF MAINE MUNICIPAL  
HOUSING AUTHORITIES  
ACCOMPLISHMENTS**



## **Sample of Maine Housing Authorities (and their spin-offs)**

### **Synopsis:**

I reviewed Housing Authorities in Maine who have websites to see what sort of programs they have and to understand what is possible. My take away is with this cursory research there is much Housing Authorities can do if there is the will to do it.....from providing not just housing for the elderly and disabled but also for families..both low and moderate income. Additionally, many housing authorities offer residents additional services, either thru partnering with area agencies or outright contracting for services. Interesting also that some Housing Authorities have spawned nonprofit development corporations which greatly expand the mission of affordable housing.

A sampling below of some of the Housing Authorities I looked at and what they offer:

### **Auburn Housing Authority:**

#### **Mission Statement**

The mission of Auburn Housing Authority is to develop, provide and assist decent, safe and affordable housing for lower income persons. The Authority shall strive to create opportunities for residents' self-sufficiency and economic independence, and shall assure fiscal integrity by all program participants.

- 80 units of Family units- w/ 2, 3 and 4 bedroom units
- 97 units for elderly(62 + and disabled)

Also Provide Section 8 Housing Choice Voucher program, Low Income Housing Tax Credit Housing , one facility that has Head Start onsite and they also have Market Rate units..15 plus

.....

### **Brunswick Housing Authority:**

**Mission Statement**-The mission of the Brunswick Topsham Housing Authority is to provide safe, quality, and affordable housing for eligible persons in need of assistance, regardless of race, color, sex, religion, national or ethnic origin, age, handicap, marital status, sexual orientation, familial status, or disability, and to promote opportunities for the growth and development of residents as well as our community.

- Section 8 Rental Assistance
- Family Housing of 2,3,4,5 bedrooms in duplex and row housing-income restricted
- Senior housing in 1, 2 bedroom units (tower and terrace type structures)-income restricted

**-Greater Brunswick Housing Corporation** (nonprofit housing development corporation organized and affiliated with the BHA)projects:

- Senior complex of 1, 2 bedroom unit(40 units)
- 4 home subdivision

2 unit rental

Working with Habitat for Humanity and 7 Rivers Maine to build 3 affordable homes that are highly energy efficient

3, 4 bedroom single family homes w/190K selling price(Harpswell)

14 single family affordable subdivision-120K ave selling price

6 family unit apartment complex operated by Tedford Housing

.....

### **Mount Desert Island and Ellsworth Housing Authority:**

The Ellsworth and MDI Housing Authorities provide housing assistance and related services to individuals and families who face income or other life challenges. We provide the opportunity for them to become self-sufficient and economically independent. We believe everyone deserves a good home.

-A number of properties for both seniors/disabled as well as families..in some of their properties, they have options for noon meals, homemaker program to assist residents with house cleaning, grocery shopping, errands and laundry. Eastern Area Agency on Aging partners with the HA to provide Meals on Wheels. They also provide an option for Personal Care Assistance at additional cost.

.....

### **Westbrook Housing:**

**The mission of Westbrook Housing is to provide opportunities for affordable quality housing to assist individuals and families and to encourage independence within a supportive community.**

"The housing agency, established in 1969, began building federally- and state-funded affordable senior housing during the early 1970s and started administering [Housing Choice Vouchers \(also known as Section 8\)](#) in the fall of 1975.

Over the years, Westbrook Housing has expanded its portfolio and developed innovative housing programs to combine affordable housing with supportive services. In the late 1980s, the agency was among the first in the country to obtain grants to help pay for supportive services.

With state and federal housing funds decreasing, Westbrook Housing has developed several market rate housing developments for seniors and working individuals and families in order to continue its mission of providing low- and moderate-income housing.

Upon entering this new system of delivering affordable housing, Westbrook Housing built and managed the first Low Income Housing Tax Credit (LIHTC) development in the State of Maine.

Today, Westbrook Housing's diverse [portfolio](#) provides affordable, quality housing to 555 households in 12 developments and administers 806 Housing Choice Vouchers holders with many more expected through its development partner, the [Westbrook Development Corp.](#)



Westbrook Housing has 43 [employees](#) and is governed by a [Board of Commissioners](#) whose members are appointed by the mayor of the City of Westbrook."

A note about Westbrook Development Corp: It grew as an extension of Westbrook Housing Authority into a development company. They are committed to long-term growth of affordable housing thru-out greater Portland and Southern Maine. See statement below:

"After The Housing Authority of the City of Westbrook was founded in 1969, it began to develop affordable housing through the most conventional of means, the Department of Housing and Urban Development (HUD). [Westbrook Housing](#) developed three public housing sites and offered Section 8 certificates/vouchers to the most vulnerable households. As time went on, Westbrook Housing realized that there was a need for housing for families and seniors that were of modest means, too challenged by market rents to afford them. Concurrently, HUD funding began to be problematic, both scarce and significantly sought after, and the competition for the limited dollars was fierce. Simultaneously, housing financing needed to become more creative. In order to continue the addition of units, alternate funding sources were required and Westbrook Housing found it was not in position to access many of the available funding sources.

Hence, in **December of 1987** Westbrook Development Corporation (WDC) was founded to aide in the future development of housing. Since its inception the Development Corporation has been a major player in the development of affordable housing in Westbrook, to include:

- **Mill Brook Estates:** 100 units of senior (55+) housing, combination of market and subsidized (new construction);
- **Larrabee Village:** 150 units of congregate care housing for seniors (62+) Section 8 project based (new construction);
- **Presumpscot Commons:** 29 units of senior housing (55+) tax credit project (rehabilitation of the old Westbrook High School);
- **School House Commons:** 8 units of subsidized housing for families (rehabilitation of old school);
- **Golder Commons:** 26 units of family housing, tax credits (new construction);
- **Riverfront Lofts:** 44 affordable condominiums.
- **Spring Crossing:** 38 units of senior housing (55+) tax credit project (new construction)

- **Malcolm A. Noyes Apartments at Millbrook Estates** 38 units of senior housing (55+) tax credit project (new construction)
- **Dr. Arthur O. Berry Apartments at Larrabee Commons** 38 units of senior housing (55+) tax credit project (new construction)

The Development Corporation is a leader in the local area as it continues to develop and provide affordable housing options to the people in the greater Westbrook area.”

\*\*\*\*\*

#### **South Portland Housing Authority:**

**Mission Statement:** The mission of the South Portland Housing Authority is to provide quality housing for low to moderate income, elderly, individuals with disabilities and families in need.

- provide Section 8 Housing Choice Vouchers(389)..applicant responsible for finding housing...interesting that housing choice vouchers can be used outside of SP..including Scarborough, CE, Old Orchard Beach and within 10 miles of SP border with Gorham, Falmouth and South Windham.
- Have 9 properties.. primarily for elderly, handicapped. families w/children. Preference is given to applicants who live and work in SP, veterans, and victims of a federally declared disaster. Income limits on all.
- have some Market Rate units-1 bedrooms and no income limit



**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 8:  
LD 2003 STATUTE AND  
INTERPRETIVE MATERIALS**

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-TWO

H.P. 1489 - L.D. 2003

**An Act To Implement the Recommendations of the Commission To Increase  
Housing Opportunities in Maine by Studying Zoning and Land Use  
Restrictions**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 5 MRSA §13056, sub-§7**, as amended by PL 2003, c. 159, §3, is further amended to read:

**7. Contract for services.** When contracting for services, to the maximum extent feasible, seek to use the State's private sector resources in conducting studies, providing services and preparing publications; ~~and~~

**Sec. 2. 5 MRSA §13056, sub-§8**, as enacted by PL 2003, c. 159, §4, is amended to read:

**8. Lead agency for business assistance in response to certain events.** Be the lead agency for the State to provide information and business assistance to employers and businesses as part of the State's response to an event that causes the Department of Labor to carry out rapid-response activities as described in 29 United States Code, Sections 2801 to 2872 (2002); ~~and~~

**Sec. 3. 5 MRSA §13056, sub-§9** is enacted to read:

**9. Establish statewide housing production goals.** Establish, in coordination with the Maine State Housing Authority, a statewide housing production goal that increases the availability and affordability of all types of housing in all parts of the State. The department shall establish regional housing production goals based on the statewide housing production goal. In establishing these goals, the department shall:

- A. Establish measurable standards and benchmarks for success of the goals;
- B. Consider information submitted to the department from municipalities about current or prospective housing developments and permits issued for the construction of housing; and
- C. Consider any other information as necessary to meet the goals pursuant to this subsection.

**Sec. 4. 30-A MRSA §4364** is enacted to read:

**§4364. Affordable housing density**

For an affordable housing development approved on or after July 1, 2023, a municipality with density requirements shall apply density requirements in accordance with this section.

**1. Definition.** For the purposes of this section, "affordable housing development" means:

A. For rental housing, a development in which a household whose income does not exceed 80% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority of the units that the developer designates as affordable without spending more than 30% of the household's monthly income on housing costs; and

B. For owned housing, a development in which a household whose income does not exceed 120% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended, can afford a majority of the units that the developer designates as affordable without spending more than 30% of the household's monthly income on housing costs.

**2. Density requirements.** A municipality shall allow an affordable housing development where multifamily dwellings are allowed to have a dwelling unit density of at least 2 1/2 times the base density that is otherwise allowed in that location and may not require more than 2 off-street parking spaces for every 3 units. The development must be in a designated growth area of a municipality consistent with section 4349-A, subsection 1, paragraph A or B or the development must be served by a public, special district or other centrally managed water system and a public, special district or other comparable sewer system. The development must comply with minimum lot size requirements in accordance with Title 12, chapter 423- A, as applicable.

**3. Long-term affordability.** Before approving an affordable housing development, a municipality shall require that the owner of the affordable housing development have executed a restrictive covenant, recorded in the appropriate registry of deeds, for the benefit of and enforceable by a party acceptable to the municipality, to ensure that for at least 30 years after completion of construction:

A. For rental housing, occupancy of all of the units designated affordable in the development will remain limited to households at or below 80% of the local area median income at the time of initial occupancy; and

B. For owned housing, occupancy of all of the units designated affordable in the development will remain limited to households at or below 120% of the local area median income at the time of initial occupancy.

**4. Shoreland zoning.** An affordable housing development must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, chapter 3 and municipal shoreland zoning ordinances.

**5. Water and wastewater.** The owner of an affordable housing development shall provide written verification to the municipality that each unit of the housing development is connected to adequate water and wastewater services before the municipality may certify the development for occupancy. Written verification under this subsection must include:

A. If a housing unit is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the unit and proof of payment for the connection to the sewer system;

B. If a housing unit is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector under section 4221. Plans for subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with subsurface wastewater disposal rules adopted under Title 22, section 42;

C. If a housing unit is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the unit, proof of payment for the connection and the volume and supply of water required for the unit; and

D. If a housing unit is connected to a well, proof of access to potable water. Any tests of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

**6. Subdivision requirements.** This section may not be construed to exempt a subdivider from the requirements for division of a tract or parcel of land in accordance with subchapter 4.

**7. Restrictive covenants.** This section may not be construed to interfere with, abrogate or annul the validity or enforceability of any valid and enforceable easement, covenant, deed restriction or other agreement or instrument between private parties that imposes greater restrictions than those provided in this section, as long as the agreement does not abrogate rights under the United States Constitution or the Constitution of Maine.

**8. Rules.** The Department of Economic and Community Development shall adopt rules to administer and enforce this section. The department shall consult with the Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this subsection. The rules must include criteria for a municipality to use in calculating housing costs. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 5. 30-A MRSA §4364-A** is enacted to read:

**§4364-A. Residential areas, generally; up to 4 dwelling units allowed**

**1. Use allowed.** Notwithstanding any provision of law to the contrary, except as provided in Title 12, chapter 423-A, for any area in which housing is allowed, a municipality shall allow structures with up to 2 dwelling units per lot if that lot does not contain an existing dwelling unit, except that a municipality shall allow up to 4 dwelling units per lot if that lot does not contain an existing dwelling unit and the lot is located in a designated growth area within a municipality consistent with section 4349-A, subsection 1, paragraph A or B or if the lot is served by a public, special district or other centrally managed water system and a public, special district or other comparable sewer system in a municipality without a comprehensive plan.



A municipality shall allow on a lot with one existing dwelling unit the addition of up to 2 dwelling units: one additional dwelling unit within or attached to an existing structure or one additional detached dwelling unit, or one of each.

A municipality may allow more units than the number required to be allowed by this subsection.

**2. Zoning requirements.** With respect to dwelling units allowed under this section, municipal zoning ordinances must comply with the following conditions.

A. If more than one dwelling unit has been constructed on a lot as a result of the allowance under this section or section 4364-B, the lot is not eligible for any additional increases in density except as allowed by the municipality.

B. A municipal zoning ordinance may establish a prohibition or an allowance for lots where a dwelling unit in existence after July 1, 2023 is torn down and an empty lot results.

**3. General requirements.** A municipal ordinance may not establish dimensional requirements or setback requirements for dwelling units allowed under this section that are greater than dimensional requirements or setback requirements for single-family housing units, except that a municipal ordinance may establish requirements for a lot area per dwelling unit as long as the required lot area for subsequent units on a lot is not greater than the required lot area for the first unit.

**4. Water and wastewater.** The owner of a housing structure must provide written verification to the municipality that the structure is connected to adequate water and wastewater services before the municipality may certify the structure for occupancy. Written verification under this subsection must include:

A. If a housing structure is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the structure and proof of payment for the connection to the sewer system;

B. If a housing structure is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector under section 4221. Plans for subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with subsurface wastewater disposal rules adopted under Title 22, section 42;

C. If a housing structure is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the structure, proof of payment for the connection and the volume and supply of water required for the structure; and

D. If a housing structure is connected to a well, proof of access to potable water. Any tests of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

**5. Municipal implementation.** In adopting an ordinance, a municipality may:

A. Establish an application and permitting process for housing structures;

B. Impose fines for violations of building, zoning and utility requirements for housing structures; and

C. Establish alternative criteria that are less restrictive than the requirements of subsection 4 for the approval of a housing structure only in circumstances in which the municipality would be able to provide a variance under section 4353, subsection 4, 4-A, 4-B or 4-C.

**6. Shoreland zoning.** A housing structure must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, chapter 3 and municipal shoreland zoning ordinances.

**7. Subdivision requirements.** This section may not be construed to exempt a subdivider from the requirements for division of a tract or parcel of land in accordance with subchapter 4.

**8. Restrictive covenants.** This section may not be construed to interfere with, abrogate or annul the validity or enforceability of any valid and enforceable easement, covenant, deed restriction or other agreement or instrument between private parties that imposes greater restrictions than those provided in this section, as long as the agreement does not abrogate rights under the United States Constitution or the Constitution of Maine.

**9. Rules.** The Department of Economic and Community Development may adopt rules to administer and enforce this section. The department shall consult with the Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this subsection. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**10. Implementation.** A municipality is not required to implement the requirements of this section until July 1, 2023.

**Sec. 6. 30-A MRSA §4364-B** is enacted to read:

**§4364-B. Accessory dwelling units**

**1. Use permitted.** Except as provided in Title 12, chapter 423-A, a municipality shall allow an accessory dwelling unit to be located on the same lot as a single-family dwelling unit in any area in which housing is permitted.

**2. Restrictions.** An accessory dwelling unit may be constructed only:

A. Within an existing dwelling unit on the lot;

B. Attached to or sharing a wall with a single-family dwelling unit; or

C. As a new structure on the lot for the primary purpose of creating an accessory dwelling unit.

This subsection does not restrict the construction or permitting of accessory dwelling units constructed and certified for occupancy prior to July 1, 2023.

**3. Zoning requirements.** With respect to accessory dwelling units, municipal zoning ordinances must comply with the following conditions:

A. At least one accessory dwelling unit must be allowed on any lot where a single-family dwelling unit is the principal structure; and

B. If more than one accessory dwelling unit has been constructed on a lot as a result of the allowance under this section or section 4364-A, the lot is not eligible for any additional increases in density except as allowed by the municipality.

**4. General requirements.** With respect to accessory dwelling units, municipalities shall comply with the following conditions.

A. A municipality shall exempt an accessory dwelling unit from any density requirements or calculations related to the area in which the accessory dwelling unit is constructed.

B. For an accessory dwelling unit located within the same structure as a single-family dwelling unit or attached to or sharing a wall with a single-family dwelling unit, the setback requirements and dimensional requirements must be the same as the setback requirements and dimensional requirements of the single-family dwelling unit, except for an accessory dwelling unit permitted in an existing accessory building or secondary building or garage as of July 1, 2023, in which case the requisite setback requirements for such a structure apply. A municipality may establish more permissive dimensional and set back requirements for an accessory dwelling unit.

C. An accessory dwelling unit may not be subject to any additional parking requirements beyond the parking requirements of the single-family dwelling unit on the lot where the accessory dwelling unit is located.

**5. Shoreland zoning.** An accessory dwelling unit must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, chapter 3 and municipal shoreland zoning ordinances.

**6. Size requirements.** An accessory dwelling unit must meet a minimum size of 190 square feet. If the Technical Building Codes and Standards Board under Title 10, section 9722 adopts a different minimum size, that standard applies. A municipality may impose a maximum size for an accessory dwelling unit.

**7. Water and wastewater.** The owner of an accessory dwelling unit must provide written verification to the municipality that the accessory dwelling unit is connected to adequate water and wastewater services before the municipality may certify the accessory dwelling unit for occupancy. Written verification under this subsection must include:

A. If an accessory dwelling unit is connected to a public, special district or other comparable sewer system, proof of adequate service to support any additional flow created by the accessory dwelling unit and proof of payment for the connection to the sewer system;

B. If an accessory dwelling unit is connected to a septic system, proof of adequate sewage disposal for subsurface wastewater. The septic system must be verified as adequate by a local plumbing inspector under section 4221. Plans for subsurface wastewater disposal must be prepared by a licensed site evaluator in accordance with subsurface wastewater disposal rules adopted under Title 22, section 42;

C. If an accessory dwelling unit is connected to a public, special district or other centrally managed water system, proof of adequate service to support any additional flow created by the accessory dwelling unit, proof of payment for the connection and the volume and supply of water required for the accessory dwelling unit; and

D. If an accessory dwelling unit is connected to a well, proof of access to potable water. Any tests of an existing well or proposed well must indicate that the water supply is potable and acceptable for domestic use.

**8. Municipal implementation.** In adopting an ordinance under this section, a municipality may:

A. Establish an application and permitting process for accessory dwelling units;

B. Impose fines for violations of building, zoning and utility requirements for accessory dwelling units; and

C. Establish alternative criteria that are less restrictive than the requirements of subsections 4, 5, 6 and 7 for the approval of an accessory dwelling unit only in circumstances in which the municipality would be able to provide a variance under section 4353, subsection 4, 4-A, 4-B or 4-C.

**9. Rate of growth ordinance.** A permit issued by a municipality for an accessory dwelling unit does not count as a permit issued toward a municipality's rate of growth ordinance as described in section 4360.

**10. Subdivision requirements.** This section may not be construed to exempt a subdivider from the requirements for division of a tract or parcel of land in accordance with subchapter 4.

**11. Restrictive covenants.** This section may not be construed to interfere with, abrogate or annul the validity or enforceability of any valid or enforceable easement, covenant, deed restriction or other agreement or instrument between private parties that imposes greater restrictions than those provided in this section, as long as the agreement does not abrogate rights under the United States Constitution or the Constitution of Maine.

**12. Rules.** The Department of Economic and Community Development may adopt rules to administer and enforce this section. The department shall consult with the Department of Agriculture, Conservation and Forestry in adopting rules pursuant to this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**13. Implementation.** A municipality is not required to implement the requirements of this section until July 1, 2023.

**Sec. 7. 30-A MRSA §4364-C** is enacted to read:

**§4364-C. Municipal role in statewide housing production goals**

This section governs the responsibilities and roles of municipalities in achieving the statewide and regional housing production goals set by the Department of Economic and Community Development in Title 5, section 13056, subsection 9.

**1. Fair housing and nondiscrimination.** A municipality shall ensure that ordinances and regulations are designed to affirmatively further the purposes of the federal Fair Housing Act, 42 United States Code, Chapter 45, as amended, and the Maine Human Rights Act to achieve the statewide or regional housing production goal.

**2. Municipalities may regulate short-term rentals.** A municipality may establish and enforce regulations regarding short-term rental units in order to achieve the statewide or regional housing production goal. For the purposes of this subsection, "short-term rental unit" means living quarters offered for rental through a transient rental platform as defined by Title 36, section 1752, subsection 20-C.

# LD 2003

**Town of Cumberland  
October 26, 2022**

Natalie Burns & Ben McCall

[nburns@jensenbaird.com](mailto:nburns@jensenbaird.com)

[bmccall@jensenbaird.com](mailto:bmccall@jensenbaird.com)

207.775.7271

[jensenbaird.com](http://jensenbaird.com)



# Affordable Housing - Requirements

Density	Parking	Location requirements	Water and wastewater	Length of affordability for designated affordable units
2 ½ times existing base density	Up to 2 off-street spaces for every 3 units	Zoning district that allows multifamily dwellings	If connected to public water or sewer, must show system has capacity to serve; and proof of payment for connection if served by septic, LPI must verify adequate system; licensed site evaluator must design system; must show evidence prior to c/o	30 years minimum
		Designated growth area or area served by public water and public sewer	For wells, owner must provide evidence of potability. Evidence must be shown prior to issuance of c/o	30 years minimum



# Affordable Housing - Defined

- “Affordable housing” is defined as follows:
  - For rental housing, a development in which a household with income that does not exceed 80% of median income for the area as established by HUD can afford a majority of the units designated as affordable without spending more than 30% of the household’s monthly income on housing costs. (Not all units in development have to be designated as affordable.)
  - For owned housing, a development in which a household with income that does not exceed 120% of the median income for the area as established by HUD can afford a majority of the units designated as affordable without spending more than 30% of the household’s monthly income on housing costs. (Not all units in development have to be designated as affordable).
  - The Maine Department of Economic and Community Development is to adopt rules to administer and enforce the affordable housing requirements.



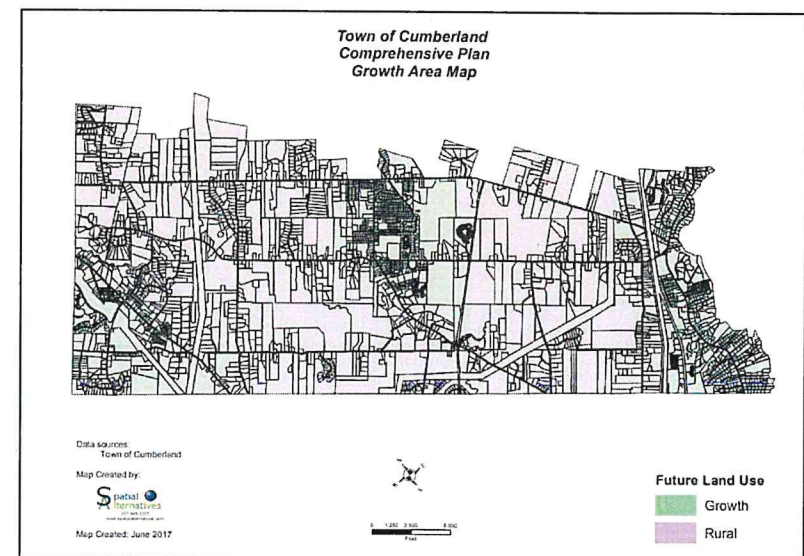
# Increased Density Requirements

Vacant-not served by water or sewer or located in designated growth area	Vacant- served by water or sewer or located in designated growth area	Developed with one dwelling unit	Dimensional requirements (all areas)	Water and wastewater	Restrictions
Up to 2 dwelling units per lot	Up to 4 dwelling units per lot	Up to 2 additional dwelling units, in same building or one detached dwelling unit, or one of each; municipality may allow more	Cannot exceed dimensional or setback requirements established for single-family dwellings	<p>If connected to public water or sewer, must show system has capacity to serve and proof of payment for connection; if served by septic, LPI must verify adequate system; licensed site evaluator must design system; must show evidence prior to c/o</p> <p>For wells, owner must provide evidence of potability. Evidence must be shown prior to issuance of c/o</p>	<p>If more than one ADU or additional dwelling unit is constructed under the statute, no additional increases are allowed unless otherwise provided by Ordinance</p> <p>If a dwelling unit in existence on 7-1-2023 is torn down and results in vacant lot, Ordinance may allow or prohibit additional density</p> <p>Subject to subdivision review and shoreland zoning</p>



# Existing Density Requirements in Cumberland

- How does all of this relate to existing density requirements?
  - Subject to affordable housing density bonuses.
  - Beyond this, no change required *so long as* the minimum lot size is the same for the first and each subsequent unit of housing.





# Accessory Dwelling Units

Allowed use	Where located	Zoning requirements	Size requirements	Water and wastewater
At least one must be allowed on any lot where housing is permitted and a single-family dwelling exists	May be added to existing dwelling structure, attached to existing structure or in new structure	Exempt from density requirements and growth caps	Minimum-190 square feet; municipality may establish a maximum size	If connected to public water or sewer, must show system has capacity to serve and proof of payment for connection; if served by septic, LPI must verify adequate system; licensed site evaluator must design system; must show evidence prior to c/o
		No additional parking required for unit		For wells, owner must provide evidence of potability. Evidence must be shown prior to issuance of c/o
		Subject to same setbacks as building in which unit is located		
		Must comply with Shoreland zoning		



**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 9:  
AFFORDABLE HOUSING TAX INCREMENT  
FINANCING MATERIALS**

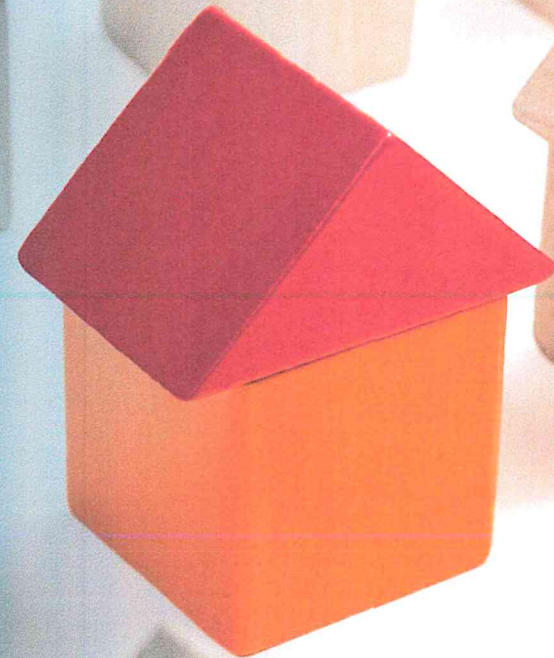




## Creating a District

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- Municipalities typically do not initiate the process of designating an affordable housing.
- Developers often approach a municipality with a project on a specific site.
- Developers also need AHTIF in order to receive the highest number of points in the competitive process for being awarded federal Low Income Housing Tax Credits (LIHTC).
  - Developer and municipality will work together to determine capture percentage and number of years
- Credit enhancement agreements go hand in hand with AHTIF





# Affordable Housing TIFs & Scoring for Low Income Housing Tax Credits

- Only Tax Increment Financing approved by the taxing authority and all other applicable governing entities is eligible to receive “points” on the scale identified below from the most recent Qualified Allocation Plan relating to the Low Income Housing Tax Credit program administered by the Maine State Housing Authority.

Percentage and Duration of Tax Benefit or Relief	Points
50% to less than 75% for at least 15 years	1 points
50% to less than 75% for at least 20 years	2 points
50% to less than 75% for at least 30 years	3 points
Over 75% for at least 15 years	2 points
Over 75% for at least 20 years	3 points
Over 75% for at least 30 years	4 points

# Process and Procedure

- The process is very similar to municipal development tax increment financing districts.
- Draft an application
- Public hearing with a 10-day notice
- Vote by the municipal legislative body
- Application is sent to Maine State Housing for review and approval



# Affordable Housing TIF Application

- Application can be found on the Maine State Housing Website
- Describe the housing needs of the community
  - Comprehensive plan, housing study, etc.
  - How does this project meet an identified need
- Describe the project
  - How many floors, units, how many units are affordable, special population (55+, family housing, housing first units)
  - At least 33% of the units need to be affordable
- Describe the long term mechanism for keeping units affordable
  - Rental units need to stay affordable for 30 years
  - Ownership housing needs to stay affordable for 10 years
- Describe the operation of the facility

# Affordable Housing TIF Application

- The application also includes documentation and statutory requirements that are similar to municipal development TIFs
  - Physical description of the district
  - Tax shifts and valuation projections
  - Acreage
  - Original Assessed Value
  - Term of the district
  - Statutory thresholds for acreage and value





# Statutory Project Costs

## Project Costs outside the District

These project costs must be directly related or made necessary by the district

- Costs reasonably related to facilities not located in the district that are required due to activities in the district
  - Sewerage/water treatment plants, storm and sewer lines, water lines, electrical lines, improvements to fire stations, and street upgrades
- Public safety improvements made necessary by the district (pro-rated)
- Funding to mitigate any adverse impact the district has on the municipality (pro-rated)
  - Increase in family housing = increase strain on school system
- Cost to establish a permanent housing development revolving loan fund or investment fund





# Statutory Project Costs

## Project Costs within the District

- Acquisition of land, demolition and rehab of existing structures, site preparation, fees related to capital costs
- Financing costs
- Professional services and administration
- Construction
- Costs of facilities predominately used for recreational purposes
- Child care – construction and operational costs
- Case management and support services
- Operating costs



# Housing Development Revolving Loan Fund & Investment Funds

## Revolving Loan Fund

- Must be used solely for the development of affordable housing.
  - Affordable = 120% or less of the area median income.
- Loan from the fund can be used for new construction or rehabilitation.
- Loan funds must be repaid to the municipality.

## Investment Fund

- Must be used for the purchase of property by a municipality for the development of affordable housing.
- All sale proceeds and rental revenues must be placed back in the fund.

**Creating a district around an existing residential area still requires development of affordable housing in the district.**



**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 10:  
CUMBERLAND COUNTY  
COMMUNITY DEVELOPMENT PROGRAM  
APPLICATION FOR FUNDING**



**Cumberland County Community Development Program**  
**2023 Pre-Application**  
**Due December 14, 2022**  
Email completed Pre-Application to [styles@cumberlandcounty.org](mailto:styles@cumberlandcounty.org)

Application Type: ☒ General ☐ Public Service ☐ Planning

Project Name: Cumberland Affordable Housing Initiative

Lead Community: Cumberland

Additional Communities: \_\_\_\_\_

Subrecipient Organization: (e.g. non-profit social service agency) Cumberland Housing Authority (CHA)

Project Location (Address): \_\_\_\_\_

Contact Information: Name: James Broder

Email: jbroder@bernsteinshur.com

Phone: 207 671 1758

Title: Chair Affordable Housing Task Force

**Provide a clear, concise description of the project**

*The scope of work for the project should be outlined. Depending on the nature of the project/activity include in your response: What will be built? What will be provided? Who will be served? Where will the project occur?*

The Affordable Housing Task Force unanimously approved its 17 recommendation Report to the Town Council on December 13, 2022. (copy of the Report Attached). The Report calls for the transformation of the CHA into a proactive Center of Excellence to pursue the near and long term needs of the Town for Affordable Housing ( including workforce housing) on its own, and/or in partnerships with non-profit and for profit developers.

In the near term the Task Force has set a goal of 150 units of affordable units to be constructed with 50 units each in the Route 1 corridor( Sky View Drive), in Cumberland Center(Drowne Road), and in the Route 100 corridor utilizing an affordable housing overlay zone. Each of these projects are in the late conceptual/early development stage.

In the long term the Task Force proposed a mandate for subdivisions of 10 units or more of 20% Affordable Housing. Mandates will include rental and single family developments.

The grant will support a hire of an executive director of the CHA to lead these efforts.

Project Goal: ☒ Affordable Housing ☐ Public Facility Improvement ☐ Public Infrastructure Improvements  
☐ Public Service ☐ Economic Development ☐ Community Planning

Total Clients Served (unduplicated): 200 + Percentage LMI: 100%

Funding: CDBG Request: \$ 95,000 Total Project Cost: \$ 120,000

Name of Authorized Official: William Shane, Town Manager

Signature of Authorized Official: \_\_\_\_\_

Note: Denied as outside narrowly defined eligible uses

## **SUMMARY OF AFFORDABLE HOUSING TASK FORCE RECOMMENDATIONS**

**Cumberland Housing Authority (“CHA”): Expand the purposes of the CHA and implement structural leadership within town government as a Center of Excellence through a reinvigorated, fully functioning, and staffed CHA with a minimum of one (1) experienced development officer, with the focus of overseeing and performing the following critical functions:**

to develop and implement proactive processes for the identification of needs and solutions through its own research as well as Requests for Interest (“RFI”) and Requests for Proposals (RFP);

to administer Affordable Housing obligations under developer and owner covenants using token interests in projects to give it “signature authority” describing its right to enforce such obligations;

to continue to expand its role in the management/supervision of Affordable Housing projects;

to exercise its role as a Center of Excellence, by serving as the administrative contact and facilitator for the use by CHA, non-profits, and developers in the community of programs administered by the Maine State Housing Authority (MSHA), Low Income Housing Tax Credit (LIHTC) 4% and 9% financing, as well as other Department Housing and Urban Development (HUD) 202 grants, HUD mortgage insurance, Section 8 subsidies, Redevelopment Agency (RDA) 515 programs and other federal and state programs;

to serve as the Town’s representative to regional organizations (such as GPCOG or Cumberland County) dealing with Affordable Housing Policy and Cooperation and as the contact point for urgent or emergency housing needs;

to create and to administer an Affordable Housing Trust Fund and to seek supplemental grants and other non-municipal funding to meet the broad base of CHA mission requirements;

to conduct studies and continue research on creative approaches and best practices and affordability options.

**Near Term and Long-Term Goals for Affordable Housing: Given the urgent need for affordable housing in Cumberland and the long lead time associated with the development process for such projects, we recommend a near term goal of 150 units of Affordable (including workforce housing). The Task Force, in conjunction with the Planning Staff and Town Manager have identified several potential developments that, when complete, will meet a substantial portion of the present unmet demand for affordable housing. The Task Force will also recommend affordability standards for other future projects or portions thereof that are not mandated by other programmatic requirements.**

**Establish Affordable Housing Overlay zones** (to include workforce housing) in at least three (3) discrete areas of Town (e.g., West Cumberland, Cumberland Center, Cumberland Foreside) for the development in the near-term goal. The creation of these overlay zones should provide incentives such as density bonuses, Housing TIF Districts for infrastructure development, and flexibility in other dimensional requirements as approved by the Planning Board. Projects developed in this zone shall not be eligible to make opt out payments in lieu of development of affordable units.

**Promote and support the development of one significant development of at least fifty (50) affordable units each Affordable Overlay Zone** area with all or a substantial percentage of units being Affordable (including workforce housing) and to be completed within the next 3-4 years.

**Require a minimum of 20% of units in any new housing development of 10 or more units in any zone other than the Affordable Overlay Zone allowing such development to be Affordable (to include workforce housing)** for a period of not less than forty-five (45) years to be enforced through deed restrictions and other mechanisms deemed appropriate, to be monitored and enforced by the CHA. Waivers of this requirement in single family subdivisions may be approved for good cause shown by the CHA for a reasonable portion of the Affordable requirement provided that an opt-out payment to the Housing Trust Fund in lieu of development for each unit granted such a waiver is paid before the issuance of a Building Permit for any unit. The amount of such opt-out payment shall be a material percentage of but no less than 20% of the cost of the affordable units waived, as determined by the CHA such that funds will be available for the CHA to develop additional Affordable Housing units for unmet needs as determined by the CHA and approved by the Town Manager.

**Recommend the aggressive implementation of the Affordability and/or density mandates set forth in LD2003** through ordinances to include reasonable Affordable Housing obligations, as well as density bonuses related thereto in all the categories of housing under LD2003. We also propose that the Town review and revise its ADU requirements to comply with LD2003 and to consider changes in size limitations based on percentage of existing dwelling. We ask the Council to convene a workshop in the near term to facilitate these discussions.

Recommend the CHA amend the tenant eligibility standards at Cumberland Meadows to be non-age limited and to become income/asset based for all subsequent residents not currently residing therein.

**Housing TIFs: Generally, support the establishment of TIF Districts as a tool to support the development of eligible infrastructure. Actively participate in the creation of Affordable Housing TIF Districts as State law now permits. These Affordable Housing TIF Districts are administered by the Maine State Housing Authority (MSHA) which also administers the Low-Income Housing Tax Credit**



(LIHTC), and such participation increases the proposed project's scoring and likelihood of an approval. These AHTIF districts are authorized to create a Housing Development Revolving Loan Fund as well as an Investment Fund to purchase property by the municipality. See attached materials in Exhibit 5.

**Empowerment of Local Volunteer Resources and Creative responses to Affordable Housing Needs:** As part of the Center of Excellence concept, the Task Force recognizes the continuing mission of non-profits organizations to meet the needs of Cumberland residents. We propose that the CHA support and facilitate the research on, placement of and participation in the development of creative housing options proposed by non-profit organizations. Programs such as the HUD Section 202 Capital grant program focused entirely on non-profit sponsored projects has developed over 250,000 units of housing with services for low-income elderly people. Several of these projects exist in the Portland Metro area today. Technical assistance in these efforts was critical to their success. Many of the ideas brought to the attention of the Task Force are already happening in the region. For example, a limited equity housing coop in Portland sponsored by the Cooperative Development Institute; Tiny Homes up to 600 square feet in size created by 3-D printers at the University of Maines Advance Materials Laboratory; and Transitional Housing sponsored by GPCOG, and similar programs and facilities to meet emerging and emergent needs of Cumberland residents, as circumstances arise.

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# Cumberland County Community Development Program

## 2023 Pre-Application

Due December 14, 2022

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Application Type: ☒ General ☐ Public Service ☐ Planning

Project Name: Cumberland Affordable Housing Initiative

Lead Community: Cumberland

Additional Communities: \_\_\_\_\_

Subrecipient Organization: (e.g. non-profit social service agency) Cumberland Housing Authority (CHA)

Project Location (Address): \_\_\_\_\_

Contact Information: Name: James Broder Email: jbroder@bernsteinshur.com

Phone: 207 671 1758 Title: ChairAffordableHousingTaskForce

### Provide a clear, concise description of the project

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☐ Public Service ☐ Economic Development ☐ Community Planning

Total Clients Served (unduplicated): 200 + Percentage LMI: 100%

Funding: CDBG Request: \$ 95,000 Total Project Cost: \$ 120,000

Name of Authorized Official: William Shane, Town Manager

Signature of Authorized Official: \_\_\_\_\_



# **CUMBERLAND COUNTY – COMMUNITY DEVELOPMENT PROGRAM**

## **MUNICIPAL OVERSIGHT COMMITTEE**

Wescustogo Hall and Community Center  
North Yarmouth

October 26, 2022 – 2:30 PM

1. Welcome and Introductions
2. Approval of meeting minutes
  - a. May 18, 2022
3. Nomination/Election of 2023 Committee Chair and Vice Chair
4. CDBG, CDBG-CV and HOME Program Project Updates
5. Approval to reallocate remaining \$193,001 in CDBG-CV funds
6. 2022 HOME Projects Update
7. Update on Analysis of Impediments to Fair Housing Study
7. 2023 CDBG Program:
  1. Projected funding
  2. Program Schedule
  3. Approval of 2023 CDBG Applications
  4. Selection of the review team members
10. Other business

**DRAFT**

**CUMBERLAND COUNTY COMMUNITY DEVELOPMENT PROGRAM  
MUNICIPAL OVERSIGHT COMMITTEE 2022-2023**

**\*If the representative listed for your town/city is incorrect, please let me know.**

<b><u>City/Town</u></b>	<b><u>Representative</u></b>
Baldwin	none (selectmen email)
Bridgton	Victoria Hill, Community Development Director
Brunswick	None (looking for replacement)
Cape Elizabeth	Matt Sturgis, Town Manager
Casco	Anthony Ward, Town Manager
Chebeague Island	Justin Poirier, Town Administrator
Cumberland	Bill Shane, Town Manager
Cumberland County	Neil Jamieson, Commissioner & Travis Kennedy, Public Affairs
Falmouth	Adam Causey, Long-Range Planning Director
Freeport	Caroline Pelletier, Town Planner
Gorham	Tom Poirier, Town Planner
Gray	Kristen Muszynski, Town Planner
Harpswell	Terri Sawyer, Asst. Town Administrator
Harrison	Tim Pellerin, Town Manager
Long Island	Brian Dudley, Town Administrator
Naples	John Hawely, Town Manager
New Gloucester	Natalie Thomsen, Town Planner
North Yarmouth	Brian Sites, Community Member
Portland	Mary Davis, Housing & Economic Dev Director—for HOME Consortium
Pownal	none (selectmen email)
Raymond	Don Willard, Town Manager
Scarborough	Eric Sandeson, Town Planner
Sebago	Michele Bukoveckas, Town Manager
South Portland	Josh Reny, Assistant City Manager
Standish	Zach Mosher, Planning Director
Westbrook	Daniel Stevenson Economic Development Director
Windham	Tom Bartell, Economic Development Director
Yarmouth	April Humphrey, Councilor & Scott LaFlamme, Economic Dev Director
GPCOG	Chris Hall, General Council & Regional Initiatives (non-voting member)

**Municipal Oversight Committee**  
**May 18, 2022**

<b>Committee Members</b>			
Linda LaCroix - Bridgton		John Hawley – Naples	X
Anthony Ward – Casco	X	Natalie Thomsen – New Gloucester	X
Justin Poirier – Chebeague Island		Mary Davis – Portland	
Theo Holtwijk – Falmouth		Don Willard – Raymond	
Tom Poirier – Gorham	X	Eric Sanderson – Scarborough	X
Kristin Muszynski - Gray	X	Josh Reny – South Portland	X
Kristi Eiane – Harpswell	X	Daniel Stevenson – Westbrook	X
Brian Dudley – Long Island		Tom Bartell – Windham	X
Jim Gailey – Cumberland County		Chris Hall – GPCOG	X
Scott LaFlamme – Yarmouth	X	Brian Dudley – Long Island	
Caroline Pelletier - Freeport	X	Michele Bukoveckas - Sebago	
Terri Sawyer - Harpswell		Brian Sites- North Yarmouth	
Matthew Sturgis – Cape Elizabeth		Bill Shane - Cumberland	X
Zach Mosher - Standish	X	Commissioner Susan Witonis – Cumberland County	
April Humphrey - Yarmouth			
Travis Kennedy – Cumberland County			
Kevin Jensen – Gorham			
<b>Staff Members</b>			
Kristin Styles	X		
Courtney Kemp- South Portland	X		

**Item 1.** Kristin Styles discusses previous minutes that we have not been able to pass because we have not been able to reach a quorum. Kristin gives a brief overview of what took place during those meetings.

Scott Laflamme moved to accept all three sets of minutes as presented, Bill second

**MOTION CARRIES**

- A. 8 yes, 6 abstain**
- B. 8 yes, 6 abstain**
- C. 8 yes, 6 abstain**

**Item 2.** Kristin Styles states that if you know anyone that is interested in HOME funds please let them know we have funds available to apply for. There has been a small decrease in CDBG funds for the county this year. We did expect decrease due to nationwide 4% decrease. This makes the prior year finish line set of funds lower.

Kristin explains the finish line fund bucket to folks who have not been at previous meetings and the set aside community budges. All PS, housing and infrastructure will get fully funded. Planning is 20k that will go to the previously voted on project.

The only thing that is changing is the remaining amount of funds is the funds for prior year projects.

Kristin reviews the requests for additional funds for the open municipal projects and what the funds would be used for in each of those projects.

**Item 3.** Scott LaFlamme moved to approve the requests for additional funds, Natalie Thomsen second

Bill Shane states Kristin did an excellent job and asks if the folks who have not been to previous meetings can still vote

Kristin explains that yes, every town and city gets a vote.

#### **MOTION CARRIES, 15-0**

**Item 4.** Kristin Styles explains Root Policy and why they were chosen to help us with this study. Kristin introduces Frankie Lewington and Heidi.

Frankie presents the draft Analysis of Impediments to fair housing study.

Bill Shane asks how they got all the responses.

Frankie explain that City of Portland and Cumberland County created a stake holder list for different groups and originations – They asked stake holders to push out to everyone. They also did a press release and had a social media posts to put up. Relied on networks to push the survey links.

Tom Poirier asks how does the analysis play out to urban vs rural – is it more single family as you go rural. How does that play into the study overall?

Heidi Aggeler explains that they did not separate them out, but could do more of if needed.

Tom Porier points out how we all face different things throughout the county. How do we target that based on where we each are at?

Tom Bartell asks is there enough data in our communities and in the individual communities to make the data significant. How do we get this presentation to folks beyond this zoom?

Frankie explains in our survey analysis; the minimum was 25 to be included in the results. We would have to look at the numbers more to actually conclude, will look more at rural results.

Heidi shared sample size by jurisdiction, results for each city and town.

Kristin Styles asks if we can group together from the smaller towns to get a larger set of results for the rural areas.

Heidi adds that HUD is more interested in depth rather than statistics.

Tom Bartell comments that as much as we can get these stories told in our communities would be important, different than what HUD would want to see. More about what's happening and getting us started into those discussions.

Chris asks will there be any space in the final report for a solution piece on a lot of topics in this study that would gear towards current legislature matters/state laws?

Heidi explains that they have done a lot of work on state levels, we can certainly do that with this study. It's convenient for the state to take the leadership role from these reports.

Conversation ensues about state legislations amendments and how this information could be useful.



Heidi says she is happy to share survey instrument they have used for many regions, it's really about housing challenges.

No further questions or comments.

Kristin thanks Heidi and Frankie for presentation, great starting point for a lot of communities.

No other business.

Meeting Adjourned

# Cumberland County

## **CDBG Project Status by Town & City**

### **Bridgton:**

Oak Street Streetscape - \$130,046 – *Complete*

Highland Beach Sidewalk Extension - \$132,128 – *scheduled for Spring 2023 construction*

Bridgton Food Pantry: \$7,500 - *Complete*

Navigator Program: \$10,920 - *Complete*

Summer Recreation Program: \$11,395 – *Complete*

### **County Wide Projects:**

AlphaOne – ADA Critical Ramp Program- \$84,000 – *14 ramps completed to date*

Habitat for Humanity Critical Home Repair Program: \$90,000 – *35 homes completed to date*

Through These Doors – Abuse in Later Life: \$18,831 - *Complete*

### **Gorham:**

Little Falls Rec Area Bathroom Facility - \$55,044 – *95% complete schedule to be finished by Nov.*

Little Falls/South Windham Village Master Plan - \$25,000 – *Draft report complete, waiting on town approval*

### **Gray:**

Pennell Labs Feasibility Study: \$12,000 – *Complete*

Newbegin Community Playground: \$67,248 – *Complete*

Yarmouth Rd Micro Park: \$51,284 – *Complete*

### **Harpswell:**

Cundy's Harbor Library Repairs- Phase 1: \$69,640 – *90% complete*

Cundy's Harbor Library Phase II - \$46,820 – *Schedule to start this spring*

### **Naples:**

Community Center Feasibility Study: \$17,000 – *Complete*

### **South Portland:**

Senior Center Wing - \$39,500 – *Complete*

Heating Assistance - \$2,500 – *Cancelled, the City used private donations*

Economic Development, Broadband - \$162,779 – *Canceled*

School Street Playground - \$87,694 – *Scheduled for spring 2023 construction*

Port Resources, Albany Road - \$22,590 – *Scheduled for fall 2022 construction*

Redbank Community Garden - \$47,662.71 – *Complete*

Human Rights Commission - \$6,372.54 – *Complete*

Summer Recreation Program - \$11,795 – *Complete*

Quality Housing Coalition, Project HOME - \$9,600 – *Complete*

SMAA, Meals on Wheels - \$7,500 – *Complete*

Through These Doors, DV Protection - \$7,160 – *Complete*

TOA Redbank HUB - \$20,000 - *Complete*

The logo for Cumberland County, Maine, features the word "Maine" in a stylized orange script font above the words "Cumberland County" in a dark grey sans-serif font.

# Maine Cumberland County

**Standish:**

Food Pantry Van and Utility Trailer: \$35,000 – *Complete*

**Westbrook:**

Westbrook Lincoln Street Boat Launch: \$130,979 – *Complete*

Cornelia Warren Rec Area Phase IV – *Scheduled to be completed by fall 2023*

Intercultural Community Center – Family CARES program - \$45,000 – *Complete*

My Place Teen Center – 10-13yr old programing - \$75,000 – *Complete*

**Windham:**

Port Resources Group Home Repair: \$50,800 – *60% Interior work was on hold due to Covid-19*  
Village Brewery and Restaurant- Job Creation project - \$225,000 - *Scheduled for spring 2023 construction*

Main Street Parking Lot - \$153,295 – *Complete*

Little Falls/South Windham Village Master Plan - \$25,000 – *Draft report complete, waiting on town approval*

**Yarmouth:**

Yarmouth Community Center: \$150,000 – *On hold*

## **ALL CDBG- CV Project Status**

**Business Assistance and Job Training Programs:**

MSAD-61 Adult Ed Health Care professional classes: \$22,091 – *Complete*

Common Threads- Textile sewing classes: \$20,000 – *Complete*

GPCOG- Job Creation/Retention program – \$149,365 - *Complete*

GPCOG Microenterprise Assistance Program: \$150,000 - *Complete*

**Rent and Utility Assistance Programs:**

Bridgton – Rent and Utility Assistance - \$48,720 – *Complete*

The Opportunity Alliance- Homeless Prevention Program - \$215,000 – *Complete*

Through These Doors- Project Safe Reentry - \$47,413 – *Complete*

Through These Doors- Homeless Prevention for Survivors of DV - \$45,362- *Complete*

South Portland – General Assistance - \$21,497 – *Complete*

**Food Programs:**

Amistad – Food Assistance for Displaced Portlanders - \$63,755 – *Complete*

Gorham Food Pantry Delivery Van - \$57,000 – *Complete*

Harrison Food Bank- Covid Response Staff - \$27,245 – *Complete*

SMAA- Meals On Wheels, Additional Meals - \$100,000 – *Complete*

Yarmouth Lunch Crunch Program - \$54,800 – *Complete*

Wayside Foods – Delivery boxes program - \$50,000- *Complete*

Bridgton Resource Navigator Food Assistance Program - \$3,647 *Complete*

Bridgton Rec Department Van - \$68,000- *Cancelled*

My Place Teen Center- Mobile Food Pantry - \$48,000 – *Complete*

# Cumberland County

South Portland Food Cupboard- \$35,000 – *Complete*

Raymond Food Pantry - \$10,000- *Complete*

## **General Covid-Related Programs:**

Gorham - Rec Program Scholarships - \$14,400-*Cancelled*

Intercultural Community Center – Community CARES program - \$20,000 – *Complete*

Long Island-Telehealth Wellness Program - \$23,847 – *Complete*

NAMI – Adult and Youth Mental Health First Aid - \$24,000- *Complete*

NEAAO – Keeping Our Neighborhoods Healthy - \$45,000 – *Complete*

South Portland Rec Dept. – Out of School Care - \$27,500- *Complete*

South Portland Paramedic Outreach Program - \$116,266- *Complete*

Woodford Family Services – Covid-Cleaning for Early Childhood Services- \$25,000- *Complete*

Cumberland County Jail – Covid-19 Testing - \$37,366 – *Complete (switched to different funding source)*

City of Portland- Housing Resettlement Coordinator - \$200,910- *On Going*

Bridgton Resource Navigator – Temporary Shelter Program - \$3,000 – *Closed (switched to state funding source)*

Cumberland County EMA Emergency Shelter Supplies - \$30,671 – *Complete*



## **Reallocation of CDBG-CV funds**

### **Background:**

CDBG-CV funds were released in 2020 specifically to “prepare for, respond to, and prevent” the Covid-19 virus. The County received a total of \$1,897,094 in CDBG-CV funds. 100% of these funds were allocated to projects in 2020 and 2021. A few projects, for various reasons did not spend all of their funds, leaving \$193,001 unallocated.

### **Option 1:**

Release the \$193,001 as part of the 2023 CDBG application specifically for Covid-related projects.

### **Option 2:**

In program year 2022, Harrison Food Bank received \$175,000 in CDBG funds for a sprinkler system. The installation of this sprinkler systems qualifies as “responding to Covid-19”. We could use CDBG-CV funds to pay for this and reallocate the \$175,000 in PY2022 CDBG funds toward PY2023 CDBG projects. Doing this option allows \$175,000 to go toward any development (public infrastructure/facilities) project.

## **AVAILABLE GRANT FUNDS – CDBG 2023 PROGRAM**

### **I. HUD Allocation**

Our 2023 CDBG allocation remains unknown and uncertain. We expect to know sometime in March, but even that is unknown and uncertain. Until we are told otherwise, we are anticipating level funding.

**\$1,548,355**

### **II. Distribution**

***Given level funding.....***

Cumberland County Communities

Cumberland County 2022 Allocation	\$752,724
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Set-aside Communities:

South Portland	\$424,573
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Bridgton	\$191,058
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### **III. Public Service “Cap”**

***We don’t have to spend up to the “Cap”***

Cumberland Co. Public Services	\$139,908
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### **IV. Cumberland County Communities – Planning Grant Cap**

Available for planning grants	\$ 14,671
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### **V. Cumberland County Communities – Development Activities**

Cumberland Co. Development	\$598,145
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### **VI. Unallocated CDBG-CV funds**

Left over funds from canceled projects	\$193,001
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## Cumberland County CDBG 2022-2023 Program Schedule



### **MOC Fall Meeting**

Release of 2023 Applications

Program & Application Workshop

### **Pre-Applications Due**

Receipt of Approval to Submit Application

### **Final Application Due**

Initial Review Team Meeting

Presentation Review Team Meeting

Final Review Team Meeting

### **Review Team Report to MOC**

### **MOC Review**

County Commissioners Public Hearing

County Commissioner's Approval

Submission of Consolidated Plan to HUD

**October 26, 2022**

November 2, 2022

November 30, 2022

**December 14, 2022**

December 21, 2022

**January 19, 2023**

February 1, 2023

February 8, 2023

February 15, 2023

**March 1, 2023**

**March 15, 2023**

April 10, 2023

May 8, 2023

May 15, 2023

**North Yarmouth**

1:30-3:00pm via Zoom

By 4pm

By 4pm

1:30-3:00 Location TBD

9:00-12:00 - Location TBD

1:30-3:00 Location TBD

**1:30-3:00 Location TBD**

**1:30-3:00 Location TBD**

5:30pm County Courthouse

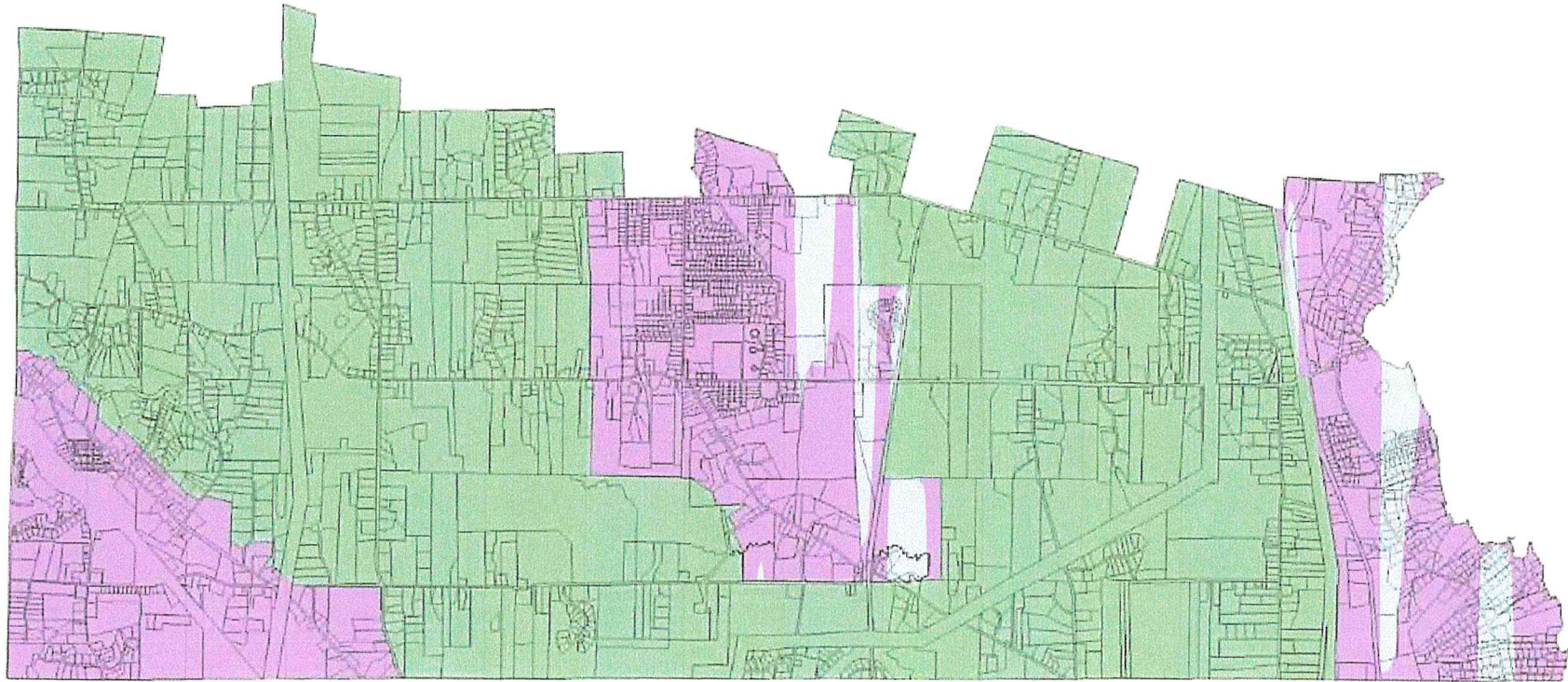
5:30pm County Courthouse

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 11:  
TOWN OF CUMBERLAND  
GROWTH MAP**



**Town of Cumberland  
Comprehensive Plan  
Future Land Use Plan**



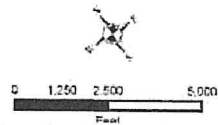
Data sources:  
Town of Cumberland

Map Created by



Map Created: December 2011

Further detail about the data and analysis  
can be found in the Cumberland  
Comprehensive Plan



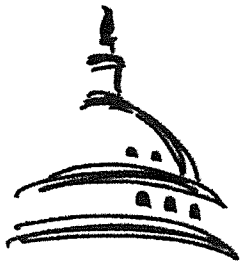
**Future Land Use**

-  Growth
-  Rural



# **HOUSING TASK FORCE RECOMMENDATIONS**

## **EXHIBIT 12: INTRODUCTION TO LOW INCOME HOUSING TAX CREDITS (LIHTC)**



**Congressional  
Research Service**

Informing the legislative debate since 1914

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# **An Introduction to the Low-Income Housing Tax Credit**

Updated June 23, 2022

**Congressional Research Service**

<https://crsreports.congress.gov>

RS22389



# An Introduction to the Low-Income Housing Tax Credit

RS22389

June 23, 2022

**Mark P. Keightley**  
Specialist in Economics

The low-income housing tax credit (LIHTC) program is the federal government's primary policy tool for encouraging the development and rehabilitation of affordable rental housing. The program awards developers federal tax credits to offset construction costs in exchange for agreeing to reserve a certain fraction of units that are rent-restricted for lower-income households. The credits are claimed over a 10-year period. Developers need upfront financing to complete construction so they will usually sell their tax credits to outside investors (mostly financial institutions) in exchange for equity financing. The equity reduces the financing developers would otherwise have to secure and allows tax credit properties to offer more affordable rents. The LIHTC is estimated to cost the federal government an average of approximately \$10.9 billion annually.

In May 2022, the Biden Administration released a plan to address rising housing costs by encouraging an expansion of the housing supply. The plan calls for adopting proposed expansions of the LIHTC program that were included in various iterations of the Build Back Better Act (BBBA; H.R. 5376), and adopting a modification in the President's FY2023 Budget proposal that would allow for an increased LIHTC subsidy for certain developments financed with tax-exempt bonds. A number of the proposals in the BBBA and the modification in the President's FY2023 Budget proposal are similar or related to proposals contained in the Affordable Housing Credit Improvement Act of 2021 (S. 1136/H.R. 2573). The Affordable Housing Credit Improvement Act of 2021 includes a broader set of changes to the LIHTC program. A previous version of that bill was introduced in the 116<sup>th</sup> Congress.

The most recent legislative changes to the LIHTC program were included in the Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted as Division EE of the Consolidated Appropriations Act, 2021 (P.L. 116-260), which set a minimum credit (or "floor") of 4% for the housing tax credit typically used for the rehabilitation of affordable housing. The Joint Committee on Taxation (JCT) estimates this change will reduce federal revenues by \$5.8 billion between FY2021 and FY2030. This change is permanent.

Division EE of P.L. 116-260 also increased, for calendar years 2021 and 2022, the credit allocation authority for buildings located in any qualified disaster zone, defined as that portion of any qualified disaster area which was determined by the President during the period beginning on January 1, 2020, and ending on the date which is 60 days from enactment of P.L. 116-260. For 2021, the increase was equal to the lesser of \$3.50 multiplied by the population residing in a qualified disaster zone, and 65% of the state's overall credit allocation authority for calendar year 2020. For 2022, the increase is equal to any unused increased credit allocation authority from 2021 (i.e., 2021 increased credit allocation authority may be carried over to 2022). Buildings impacted by this provision will also be granted a one-year extension of the placed in service deadline and the so-called 10% test. The JCT estimates these changes will reduce federal revenues by \$887 million between FY2021 and FY2030.



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## Overview

The low-income housing tax credit (LIHTC) program, which was created by the Tax Reform Act of 1986 (P.L. 99-514), is the federal government's primary policy tool for the development of affordable rental housing. LIHTCs are awarded to developers to offset the cost of constructing rental housing in exchange for agreeing to reserve a fraction of rent-restricted units for lower-income households. Though a federal tax incentive, the program is primarily administered by state housing finance agencies (HFAs) that award tax credits to developers. Developers may claim the tax credits in equal amounts over 10 years once a property is "placed in service," which means it is completed and available to be rented. Due to the need for upfront financing to complete construction, developers typically sell the 10-year stream of tax credits to outside investors (mostly financial institutions) in exchange for equity financing. The equity that is raised reduces the amount of debt and other funding that would otherwise be required. With lower financing costs, it becomes financially feasible for tax credit properties to charge lower rents, and thus, potentially expand the supply of affordable rental housing. The LIHTC program is estimated to cost the government an average of \$10.9 billion annually.<sup>1</sup>

## Types of Credits

There are two types of LIHTCs available to developers. The so-called 9% credit is generally reserved for new construction and is intended to deliver up to a 70% subsidy. The so-called 4% credit is typically used for rehabilitation projects utilizing at least 50% in federally tax-exempt bond financing and is designed to deliver up to a 30% subsidy. This report will also refer to the 4% credit as the "rehabilitation tax credit" and the 9% credit as the "new construction tax credit" to facilitate the discussion.<sup>2</sup> The 30% and 70% subsidy levels are computed as the present value of the 10-year stream of tax credits divided by the development's qualified basis (roughly the cost of construction excluding land).<sup>3</sup> The subsidy levels (30% or 70%) are explicitly specified in the Internal Revenue Code (IRC).<sup>4</sup>

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<sup>1</sup> Computed as the average estimated tax expenditure associated with the program between FY2020 and FY2024. This figure does not include revenue loss associated with the changes to the LIHTC program enacted by the Consolidated Appropriations Act, 2021 (P.L. 116-260). These changes are estimated to reduce federal revenues by \$6.7 billion between FY2021 and FY2030. U.S. Congress, Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2020-2024*, JCX-23-20, November 5, 2020; and Joint Committee on Taxation, *Estimated Budget Effects of the Revenue Provisions Contained in Rules Committee Print 116-68, the "Consolidated Appropriations Act, 2021,"* JCX-24-20, December 21, 2020.

<sup>2</sup> These labels represent generalizations about the use of the 4% and 9% credits and are a helpful way to think about the two different types of credits. The 9% credit is also commonly referred to as the "competitive credit" because awards of 9% credits are drawn from a state's annual LIHTC allocation authority and developers must compete for an award. The 4% credit is also commonly referred to as the "non-competitive credit" or "automatic credit" because developers do not have to compete for an award if at least 50% of the development is financed with tax-exempt bond financing; they are automatically awarded 4% tax credits. These 4% tax credits are not drawn from a state's annual LIHTC allocation authority.

<sup>3</sup> The present value concept allows for the comparison of dollar amounts that are received at different points in time since, for example, a dollar received today has a different value than a dollar received in five years because of the opportunity to earn a return on investments. Effectively, a dollar received today and a dollar received in five years are in different currencies. The present value calculation converts dollar amounts received at different points in time into a common currency—today's dollars.

<sup>4</sup> IRC §42(b).

The U.S. Department of the Treasury uses a formula to determine the credit rates that will produce the 30% and 70% subsidies each month. The formula depends on three factors: the credit period length, the desired subsidy level, and the current interest rate. The credit period length and the subsidy levels are fixed in the formula by law, while the interest rate changes over time according to market conditions. Given the current interest rate, the Treasury's formula determines the two different LIHTC rates that deliver the two desired subsidy levels (30% and 70%).<sup>5</sup> In addition, for certain projects, the resulting credit rates may not be below a minimum (or "floor") of 4% or 9% (depending on the subsidy level), discussed in more detail below.

Once the credit rate has been determined, it is multiplied by the development's qualified basis to obtain the amount of LIHTCs a project will receive each year for 10 years. The credit rate stays constant throughout the 10-year period for a given development, but varies across LIHTC developments depending on when construction occurred and the prevailing interest rate at that time.

## Minimum Credit Rates

The rehabilitation and new construction tax credits have ordinarily not been 4% and 9%. The Tax Reform Act of 1986 (P.L. 99-514) specified that buildings placed in service in 1987 were to receive exactly a 4% or 9% credit rate. Buildings placed in service after 1987 were to receive the credit rate that delivered the 30% and 70% subsidies as determined by Treasury's formula. The rehabilitation credit rate has been below 4% every month since January 1988.<sup>6</sup> The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted as Division EE of the Consolidated Appropriations Act, 2021 (P.L. 116-260), sets a minimum credit (or "floor") of 4% for the housing tax credit typically used for the rehabilitation of affordable housing. In other words, the effective rehabilitation credit rate cannot fall below 4%. This change applies to buildings placed in service starting in 2021 and is permanent.

The new construction credit rate had similarly been below its nominal 9% rate every month since January 1991 until the Housing and Economic Recovery Act of 2008 (HERA; P.L. 110-289) set a temporary minimum credit of 9% for the new construction credit. The minimum credit applied to developments completed in August 2008 through the end of 2013.<sup>7</sup> Following a number of temporary extensions, the floor became a permanent feature of the program in 2015 with enactment of the Protecting Americans from Tax Hikes (PATH) Act (Division Q of P.L. 114-113).<sup>8</sup>

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<sup>5</sup> The choice of interest rate will affect the credit rate that is needed to deliver the specified subsidy levels. IRC §42(b) requires that the Department of the Treasury use an interest rate equal to 72% of the average of the mid-term applicable federal rate and the long-term applicable federal rate. The mid- and long-term applicable federal rates are, in turn, based on the yields on U.S. Treasury securities. It could be argued that this interest rate, also known as the discount rate, should be higher because LIHTC investments are riskier than Treasury securities. If this were true, then the LIHTC credit rate determined using the interest rate specified in IRC §42(b) would result in subsidies less than the 30% and 70%. Because Congress defined the subsidy levels to be 30% and 70% using the interest rate specified in IRC §42(b), this report does not consider how the use of alternative discount rates would affect the program.

<sup>6</sup> The 4% credit rate was 4% during the first year of the program. Since then the rate needed to produce the 30% subsidy has been below 4%. Novogradac & Company LLP, *Low-Income Housing Tax Credit Handbook*, 2006 ed. (Thomson West, 2006), pp. 845-850; Novogradac & Company LLP, "Tax Credit Percentages 2022," <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/tax-credit-percentages-2022>.

<sup>7</sup> The floor technically applied to properties that were "placed in service" during that time period.

<sup>8</sup> The floor was originally enacted on a temporary basis by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) and applied only to new construction placed in service before December 31, 2013. The American Taxpayer Relief Act of 2012 (P.L. 112-240) extended the 9% floor for credit allocations made before January 1, 2014. The Tax Increase

The effects of the minimum credits depend on how far the tax credit rates determined by Treasury are from 4% and 9%. The minimum credits have no effect if the credit rates produced by Treasury's formula are at least 4% and 9%; the credit rates will be determined by Treasury's formula and generate subsidies of up to 30% and 70%, respectively. If, however, the credit rates determined by Treasury are below the floors, then the credit rates are set equal to either 4% or 9%. When this happens, new construction projects can potentially receive a subsidy above 70%, with the subsidy increasing the farther the credit rate determined by Treasury's formula is below 9%.<sup>9</sup> Similarly, rehabilitation projects can potentially receive a subsidy above 30%. The current interest rate is the key factor determining whether the floors take effect. Treasury's formula produces low credit rates when interest rates are low and higher credit rates when interest rates are high.<sup>10</sup> In December 1990, when Treasury's formula last determined a credit rate above 9% (9.06%), the 10-year Treasury constant maturity rate was 8.08%.<sup>11</sup> In mid-June 2022, the rate was around 3.25%.<sup>12</sup> Thus, interest rates would need to increase significantly from current levels for the floor to no longer have an effect.

## An Example

A simplified example may help in understanding how the LIHTC program is intended to support affordable housing development. Consider a new apartment complex with a qualified basis of \$1 million. Since the project involves new construction it will qualify for the 9% credit and, assuming for the purposes of this example that the credit rate is exactly 9%, will generate a stream of tax credits equal to \$90,000 ( $9\% \times \$1$  million) per year for 10 years, or \$900,000 in total. Under the appropriate interest rate, the present value of the \$900,000 stream of tax credits should be equal to \$700,000, resulting in a 70% subsidy. Because the subsidy reduces the debt needed to construct the property, the rent levels required to make the property financially viable are lower than they otherwise would be. Thus, the subsidy is intended to incentivize the development of housing at lower rent levels—and therefore affordable to lower-income families—that otherwise may not be financially feasible or attractive relative to alternative investments.

The situation would be similar if the project involved rehabilitated construction except the developer would be entitled to a stream of tax credits equal to \$40,000 ( $4\% \times \$1$  million) per year for 10 years, or \$400,000 in total. The present value of the \$400,000 stream of tax credits should be equal to \$300,000, resulting in a 30% subsidy.

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Prevention Act of 2014 (P.L. 113-295) retroactively extended the 9% floor through the end of 2014. Division Q of P.L. 114-113—the Protecting Americans from Tax Hikes Act (or “PATH” Act) permanently extended the 9% floor.

<sup>9</sup> Treasury's formula is designed to produce credit rates necessary to deliver either a 30% or 70% subsidy. These credit rates can be, and often are, less than 4% and 9%. For example, the June 2022 tax credit rate, as determined by Treasury's formula, for rehabilitation construction was 3.30% and the rate for new construction was 7.70%. In this case the 4% and 9% minimum credit rates take effect and the tax credit rates are set to exactly 4% and 9%, respectively. Because these credit rates are above what is needed to deliver a 30% subsidy (3.30%) and 70% subsidy (7.70%), it means that the subsidies rise above 30% and 70% when the floors takes effect.

<sup>10</sup> This relationship is an intrinsic feature of the present value formula, and not a result of a decision by Treasury in computing the credit rate.

<sup>11</sup> Board of Governors of the Federal Reserve System (US), 10-Year Treasury Constant Maturity Rate [DGS10], retrieved from FRED, Federal Reserve Bank of St. Louis, June 22, 2022, <https://fred.stlouisfed.org/series/DGS10>.

<sup>12</sup> Treasury does not directly use the interest rate on 10-year bonds, but as discussed in footnote 5, the interest rate used by Treasury is based on the yields on U.S. Treasury securities.



## The Allocation Process

The process of allocating, awarding, and then claiming the LIHTC is complex and lengthy. The process begins at the federal level with each state receiving an annual LIHTC allocation in accordance with federal law. The administration of the tax credit program is typically carried out by each state's housing finance agency (HFA). State HFAs allocate credits to developers of rental housing according to federally required, but state-created, allocation plans. The process typically ends with developers selling awarded credits to outside investors in exchange for equity. A more detailed discussion of each level of the allocation process is presented below.

### Federal Allocation to States

LIHTCs are first allocated to each state according to its population. In 2022, states receive LIHTC allocation authority equal to \$2.60 per person, with a minimum small population state allocation of \$2,975,000.<sup>13</sup> The state allocation limits do not apply to the 4% credits that are automatically packaged with tax-exempt bond financed projects.<sup>14</sup>

### State Allocation to Developers

State HFAs allocate credits to developers of eligible rental housing according to federally required, but state-created, qualified allocation plans (QAPs). Federal law requires that a QAP give priority to projects that serve the lowest-income households and that remain affordable for the longest period of time. States have flexibility in developing their QAPs to set their own allocation priorities (e.g., assisting certain subpopulations or geographic areas), and to place additional requirements on awardees (e.g., longer affordability periods, deeper income targeting). QAPs are developed and revised via a public process, allowing for input from the general public and local communities, as well as LIHTC stakeholders. Many states have two allocation periods per year. Developers apply for the credits by submitting an application to state agencies.

Once a developer receives an allocation it generally has two years to complete its project.<sup>15</sup> Credits may not be claimed until a property is placed in service. Tax credits that are not allocated by states after two years are added to a national pool and then redistributed to states that apply for the excess credits. To be eligible for an excess credit allocation, a state must have allocated its entire previous allotment of tax credits. This use-or-lose feature gives states an incentive to allocate all of their tax credits to developers.

To be eligible for an LIHTC allocation, properties are required to meet certain tests that restrict both the amount of rent that may be charged and the income of eligible tenants. Historically, the "income test" for a qualified low-income housing project has required project owners to irrevocably elect one of two income-level tests, either a 20-50 test or a 40-60 test. To satisfy the

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<sup>13</sup> Internal Revenue Service, *Revenue Procedure 2021-45*, <https://www.irs.gov/pub/irs-drop/rp-21-45.pdf>. From 1986 through 2000, the initial credit allocation amount was \$1.25 per capita. The allocation was increased to \$1.50 in 2001, to \$1.75 in 2002 and 2003, and indexed for inflation annually thereafter. The initial minimum tax credit ceiling for small states was \$2 million, and was indexed for inflation annually after 2003.

<sup>14</sup> Tax-exempt bonds are issued subject to a private activity bond volume limit per state. For more information, see CRS Report RL31457, *Private Activity Bonds: An Introduction*, by Grant A. Driessen.

<sup>15</sup> Developers must have the property placed in service in the calendar year an allocation is made. However, a developer can receive an extension which gives them an additional calendar year to have the property placed in service. To be granted this extension, known as a *carryover allocation*, at least 10% of anticipated costs must be incurred within the first calendar year.

first test, at least 20% of the units must be occupied by individuals with income of 50% or less of the area's median gross income (AMI), adjusted for family size. To satisfy the second test, at least 40% of the units must be occupied by individuals with income of 60% or less of AMI, adjusted for family size.<sup>16</sup>

The 2018 Consolidated Appropriations Act (P.L. 115-141) added a third income test option that allows owners to average the income of tenants. Specifically, under the income averaging option, the income test is satisfied if at least 40% of the units are occupied by tenants with an average income of no greater than 60% of AMI, and no individual tenant has an income exceeding 80% of AMI. Thus, for example, renting to someone with an income equal to 80% of AMI would also require renting to someone with an income no greater than 40% of AMI, so the tenants would have an average income equal to 60% of AMI.

In addition to the income test, a qualified low-income housing project must also meet the "gross rents test" by ensuring rents (adjusted for bedroom size) do not exceed 30% of the 50% or 60% of AMI, depending on which income test option the project elected.<sup>17</sup>

The types of projects eligible for the LIHTC include rental housing located in multifamily buildings, single-family dwellings, duplexes, and townhouses. Projects may include more than one building. Tax credit project types also vary by the type of tenants served; for example, LIHTC properties may be designated as housing persons who are elderly or have disabilities.

Properties located in difficult development areas (DDAs) or qualified census tracts (QCTs) are eligible to receive a "basis boost" as an incentive for developers to invest in more distressed areas. In these areas, the LIHTC can be claimed for 130% (instead of the normal 100%) of the project's eligible basis. This also means that available credits can be increased by up to 30%. HERA (P.L. 110-289) enacted changes that allow an HFA to classify any LIHTC project that is not financed with tax-exempt bonds as difficult to develop, and hence, eligible for a basis boost.

## Developers and Investors

Upon receipt of an LIHTC award, developers typically exchange or "sell" the tax credits for equity investment in the real estate project. The "sale" of credits occurs within a partnership that legally binds the two parties to satisfy federal tax requirements that the tax credit claimant have an ownership interest in the underlying property. This makes the trading of tax credits different than the trading of corporate stock, which occurs between two unrelated parties on an exchange. The partnership form also allows income (or losses), deductions, and other tax items to be allocated directly to the individual partners.<sup>18</sup>

The sale is usually structured using a limited partnership between the developer and the investor, and sometimes administered by syndicators. As the general partner, the developer has a relatively small ownership percentage but maintains the authority to build and run the project on a day-to-day basis. The investor, as a limited partner, has a large ownership percentage with an otherwise passive role. Syndicators charge a fee for overseeing the investment transactions.

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<sup>16</sup> Individual income levels are certified by each property manager, although states have some discretion over the specifics of the income verification method. LIHTC participants are prohibited from using HUD's Enterprise Income Verification (EIV) system to verify tenant income. The EIV system is required to be used in the Section 8 housing voucher program.

<sup>17</sup> Rent includes utility costs.

<sup>18</sup> For more details on the general tax equity mechanism, see CRS Report R45693, *Tax Equity Financing: An Introduction and Policy Considerations*, by Mark P. Keightley, Donald J. Marples, and Molly F. Sherlock.

Typically, investors do not expect their equity investment in a project to produce income. Instead, investors look to the credits, which will be used to offset their income tax liabilities, as their return on investment. The return investors receive is determined in part by the market price of the tax credits. The market price of tax credits fluctuates, but in normal economic conditions the price typically ranges from the mid-\$0.80s to low-\$0.90s per \$1.00 tax credit. The larger the difference between the market price of the credits and their face value (\$1.00), the larger the return to investors. Investors also often receive tax benefits related to any tax losses generated through the project's operating costs, interest on its debt, and deductions such as depreciation. The right to claim tax benefits in addition to the tax credits will affect the price investors are willing to pay.

The vast majority of investors are corporations, either investing directly or through private partnerships. Financial institutions and banks are responsible for the majority of investment in LIHTC.<sup>19</sup> Partly this is due to the Community Reinvestment Act (CRA), which considers LIHTC investments favorably.<sup>20</sup> Other investors include real estate, insurance, utility, and manufacturing firms, which are seeking a return in the form of reduced taxes from investing in the tax credits.

The LIHTC finances part of the total cost of many projects rather than the full cost and, as a result, must be combined with other resources. The financial resources that may be used in conjunction with the LIHTC include conventional mortgage loans provided by private lenders and alternative financing and grants from public or private sources. Individual states provide financing as well, some of which may be in the form of state tax credits modeled after the federal provision. Additionally, some LIHTC projects may have tenants who receive other government subsidies such as housing vouchers.

## Recent Legislative Developments

In May 2022, the Biden Administration released a plan to address rising housing costs by encouraging an expansion of the housing supply. The plan calls for adopting proposed expansions of the LIHTC program that were included in various iterations of the Build Back Better Act (BBBA; H.R. 5376), and adopting a modification in the President's FY2023 Budget proposal that would allow for an increased LIHTC subsidy for certain developments financed with tax-exempt bonds. The most recent version of the BBBA, released by the Senate Finance Committee on December 11, 2021, includes six proposed modifications to the LIHTC program, most notably an increase in the allocation authority of states that would eventually reach \$3.86 per person in 2025. The changes proposed by the BBBA are summarized in Parts 1 and 3 of Table 1 in CRS Report R46998, *Senate Finance Committee Tax Provisions in the Build Back Better Act*, coordinated by Molly F. Sherlock. A number of the proposals in the BBBA and the modification in the President's FY2023 Budget proposal are similar or related to proposals contained in the Affordable Housing Credit Improvement Act of 2021 (S. 1136/H.R. 2573). The Affordable Housing Credit Improvement Act of 2021 includes a broader set of changes to the LIHTC program. A previous version of that bill was introduced in the 116<sup>th</sup> Congress.

The most recent legislative changes to the LIHTC program were included in the Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted as Division EE of the Consolidated Appropriations Act, 2021 (P.L. 116-260), and set a minimum credit (or "floor") of 4% for the

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<sup>19</sup> For more information on the LIHTC investor landscape, see CohnReznick, LLP, *Housing Tax Credits Investments: Investment and Operational Performance*, November 18, 2019.

<sup>20</sup> For more information on the LIHTC program and the CRA, see Office of the Comptroller of the Currency, *Low-Income Housing Tax Credits: Affordable Housing Investment Opportunities for Banks*, Washington, DC, April 2014, <http://www OCC.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf>.

housing tax credit typically used for the rehabilitation of affordable housing. The Joint Committee on Taxation estimates this change will reduce federal revenues by \$5.8 billion between FY2021 and FY2030.<sup>21</sup> This change is permanent.

Division EE of P.L. 116-260 also increased, for calendar years 2021 and 2022, the credit allocation authority for buildings located in any qualified disaster zone, defined as that portion of any qualified disaster area which was determined by the President during the period beginning on January 1, 2020, and ending on the date which is 60 days from enactment of P.L. 116-260. For 2021, the increase was equal to the lesser of \$3.50 multiplied by the population residing in a qualified disaster zone, and 65% of the state's overall credit allocation authority for calendar year 2020. For 2022, the increase is equal to any unused increased credit allocation authority from 2021 (i.e., 2021 increased credit allocation authority may be carried over to 2022). Buildings impacted by this provision will also be granted a one-year extension of the placed in service deadline and the so-called 10% test. The JCT estimates these changes will reduce federal revenues by \$887 million between FY2021 and FY2030.

## Author Information

Mark P. Keightley  
Specialist in Economics

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## Disclaimer

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<sup>21</sup> Joint Committee on Taxation, *Estimated Budget Effects of the Revenue Provisions Contained in Rules Committee Print 116-68, the "Consolidated Appropriations Act, 2021,"* JCX-24-20, December 21, 2020.



# **HOUSING TASK FORCE RECOMMENDATIONS**

## **EXHIBIT 13: HUD SECTION 202: LOW INCOME HOUSING FOR THE ELDERLY WITH SERVICES**

# Section 202: Supportive Housing for the Elderly

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By Linda Couch, Vice President, Housing Policy, LeadingAge

**Administering Agency:** HUD's Office of Housing's Office of Housing Assistance and Grant Administration

**Year Started:** 1959

**Number of Persons/Households Served:** 400,000 households

**Population Targeted:** People over the age of 62 with very low incomes (below 50% of area median income). Some pre-1990 Section 202 properties are eligible for occupancy by non-elderly, very low-income persons with disabilities.

**Funding:** The FY22 spending bill provided \$1.033 billion for Section 202. The FY21 bill provided \$855 million, including:

- \$52 million for new Section 202 homes.
- \$125 million for Service Coordinators, including the first new appropriation for grant-funded Service Coordinators in several years.
- \$5 million for intergenerational housing as authorized by the "Living Equitably—Grandparents Aiding Children and Youth (LEGACY) Act of 2003."
- \$14 million for a two-year extension of HUD's Integrated Wellness in Supportive Housing demonstration.
- Full renewal funding for Section 202 communities' Project Rental Assistance Contracts.

**See Also:** For related information, refer to the *Services for Residents of Low-Income Housing* section of this guide.

The Section 202 Supportive Housing for the Elderly Program provides funding to nonprofit organizations that develop and operate housing for older adults with very low incomes. In its

FY21 HUD appropriations bill, Congress included \$52 million in the Section 202 account for the construction and operation of new Section 202 homes. Between FY12 and FY16, Congress did not provide any funding for new Section 202 homes. Funds provided by Congress for the Section 202 account are used primarily to renew underlying rental assistance contracts and existing contracts for on-site service coordinators. In the FY18 HUD funding bill, Congress provided authority for Section 202 communities with Project Rental Assistance Contracts ("202/PRACs") to participate in HUD's Rental Assistance Demonstration to facilitate the preservation of these homes. HUD issued guidelines for this "RAD for PRAC" authority in September 2019.

## Key Issues:

- Addressing COVID. Section 202 housing providers continue to assess what a "new normal" of COVID-era affordable senior housing means for residents and funding needs. Resident services, including the critical need for Service Coordinators in every community, for building-wide internet (in common areas and in resident apartments), and for services and programs to address mental health challenges, are of paramount concern. Increased costs, for health and safety protections, rising insurance premiums, and to retain and recruit needed staff, continue and need appropriate federal response. Consistent COVID vaccine and testing access continue to thwart Section 202 communities' ability to meet their needs.
- Expanding the supply of affordable housing. Nationally, more than 2.24 million very low income older adult renter households have worst case housing needs, spending more than half of their incomes for rent, according to HUD's [Worst Case Housing Needs: 2021 Report to Congress](#).

- **Service Coordinators.** Today, only 45% of HUD Section 202 and Section 8 Project-Based Rental Assistance senior housing communities have a service Coordinator. Every affordable senior housing community needs a Service Coordinator. Research has shown that Service Coordinators lower hospital use, increase higher value health care use (e.g. primary care), have success reaching high-risk populations, and result fewer nursing home transfers.
- **Housing + Services.** Identifying stable financing for the provision of health and wellness services within federally assisted senior housing is key to residents' ability to age in community.
- **Preservation Funding.** Annual funding must ensure full funding to meet annual renewal needs of Section 202 rental assistance provided by Project-Rental Assistance Contract (PRAC) and Section 8 Project-Based Rental Assistance (PBRA).
- **Preservation Tools.** HUD's Rental Assistance Demonstration program should be improved to ensure Section 202 communities with Project Rental Assistance Contracts can successfully convert their operating subsidies without losing resident services or financial soundness.
- **Homelessness.** Homelessness among older adults is increasing. Better data are needed, as is a coordinated federal effort to prevent and end homelessness among older adults.
- **Internet.** The majority of HUD Section 202 housing does not have internet throughout the community (in common areas and in apartments). Communities need access to resources for the installation and service fees for internet for older adults living in HUD-assisted senior housing.

## HISTORY AND PURPOSE

The Section 202 program was established under the "Housing Act of 1959." Enacted to allow seniors to age in their community by providing assistance with housing and supportive

services, the program has gone through various programmatic iterations during its lifetime. Before 1974, Section 202 funds were 3% loans that may or may not have had either Section 8 Project-Based Rental Assistance or rent supplement assistance for all or some of the units. Between 1974 and 1990, Section 202 funds were provided as loans and subsidized by project-based Section 8 contracts. Until the creation of the Section 811 program in 1990, the Section 202 program funded housing for both seniors and people with disabilities. In 1991, the Section 202 program was converted to a capital advance grant with a Project Rental Assistance Contract for operational expenses, known as Section 202 PRAC. There are more than 400,000 Section 202 units built since the "Housing Act of 1959."

The 202 program allows seniors to age in place and avoid unnecessary, unwanted, and costly institutionalization. With 38% of existing Section 202 tenants being frail or near-frail, requiring assistance with basic activities of daily living, and thus being at high risk of institutionalization, Section 202 residents have access to community-based services and support to keep living independently and age in place in their community.

According to HUD's *Worst Case Housing Needs: 2021 Report to Congress*, the number of worst case needs among older adults increased by more than 16% between 2017 and 2019. Between 2009 and 2019, worst case housing needs among older adults increased 82%. Meanwhile, across all household types, including older adult households, worst case needs increased between 2009 and 2019 by 9%.

A 2021 report from the Urban Institute, *The Future of Headship and Homeownership*, looks at the rise in older adult renter households with low incomes. Over the next 20 years, almost all future net household growth will be among older adult households. There will be a 16.1 million net increase in households formed between 2020 and 2040, and 13.8 million of these households will be headed by someone older than 65, reflecting the nation's aging population. Of the 13.8 million new older adult households, 40%



(5.5 million) will be renter households. Of these, the Urban Institute projects, 1.3 million will be new Black older adult renter households. This will double the number of the nation's Black older adult renter households, from 1.3 million in 2020 to 2.6 million in 2040.

The need for affordable housing is also demonstrated by the rise in homelessness among older adults. According to HUD's 2017 Annual Homeless Assessment Report (AHAR): Part 2, the share of people experiencing homelessness who are older adults almost doubled, from 4.1% to 8%, between 2007 and 2017. The Joint Center for Housing Studies of Harvard University's Housing America's Older Adults 2019 reports that 5 million older adult households aged 65 and over are severely cost burdened, spending more than half of their incomes on housing.

## PROGRAM SUMMARY

The Section 202 Supportive Housing for the Elderly program provides funds to nonprofit organizations, known as sponsors, to develop and operate senior housing. Many Section 202 project sponsors are faith-based or fraternal organizations.

Section 202 tenants generally must be at least 62 years old and have incomes less than 50% of the area median income (AMI) qualifying them as very low-income. Some facilities have a percentage of units designed to be accessible to non-elderly persons with mobility impairments or may serve other targeted disabilities. In 2021, the average annual household income of a Section 202 household was \$14,272.

Today, 17% of Section 202 residents are 80+ and, 49% of Section 202 households are non-white, two characteristics that make Section 202 residents at greater risk from COVID-19. Further, HUD said several years ago that 38% of Section 202 residents are frail or near-frail, a figure that has likely only increased as people age in their homes longer.

In the Section 202 program, the capital advance covers expenses related to housing construction and Project Rental Assistance Contract provides

the ongoing operating assistance to bridge the gap between what residents can afford to pay for rent (about 30% of their adjusted household incomes) and what it costs to operate high quality housing. Both the capital and operating funding streams are allocated to nonprofits on a competitive basis, through a HUD Notice of Funding Availability (NOFA).

As noted in the programs name, HUD's Section 202 program is also "supportive" housing in that it aims to help people age in community. Service Coordinators play a key role in this. The Centers for Disease Control included HUD's Section 202 Supportive Housing for the Elderly program in its Pharmacy Partnership for Long Term Care COVID-19 vaccination clinics roll-out in December 2020. Along with nursing homes and assisted living, the CDC understood that Section 202 residents must also be included in the Pharmacy Partnership for Long Term Care's first line of COVID-19 vaccination clinics. In doing so, they understood that most HUD Section 202 residents would be in assisted living if they could afford it and, because of the lack of affordable assisted living, some Section 202 residents would be in a nursing home but for the Section 202 program. In short, the Section 202 program meets national and state goals of allowing people to live in the least restrictive setting possible.

### Capital Funding

The first component of the Section 202 program provides capital advance funds to nonprofits for the construction, rehabilitation, or acquisition of supportive housing for seniors. These funds are often augmented by the HOME program and by Low-Income Housing Tax Credit debt and equity to either build additional units or supplement the capital advance as gap financing in so-called mixed-finance transactions.

After several years of no new NOFA, HUD issued a \$51 million NOFA for new Section 202 homes in 2019, which resulted in 18 awards to nonprofits in 2020 for the construction of 575 Section 202/PRAC homes. A NOFA was issued in January 2021 for an additional \$151 million for new Section 202 homes; by January 2022, HUD had



awarded \$158 million in this round of funding for new Section 202 homes developed in 34 communities.

Given the current and growing need for affordable senior housing, Congress must greatly expand its commitment to senior housing.

### Operating Funding

The second program component provides rental assistance in the form of PRACs or PBRA to subsidize the operating expenses of these developments. Residents pay rent equal to 30% of their adjusted income, and the PBRA or PRAC makes up the difference between this tenant rental income and operating expenses. Of the country's 6,957 Section 202 communities, 4,074 receive their operating subsidy from PBRA and 2,993 receive their operating subsidy from PRAC.

In addition to the core components of the Section 202 program, HUD administers complementary programs that have been established by Congress to help meet the needs of seniors aging in place:

1. A Service Coordinators grant program to fund staff in Section 202 buildings to help residents to age in place. According to the Government Accountability Office, about half of Section 202 properties have a Service Coordinator funded as part of their Section 202 annual operating budgets ("budget-based Service Coordinators") or through HUD grants ("grant-funded Service Coordinators"). Service Coordinators assess residents' needs, identify and link residents to services, and monitor the delivery of services.
2. The Supportive Services Demonstration/Integrated Wellness in Supportive Housing demonstration in HUD-assisted multifamily housing, a \$15 million demonstration at 40 Section 202 communities to help their low-income senior tenants to age in their own homes and delay or avoid the need for nursing home care. In 2020, Congress extended this demonstration for two years until September 2022.

## FUNDING

The FY22 spending bill provided \$1.033 billion for Section 202. In FY21, Congress appropriated \$855 million for Section 202, providing \$52 million for new construction. This amount also funds the renewal of grant-funded Service Coordinators and provided \$5 million for a revived intergenerational housing program. This intergenerational housing program, authorized in 2003, resulted in awards for two properties in 2008.

The House-passed "Build Back Better Act" included \$500 million for about 7,000 new Section 202 homes.

## FORECAST FOR 2022

The Biden Administration has made clear its intention to support expansion of affordable housing, including affordable senior housing. Any future reconciliation act must include significant resources to expand the supply of affordable senior housing.

With the 2021 launch of the HUD/HHS [Housing and Services Resource Center](#), the Administration will work to break down silos to connect HUD-assisted residents with the services they need to age in community, and HUD and HHS will coordinate to improve access to affordable, accessible housing and the critical services that make community living possible.

HUD will continue its work to distribute COVID Supplemental Payments from the March 2020 "CAREs Act" to reimburse multifamily communities for COVID-related expenses.

Connecting historic broadband resources from the "Infrastructure Investment and Jobs Act of 2021" to affordable senior housing communities will also be a key issue for 2022 and will ensure residents take advantage of that act's new Affordable Connectivity Program.

### New Section 202 Units

Advocates asked Congress for at least \$600 million in new Section 202 capital advance and operating funds. This amount is in line with historic funding of this critical program prior to

the program being zeroed out after FY11.

### **RAD for PRAC**

After Congress's authorization in 2018 to expand HUD's Rental Assistance Demonstration for Section 202 communities with Project Rental Assistance Contracts (dubbed "RAD for PRAC"), HUD officially issued implementing guidance in September 2019 and the first RAD for PRAC deal closed in August 2020. There are 125,000 apartment homes within HUD's 202/PRAC portfolio. Section 202/PRAC owners continue to assess their capital needs and whether RAD for PRAC makes sense for them as a preservation tool. Unlike Section 8-funded communities, PRAC communities cannot take on debt. This left many aging 202/PRACs financially unprepared to preserve themselves for future households and paved the way for RAD for PRAC authorization. Getting the right rent levels upon conversion, ensuring service coordination is robust, and retaining nonprofit ownership over the long haul are critical components of RAD for PRAC.

### **WHAT TO SAY TO LEGISLATORS**

Advocates concerned with senior housing issues should ask their Members of Congress for the following:

- At least \$600M for approximately 6,200 new Section 202 Supportive Housing for the Elderly homes.
- Funding for new three-year Service Coordinator grants and to increase funding budget-based Service Coordinators.
- Full renewal funding for rental assistance contract renewals (Project-Based Rental Assistance and Project Rental Assistance Contracts) and Service Coordinator grant renewals.
- Improvements to support successful RAD for PRAC conversions.

### **FOR MORE INFORMATION**

Linda Couch, Vice President, Housing Policy, LeadingAge, [lcouch@leadingage.org](mailto:lcouch@leadingage.org), [www.leadingage.org](http://www.leadingage.org).

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 14:  
RURAL DEVELOPMENT SECTION 515  
LOW INCOME HOUSING  
LOAN PROGRAM**



# Rural Rental Housing Loans

## (Section 515)

September 2002

The Rural Housing Service (RHS) is a part of Rural Development (RD) in the U.S. Department of Agriculture (USDA). It operates a broad range of programs that were formerly administered by the Farmers Home Administration to support affordable housing and community development in rural areas. RHS both provides direct loans (made and serviced by USDA staff) and also guarantees loans for mortgages extended and serviced by others.

The RHS National Office is located in Washington, D.C., and is responsible for setting policy, developing regulations, and performing oversight. RHS employs a central collection and servicing center in St. Louis, Mo. and a computerized system called DLOS for Section 502 direct and Section 504 loans. In the field, RHS operations are carried out through the USDA's RD offices. Each RD State Office administers programs in a state or multistate area. The organization of Rural Development offices within a state varies, but typically Area or District Offices supervise Local Offices (also termed county or community development offices) and do the processing and servicing of organizational loans and grants. Local Offices process single family housing applications, assist District Offices with organizational applications and servicing, and provide counseling to applicant families and backup servicing as needed.

### PROGRAM BASICS

Rural Rental Housing Loans are direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities. This is primarily a direct housing mortgage program; its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.

### ELIGIBLE ACTIVITIES

**Ownership:** Individuals, partnerships, limited partnerships, for-profit corporations, nonprofit organizations, limited equity cooperatives, Native American tribes, and public agencies are eligible to apply. For-profit borrowers must agree to operate on a limited-profit basis (currently 8 percent on initial investment). Borrowers must be unable to obtain credit elsewhere that will enable them to charge rents affordable to low- and moderate-income tenants.

**Tenancy:** Very low-, low-, and moderate-income families; elderly persons; and persons with handicaps and disabilities are eligible to live in Section 515-financed housing. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI; moderate income is capped at \$5,500 above the low-income limit. Those living in substandard housing are given first priority for tenancy. When rental assistance is used, top priority is given to very low-income households. As of January 1, 2002, the average income of tenants was \$8,028, or 25.9 percent of AMI. Incomes of tenants receiving rental assistance averaged \$6,458, or 20.8 percent of AMI.

**Competitive Applications:** Rural Development State Directors use needs criteria to establish a list of targeted communities for which applicants may request loan funds. A list of these communities is published in a Notice of Funding Availability (NOFA). The applications are then rated competitively in order to select recipients. In fiscal year 2002 only \$49 million was available for new loans.

Rural Housing and  
Economic Development Gateway  
1-877-RURAL-26 (1-877-787-2526)  
[www.hud.gov/ruralgateway/](http://www.hud.gov/ruralgateway/)  
U.S. Dept of Housing & Urban Development  
451 7th Street, S.W., Room 7137  
Washington, DC 20410



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## PROJECT REQUIREMENTS

Loans are for up to 30 years at an effective 1 percent interest rate and are amortized over 50 years. A current rate is used for the promissory note but thereafter is used only to determine maximum rent payments. Tenants pay basic rent or 30 percent of adjusted income, whichever is greater. RHS rental assistance subsidy can be used to limit tenant payments to 30 percent of their income.<sup>1</sup> Loans made through contracts entered into on or after December 15, 1989 cannot be prepaid. Owners may obtain guaranteed equity loans after 20 years as an incentive for participation.

### *Standards*

RHS site standards, CABO Model Energy Code, and voluntary national model building codes apply. When moderate rehabilitation is involved, a separate RHS standard is used. RHS maintains square foot ranges by number of bedrooms to limit unit size. Projects must be designed to have two or more units per building.

### *Variations*

There are four variations of the Section 515 loan program. They are Cooperative Housing,<sup>2</sup> Downtown Renewal Areas, Congregate Housing or Group Homes for Persons with Disabilities, and the Rural Housing Demonstration Program.

### *Approval*

RD State Directors use needs criteria to establish a list of targeted communities for which applicants may request loan funds. The applications are then rated in order to select recipients. District Directors have the authority to approve loans of up to \$500,000. Loans of up to \$1,500,000 must be approved by State Directors. All requests for loans above \$1,500,000 must be reviewed by the RHS National Office.

### *Basic Instruction*

Instructions 1944-E and 1930-C. RHS is developing a proposed rule that will "reinvent" these instructions.

## FOR MORE INFORMATION

For additional information on Section 502 self-help and RHS, contact the RHS National Office, 1400 Independence Avenue, S.W., Room 5037S, Washington, D.C. 20250; 202-720-4323. Contact your Rural Development State Office to find out the location of the Local Office closest to you, or visit [www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html). Copies of RHS regulations are available online at <http://rdinit.usda.gov/regs>.

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<sup>1</sup> For more information, see the HAC Information Sheet on the Rural Rental Assistance Program.

<sup>2</sup> For more information, see the HAC Information Sheet on the Rural Cooperative Housing Loan Program.

**HOUSING TASK FORCE  
RECOMMENDATIONS**

**EXHIBIT 15:  
HOUSING CO-OP CASE STUDY:  
PORTLAND, MAINE**





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## New Housing Co-op in Portland Maine is approved by the City!

*Written By Julian Rowand, Arthur Sabiti and Jonah Fertig-Burd*

CDI has been working to develop new limited equity housing co-ops in Greater Portland, Maine. This work has accelerated this year with new partnerships, support from the City and a successful proposal for Portland's first housing co-op. In March, CDI, Raise Op Housing Co-op from Lewison and UHAB (United Homesteading Assistance Board) from NYC, presented to the City of Portland's Housing and Economic Development Committee about the potentials of cooperative housing to address the affordable housing crisis in Portland. The City then issued a Request for Proposals for three pieces of City-owned land which included a preference for Cooperative Housing and Community Land Trusts.

We started to partner with a team of local developers, now called the Maine Cooperative Development Partners, to put forward a proposal for two of those pieces of city-owned land on Douglass St and Lambert St. Maine Cooperative Development Partners put together an amazing team including an established local developer, architects, landscape architects, engineers and others to develop the proposal and engaged neighbors and the local neighborhood association in two virtual design charrettes. CDI staff, Julian Rowand, Arthur Sabiti and Jonah Fertig-Burd supported this process and have started to organize potential residents, including many people from the immigrant community, into a steering committee that will develop the housing co-ops.

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### News & Updates

Cooperative Business Development Specialist Job Opening August 30, 2022

Job Posting: Cooperative Housing Specialist, MA August 29, 2022

[In the News] New England ROCs make headlines this week. August 5, 2022

Check out our Year in Review! August 4, 2022

Royal Crest residents purchase their manufactured housing community, securing an affordable and cooperative future July 29, 2022

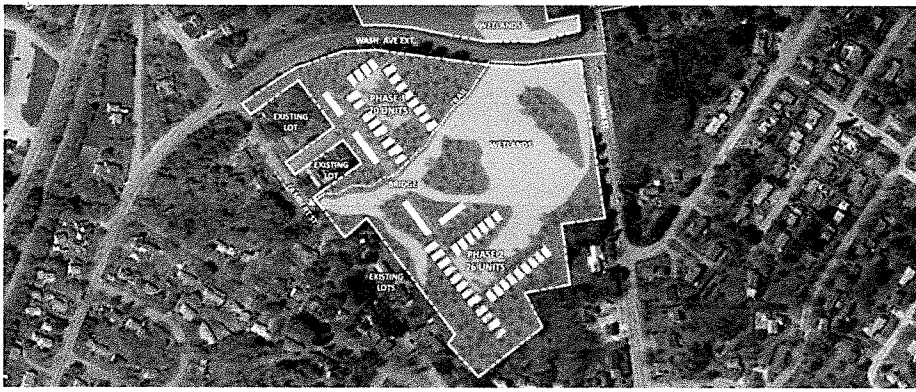


English

In July, the Housing Committee supported both of the co-op proposals and forwarded the decision to the Economic Development Committee. Later in the month the Economic Development Committee approved the **Lambert Village Co-op** to move forward to negotiate with the city for the 13 acres site on Lambert St. This will be the first of its kind in Maine, a new construction housing co-op featuring 52 energy efficient homes surrounded by green space with plenty of shared outdoor space for residents. The housing co-op is targeted for folks making 60-100% of the Area Median Income (AMI) and it will provide permanent affordability and home ownership for low income earners. The development of this project will be led by Maine Cooperative Development Partners with CDI organizing the co-op formation efforts and providing technical assistance support for the co-op members and board when it opens.

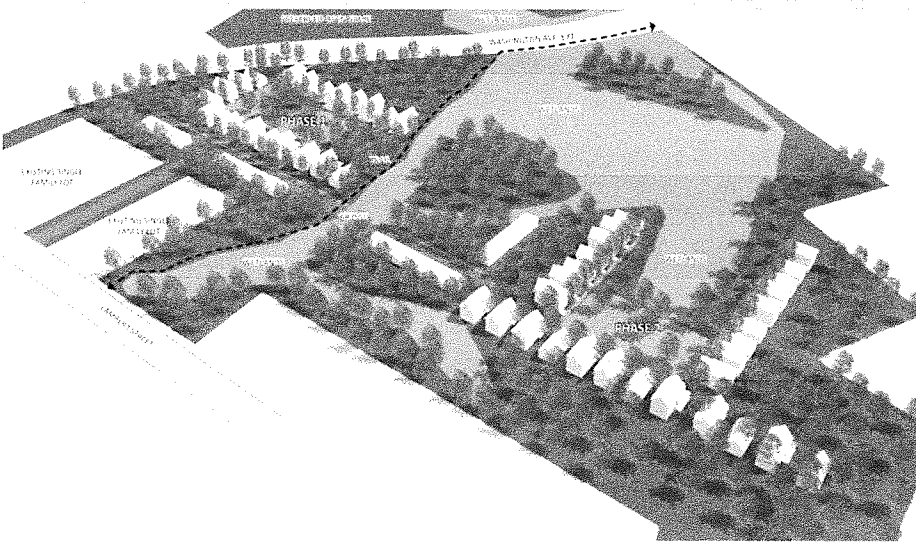
In August, the Economic Development Committee will make a decision about the Douglass St property. **Douglas Commons** is a partnership with Maine Cooperative Development Partners and the Szanton Company, with support from CDI. This project will provide a total of 108 units that include 52 unit affordable rental apartment building that will be affordable to people making 50-60% of AMI, developed by the Szanton Company and the Maine Cooperative Development Partners will build 56 units of cooperative housing that will be affordable to members of the co-op that making 60-100% of AMI. Additionally the proposal has shared space, a community garden, solar panels, and is adjacent to a City park. Another development team has proposed a project with affordable rental apartments and market rate condos.





LAMBERT STREET RFP | CONCEPT PLAN

7/2/20  
ALPHABETICALLY BY PHASE



LAMBERT STREET RFP | 3D RENDERING


7/2/20  
ALPHABETICALLY BY PHASE


CDI is really excited to expand our housing work into a new area with new partners. Affordable housing is a crisis for our region and country and we need models that will work in our Cities, Suburban and Rural Communities. We are excited to build upon the experience that we have with the ROC model to now work to build new housing in Portland that is owned by the residents and provides permanent affordability. These new housing co-ops will be economically and racially diverse and inclusive and the leadership team at CDI and within the community is reflecting that diversity.

Tagged on: affordable housing   douglas commons   economic development committee   energy efficient housing   housing cooperative   immigrant community   lambert village cooperative   maine cooperative development partners   portland maine   szanton company

[Press Release] US Senate Could Make a Huge Difference in Housing Crisis by Voting to Fund PRICE →

## One thought on “New Housing Co-op in Portland Maine is approved by the City!”

 Barbara Bailey

 August 13, 2020 at 7:14 pm

 [Permalink](#)

This is exciting! I am recently retired from work as the finance director of a non-profit affordable housing developer and have been one of the developers of the first cohousing community in Iowa City, Iowa.

We have two 4-plex buildings left to build and would like to look at creating a housing coop to own one or more of those buildings. Some of the units would be limited equity and available to occupants with incomes up to 80% of the area median income (about \$55K for a one person household).

I am very interested in looking at your project as a model. Would it be possible to look at a proforma, project description or other document that would provide a big picture perspective? If we're ok'd to move ahead with this we might have more detailed questions.

Do you know of any organization similar to CDI that serves the Midwest?

Thanks for any response!

Comments are closed.

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Cooperative Business Development Specialist Job Opening **August 30, 2022**

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Job Posting: Cooperative Housing Specialist, MA **August 29, 2022**

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[In the News] New England ROCs make headlines this week. **August 5, 2022**

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**1-877-NE-COOPS**  
413-665-1271  
Fax: 413-541-8300  
Email: [info@cdi.coop](mailto:info@cdi.coop)

Mailing Address:  
Cooperative Development Institute  
P.O. Box 1051  
Northampton, MA 01061-1051



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