

2022 CP Update

DRAFT: Housing Chapter – outline of improvements

November 17, 2021

David Trunnell and Chris Cheney

Motivational message for today's Readfield leaders...

Alexander Hamilton ... genius: “he understood better than any other founder -- indeed, better than any other American of his generation who left enough records to judge -- how **everything in the national [and local?!] economy was related to everything else.** A first-class student of both economics and administration, he saw that in the construction of grand strategy, **every move must be coordinated so as to make the whole of public policy exceed the sum of its parts.**”

Housing – Background – much ‘spilled ink’ over 30 Years in Readfield...

Summary of our Predecessors’ Thinking:

1st Three Readfield CPs + 2004 Corner Revitalization Plan (relevant housing items)

1988 CP (from the “Summary”)

- “a blueprint for the town’s future”
- “Promote ... economical patterns of residential settlement for people of all income levels ...” (Section 1.5 – Community Goals, Paragraph)
- “planting of additional street trees”

1993 CP

- “a blueprint for the town’s future”
- “household size decreased – putting pressure on number of houses needed”

- “average of 19 residential permits per year”
- “sizeable inventory of unbuilt-upon, subdivided parcels ... providing sites for “affordable homes”?” “
- **State requirement: 10% of new residential = affordable housing = 3 units / year**

Readfield’s affordable housing problem is not as acute as in some parts of southern and coastal Maine, where land and other costs have reached unbearable levels. On the other hand, the problem does exist. State law requires that “the municipality seek to achieve a level of 10% of new residential development in the municipality, meeting the definition of affordable housing.” This would translate into a goal of about 3 affordable housing units per year, or about 15 such units over a 5-year period.

- “How should the town protect private property owners’ rights?”
- [No strategies provided...]
- Policy: Continue the efforts of the Community Development Block Grant Committee to improve the quality of the existing housing stock.
- Local Goal – see cut/paste below – **NOTE: use of the word, “Consider” in a plan provides leaders ‘permission’ to NOT do any of these...**
 - Including: conversions, density bonuses, other incentives – and ‘disincentives’

<p>Local Goal: Encourage affordable housing for low and moderate income families.</p>
--

Policies:

C.4. Consider adoption of mechanisms to foster construction of well-planned, affordable housing developments. The goal for the Town is that 10 percent of the construction of new homes should be affordable. Mechanisms that deserve consideration include:

- assuring that local development regulations do not result in unnecessary development costs beyond those required to assure that the public is protected;
- allowing the conversion of single family homes in the village and village-residential areas of Town into multifamily units at greater densities than now permitted, provided the capacity for such increased density is met;
- providing density bonuses for subdivision developers in growth areas who agree to set aside some lots for affordable housing and assure that they remain affordable;
- providing land or other incentives for the construction or rehabilitation of affordable housing in Town; and
- discouraging developers from setting minimum house size requirements.

C.5. Promote and participate in regional efforts to provide affordable housing in the area.

- “Implementation: SB should ... prepare annual evaluation ... included in Annual Report ... meet quarterly with the working groups responsible...”
- “Regional coordination ... affordable housing...”
- “Capital Improvement Plan ... to include, i. Community Development Block Grant Strategies ...”

2004 Readfield Corner Revitalization Plan

GOAL 6. Housing

- a) support the construction of elderly housing south of the corner;
- b) seek opportunity for “in-fill” housing in the village.
- c) encourage adaptive reuse of large village houses for B&B’s and/or (elderly) apartments.

2009 CP

- Select Board (SB) Implementation – Short-term
 - 1. Implement the recommendations of the 2004 Readfield Corner Revitalization Study to make new commercial development in the village more attractive. (Policy 3.3) Investigate special assessments as a means to raise revenue. (5.12)
- SB Implementation – Mid-term
 - 1. Seek partnerships with Manchester and other municipalities to pursue regional housing projects that will benefit Readfield citizens. (Policy 4.2)
 - 2. Provide land or other incentives, as applicable, for the construction or rehabilitation of affordable housing. (4.2)
- Town Manager Implementation – Short-term
 - 1. Establish a system for monitoring and reporting on the number of new housing units that meet the town’s affordability goals. (Policy 4.1)
 - 3. Follow up on recommendations of regionalization studies. (5.3)
 - 11. Seek funds to assist homeowners in voluntary upgrading of inadequate septic systems. (9.14)
- Town Manager Implementation – Mid-term
 - 4. Establish a "people resource" bank of volunteers with special skills. (5.9)
- Town Manager Implementation – On-going
 - 1. Encourage housing-mission groups such as the Maine State Housing Authority, Kennebec Valley Community Action Program and Habitat for Humanity to conduct activities in Readfield. (Policy 4.2)

- 2. Continue to explore grant opportunities to improve the quality of the existing housing stock. (4.4)
- Planning Board – Implementation – Short-term
 - 2. Oversee the creation and operation of a Development Tracking System in cooperation with the Code Enforcement Officer. (Policy A.13)
 - [No other tasks Re: Housing?!]
- Part II: Implementation of the Future Land Use Plan: Revisions to the Land Use Ordinance
 - General Policies:
 - A.2 Promote a pattern of development that does the following:
 - assures ample opportunity for affordable housing within growth areas;
 - A.13 Monitor growth and development through a development tracking system to evaluate the effectiveness of the growth management program in meeting the goals of this Plan. Adjust implementation strategies as needed. The CEO should summarize and report on the nature and location of building permits each year to the Planning Board. The Board should discuss whether the results of the report warrant changes to the Land Use Plan or Ordinances.
- SEE number of LUO changes beginning on Page 14 of the 2009 Comp Plan.
 - NOTE: Omission of “elderly housing” – B.6 Implement as expeditiously as possible the recommendations of the Readfield Corner Revitalization Study (August, 2004) to include improved safety, pedestrian, and traffic circulation, accommodation of new and existing businesses and improvements to the visual appeal and livability of Readfield Corner.
 - B.13 Continue to explore the possibility of additional incentives to direct growth to the designated growth areas.
- Implementation: Other Revisions to Land Use Ordinance
 - 11. Allow the conversion of single-family homes to multifamily units at greater densities than now permitted in growth (village) areas provided the capacity for such increased density is available. (4.1)
 - 12. Provide **incentives for the development of affordable housing in growth areas and require that legal mechanisms are in place to maintain long-term affordability.** (4.1)
 - 13. Continue to require that accessory apartments and two-family dwellings meet the same dimensional standards as single-family dwellings. (4.1)
 - **[Did the recent Nov 2 vote on LUO pass, Re: setback exception in Village for Alternative structures?]**
 - 18. Incorporate options for designation of open space and affordable housing into subdivision review. (5.15)
 - 22. Work to protect important farm and forestland through consideration of techniques such as required clustering of development, public purchase of

development rights, conservation easements and minimum setbacks from working farmlands. (8.1)

- Part III: Capital Investment Plan – The CIP Process:
 - Timing and priorities are assigned. Generally, a high priority is reserved for items affecting public health or safety.
 - Readfield Capital Investment Planning Matrix (Preliminary):
 - No mention of Affordable Housing...
- **Chapter 4: Housing Opportunities – The Existing Housing Stock**
 - Census figures indicate that Readfield had 900 year-round housing units in 2000, an increase of 18 percent over the 765 year-round housing units in 1990. During the same period, seasonal housing units increased by only 4 percent from 238 to 248.
 - 90% of Readfield's housing in 2000 was single-family detached.
 - SEE Page 50 for a history of number of units, etc.
- **Housing Condition – SEE Year 2000 evaluation of needs below here, plus these extensions of the data – QUESTION: would 2021 evaluation show greater need?**
 - **Lack of complete plumbing @ .5% = ~4 homes**
 - **Lack of telephone service @ .7% = ~6 homes**
 - [how many more lack internet?]
 - **Overcrowded @ 1% = 9 homes (out of ~ 900 homes)**

Housing Condition:

While Readfield has had instances of poor housing conditions, by and large it has always been in better shape than other Maine municipalities. In 2000 the proportion of housing with indicators of substandard conditions whether old, lacking a bathroom, or overcrowded, was lower than for statewide. Table 4-3 presents indicators of what may be substandard housing conditions in town.

Table 4-3
Housing Conditions in 2000

<u>Structural Conditions</u>	<u>Readfield</u>	<u>Kennebec County</u>	<u>Maine</u>
“Pre-war” (1940 and older)	24.9 %	28.5 %	29.1 %
Lack complete plumbing	0.5 %	0.7 %	0.9 %
Lack telephone service	0.7 %	1.3 %	1.3 %
Overcrowded	1.0 %	1.4 %	1.3 %

(More than 1 person per room)

Source: U.S. Census

The town prepared a Community Development Block Grant (CDBG) application in 1991 for rehabilitation of substandard housing. The housing survey at that time contacted 70 households to identify housing conditions. "Twenty-five dwellings with the most serious conditions are individually featured in a notebook," stated the application. A follow-up survey of 22 units in the targeted area indicated problems with "electrical services below 100 amp, lack of central heating, little or no insulation, substandard chimneys, plumbing deficiencies, deteriorated and/or leaking roofs, cellar drainage problems, failing septic systems, and some structural integrity issues." Thirteen years later the town's CDBG Committee estimated that at least 30 units in the town have deficiencies.

- **Paying More Than 30% of Household Income for Housing is considered a “tipping point” to significant need and stress:**
 - **Readfield is “relatively” better than the region; but what is acceptable?**

**Table 4-4
Housing Costs as a Percentage of Income, 1990 and 2000**

<u>Percentage of Monthly Income</u>	<u>1990 #</u>	<u>1990 %</u>	<u>2000 #</u>	<u>2000 %</u>
Owner – ownership costs				
Less than 20 percent	251	62 %	280	58 %
20 to 30 percent	90	22 %	130	27 %
More than 30 percent	61	16 %	69	14 %
Renter – gross rent				
Less than 20 percent	2	7 %	39	62 %
20 to 30 percent	7	25 %	18	29 %
More than 30 percent	19	68 %	6	9 %

Source: US Census

- **Number of Very Low, Low, and Moderate Income Households and the Need for Housing**
 - Despite the overall affordability of housing in Readfield, it is important to recognize that certain segments of the population, particularly the elderly and young families, will increasingly have problems finding a place to live in Readfield, particularly with the small number of rental units and mobile homes.
 - According to MSHA records, 18 percent (161) of the households in Readfield are elderly households. Of those, 88 (55%) have incomes below 60 percent of the median. Ninety-four percent of elderly households own their own homes.
 - As of 2002, MSHA estimated that there were:
 - **90 very-low income households (under \$17,600), including 27 renters,**
 - **185 low income households (\$17,600 to \$29,400), including 46 renters,**
 - and
 - **319 moderate income households (\$29,400 to \$47,000).**

In all cases, seniors accounted for 35-40 percent of the total.

A "very-low income" household can "afford" a gross rent of no more than \$440, or a home priced at no more than \$50,000.
- **Unmet Demand = 35 Subsidized Rental Units** – MSHA has several programs aimed at increased affordability and home ownership. MSHA’s “First-time Homeowner’s Program” has been used in Readfield with a total of 17 participants between 1998 and 2002. That is 11 percent of the total 151 homes sold during

that period. MSHA also estimates renter households that need assistance making just 50 percent of median income. MSHA estimates there were 38 families in 2002 including 8 seniors that were renter households. There were three subsidized rental units available. That leaves an unmet demand of 35 subsidized rental units.

- An Elderly Housing Market Study prepared in 1991 to assess the demand for 10 to 12 units of subsidized rental housing for elderly households indicated:
 - Currently, there are no subsidized housing projects for families or elderly households in the market area [Readfield, Fayette, Mount Vernon, Vienna, Wayne]. At that time, the nearby communities of Manchester and Winthrop have a total of 40 units for elderly households and 49 units for family households. In Winthrop there are 10 names on the waiting list for 1-bedroom units, and 22 names on the waiting list for 2 bedroom units. In Manchester, Dirigo Housing Associates has approximately 84 families waiting for housing, and approximately 42 elderly households waiting for housing.
- The Readfield Development Foundation [Who/What is this?] feels that many elderly residents face the painful uncertainty of being forced by finances and poor health into moving from their homes. Given a choice, they would prefer to remain in the community where they have lived their lives. Local realtor, Gary Keilty has noted that he has seen many elderlies moving out of the area simply because there are few options in the Readfield area for the elderly.
- Additionally, a report prepared by the Department of Human Services Bureau of Elderly and Adult Services estimated that Readfield has a market for 19 units of congregate housing.
- In 2003 the town supported a grant application for funding under the Community Block Development Grant to do a more focused market analysis and proposal to site an elderly housing complex in the Readfield Corner area. The decision on that application required additional investment by the town for a public water supply and was therefore not pursued further. **[Solution: Get other sources of funding!]**

- **Housing Growth Projections: (all types)**
 - The majority of new homes in the future will be in the middle-to-upper price range
 - If all of the new housing is designed for middle-class families, the town will gradually lose young people, senior citizens and others who add to the community's diversity.
 - This trend requires increased attention to the affordable housing issue.

- Goals and Policies
 - Goal: **Strive** [NOTE: the use of “strive” in an action plan is a JOKE to success-oriented managers.] for at least two new housing units per year to be affordable to households earning less than 80 percent of the median income for the Augusta Housing Market Area. In 2002 that would have meant single-family homes selling for less than \$95,000 or rentals with gross rent under \$840/month.
 - Policies:
 - 4.1 Work with local builders and developers to provide a diverse variety of new housing priced below the chosen affordability level.
 - [Eric, is this done and done with excellence?]
 - SEE Page 57 for additional detail.
- Goal: Maintain taxes as low as practicable.
 - Policy: 5.12 Promote the use of special assessments or public facility impact fees, which would ensure that new and existing developments requiring improved or expanded town services or facilities pay their fair share of the municipal costs, especially transportation, education, recreation/open space and solid waste disposal.
 - Investigate special assessments as a means to raise revenue for downtown improvements in Readfield Corner.
- **Financially speaking? Shift costs of necessary infrastructure investment.**
- 5.14 Require developers to provide necessary facilities to serve new developments including upgrades to existing public facilities, if necessary.
 - ... as part of the Planning Board review process...
 - **Incorporate requirements or options** for designation of open space and **affordable housing into the subdivision review standard.**

Data – Needed

- **Results/Successes of Goals/Policies above?**
- **Current housing permits Per Year + 5-Year Average?**
- **LUO supportive improvements / results (ADU allowances in Village, e.g.)?**
- **Public/Private Partnerships successes?**
- **Incomplete subdivisions – by # of unbuilt lots? (SEE Table 10-1 in 2009 CP for through the Year 2008 of all subdivisions)**

- **Note: Age Friendly Committee survey missed 92% of target Age Group ... How can we hear say, from 60% of the 65+ Age Group?**
- **Other? ...**

Current Issues / How-To's, etc.

- **Vision of a past SB Member for “accessible housing’ in Readfield:**
 - 24 unit accessible housing
 - Helps with Readfield’s current school building excess capacity
 - Transportation by KVCAP
 - Realizes Town’s long-supported policies / goals
 - More to come on this...
- **Vision of another Town leader for elderly housing:**
 - Convert an existing building
 - More to come on this...
- **Great Models For Accessible Housing ...**
 - **“Residents Feared Low-Income Housing Would Ruin Their Suburb. It Didn’t.”**
 - Low Income Housing Success – New Berlin, Wis.
 - <https://www.nytimes.com/2020/11/05/us/affordable-housing-suburbs.html>
 - Lessons: 1. Structure is gorgeous, 2. HUD funds easier to get under Democratic administrations, and 3. Promote, Promote, Promote!
 - **The Germans know Cars! ...and “Accessible Housing”**
 - <https://www.smithsonianmag.com/travel/after-almost-500-years-german-utopia-is-still-going-strong-180973787/> and
 - <https://www.dw.com/en/fuggerei-the-worlds-oldest-social-housing-project/a-58928076>
 - Lessons: 1. Build to last, 2. Charge only 1 Euro / Year.
 - **PMI – Preservation Management, Inc.** – based in South Portland
<https://www.preservationmanagement.com/>

Who We Are

Preservation Management, Inc. (PMI) has been providing comprehensive residential property management services since

1990. We take great pride in the level of customer service we provide to our business partners and residents.

Headquartered in South Portland, Maine, Preservation Management, Inc is a full-service residential property management firm, specializing in affordable residential multifamily, subsidized and tax credit properties. PMI's portfolio includes over 100 properties, consisting of over 10,000 units in 18 states, and is growing steadily in the region it serves.

What is Affordable Housing?

Everyone deserves a place to call home. Affordable housing is housing that a household can pay for, while still having money left over for other necessities like food, transportation, and health care. In the United States, **"affordable housing" is housing, rent or a mortgage plus utility payments, totaling 30% or less of a household's gross income.**

Next Steps to Success in Providing Accessible Housing in Readfield

1. **Learn** – from prior CPs' and SB's struggles with providing accessible housing – just build it as a special project. ...no, "negotiate with subdivision builders", et al.
2. **Expertise** – Assemble a team of experts – a new Committee:
 - a. Lawyer, contractor (preferably retired, w/o obligations), architect, and a few others.
3. **2022 CP Policy and Goal DRAFT**
 - a. **Policy = Readfield will provide ... through a New Committee**
 - b. **Goal = New Committee will create and oversee ...**
 - a. Strategic Action Plan with actionable elements including
 - b. Vision and Mission statements
 - c. KPIs (Key Performance Indicators), with

- d. Regular, measurable reporting to the SB and Town
- 4. Other?

Other Housing Chapter Items For 2022 CP

- 1. LUO improvements?
 - a. More accommodations to ADUs, density, etc.?
- 2. More directive / assertive promotion of Growth Areas development?
- 3. Major tree planting – Marius Peladeau vision: “Old photo shows a ‘tunnel of trees’ up Church Street! We need to get that back in town!”
- 4. Failing septic system action plan?
- 5. Climate change implications?
- 6. High speed internet implications?
- 7. Other?