



918 Brighton Avenue | Portland, Maine 04102

December 14, 2009

City of Portland Planning Board  
c/o Ms. Barbara Barhydt  
Portland City Hall  
389 Congress Street  
Portland, Maine 04101

**RE: Zoning Amendment Application  
18 Luther Street, Peaks Island, Tax Map 87, Block Z, Lots 15, 16 & 17**

Dear Members of the Planning Board:

On behalf of HOMESTART Affordable Housing, we are pleased to submit the attached Zoning Amendment Application for 18 Luther Street, Peaks Island. The applicant is seeking the creation of a Conditional Zone to allow the development of two new single-family affordable and efficient housing units on Peaks Island.

### **Project Background**

HOMESTART is a non-profit (501c-3) community-based volunteer organization founded to create affordable housing on Peaks Island. HOMESTART grew out of a volunteer group that came together to develop a long-range vision for the island and eventually published the *Peaks Island Neighborhood Plan*. The affordable housing subcommittee of the volunteer group developed into a working board and then incorporated into HOMESTART. Since its inception, HOMESTART has worked diligently to develop strategies to create lower housing cost solutions for families on Peaks Island.

Since 2004, HOMESTART has explored various options both for renovation of existing buildings and new construction affordable housing opportunities on the island. In the fall of 2007, HOMESTART purchased 18 Luther Street and has rented it as an affordable housing unit.

HOMESTART has made several efforts to develop the 18 Luther Street parcel, which have included consideration of purchasing a neighboring property and building three duplex units and using the existing plot to build two duplexes. During 2007-08, HOMESTART held numerous meetings with community members, abutting neighbors and the newly forming Peaks Island Council to discuss the options. The community urged HOMESTART to slow down, complete a housing needs assessment and to consider a smaller scale plan.

In February 2009, HOMESTART hired Planning Decisions Inc. to prepare the Peaks Island Affordable Housing Needs Assessment Report (February, 2009) in order to provide real data on the affordable housing issue on the island. PDI facilitated a community conversation in September to help in structuring the assessment tool. PDI surveyed the island residents to determine the desire and need for affordable housing. Respondents to the survey included people of all incomes, ages, property owners and renters as well as single and married residents. Forty-six (46%) of Peaks Island year round residents indicated that increased costs may force them to leave the Island. As well, the study found that "one in six year round survey respondents are interested in moving into affordable housing. 19 year round survey respondents are possibly interested in buying an affordable home". Personal informational interviews were conducted

with 24 islanders to learn how residents felt about affordable housing and HOMESTART plans. A second community meeting was held in January to report out on the survey results.

Given this data, and in an effort to meet this demand for affordable housing on Peaks Island, HOMESTART seeks to construct two single-family affordable homes on the 18 Luther Street parcel.

At a Peaks Island Council Workshop meeting on April 15, 2009, HOMESTART presented a request for support of the creation of two additional affordable energy efficient homes at 18 Luther Street. On April 25, HOMESTART and PIC engaged in a special Public Workshop to discuss the proposal. The PIC discussed the proposal at a Business Meeting on April 29. HOMESTART held a public community meeting regarding the proposal on May 2. At the PIC Workshop of May 11, Councilors agreed to draft three resolutions, including one addressing 18 Luther Street. The resolutions were posted on the PIC website for public review. At the PIC Business Meeting of May 27, Councilors discussed and amended three resolutions, including one for 18 Luther. Public comment was taken. The PIC voted to support the resolution 5 in favor and 2 opposed.

The homes will be available for purchase to Peaks Island residents who qualify as modest income, those at 80% to 120% of the HUD area median income guidelines. HOMESTART's goal is to sell the homes at a monthly carrying cost of 30% to 35% of the homeowner's gross income. This means that a family earning \$67,000 will pay between \$1,675 and \$1,954 monthly for mortgage, taxes, insurance and basic heat and electricity.

### **Existing Conditions and Existing Zoning**

The 16,271 square-foot parcel at 18 Luther Street is identified on the City of Portland Assessor's Map as Tax Map 87, Block Z, Lots 15, 16 & 17 (see attached Tax Map 87). It is important to note, that the 3 lots proposed are the same lots that were part of the subdivision that created this area, long before zoning existed. The combined parcel is located in the Island Residential, IR-2 zone, which has a minimum of 20,000 Sq. ft lot requirement. Currently a single-family house exists along the westerly portion of the site, within lot 17, with the remaining area (lots 15 & 16) being wooded and undeveloped.

The proposed lots are serviced by a paved road, public water supply, overhead electrical service and sanitary sewer service in the Luther Street right of way.

### **Proposed Development**

The applicant proposes the development of two additional single-family houses in addition to the existing house on lot sizes of 5300 sq feet. Although this lot size does not meet current zoning, it is consistent with the historical lot sizes developed on the island. Because the minimum lot requirement of the IR-2 zone does not allow for the this density, HOMESTART seeks the creation of Conditional Zone in order to permit the proposed redevelopment and reuse of the property from a single-family residence to three (3) single-family residential units

Overhead electrical and telephone utilities will be supplied by existing overhead utilities along Luther Street. Sanitary sewer and water utilities will be extended from the existing utilities along Luther Street. Construction cost for the two new units are estimated to be \$377,800 (inclusive of

both house and site costs.) The applicant hopes to commence construction in the spring of 2010 with completion set for July 2010.

Interested buyers will be pre-qualified through an application and evaluation process independent of HOMESTART Board members. Selected candidates will be introduced to Maine State Housing and Portland HomePort programs, which offer low interest mortgages, assistance with closing costs and require homeowner educational programs.

The homes will be sold but will remain as affordable housing stock through deed restrictions. Such deed restriction will clearly state a pre-established formula to determine the resale value, allow for the recapture of capital improvements, and determine the difference between general maintenance and capital improvements. In exchange for an upfront subsidy in the purchase, the owner-occupant will be required to resell the home to a buyer who is income-eligible for a specified, formula-determined price. The owner occupant will realize some percentage of the market increase upon the sale while preserving the affordability subsidy. All affordability deed restrictions or conditions within any deed conveyed out by HOMESTART will be stated in the home documents and identified on the approved Site Plan for the property. HOMESTART will seek review and approval of such restrictions by the City of Portland and will designate the City as a monitor of such restrictions.

The homes will remain on the City of Portland tax roles. Prior to the initial sale of the homes, assessment specifics will be obtained from the City's Assessor's office.

The proposed homes will be designed to be architecturally well proportioned and detailed with rhythm and forms that are compatible to the patterns of Luther Street and Peaks Island. Consistent with the vernacular of the area, two-story gable roof, narrow edge toward the street homes will be constructed. Front porches and rafter-tail cottage details will be used, consistent with surrounding homes.

The homes will be constructed to meet green building standards, including high performance building envelopes, minimal mechanical systems including fossil free heating systems. Using green building standards, the affordability of utility costs will remain low for the owners, providing additional affordability to them.

### **Proposed Conditional Zone**

The existing zoning on the site is "IR-2 – Island Residential". The minimum lot size for residential uses is 20,000 square feet. In order to develop two new affordable single-family residences on this property, the applicant is requesting the creation of a 16,271 s.f. Conditional Zone for this site (see attached site plan.) The applicant proposes to have the underlying dimensional requirements of the IR-2 zone apply and be modified as follows:

	<u>IR-2 Zone Requirements</u>	<u>Proposed Conditional Zone</u>
Minimum Lot Area	20,000	5,300
Min. Street Frontage	70	50
Min. Front Yard Setback	25	10
Min. Rear Yard Setback	25	25
Min. Side Yard Setback	20	8
Max. Building Height	35	35
Min. Lot Width	80	50
Max. Lot Coverage	20% of lot	28% of lot

The reduction in side setbacks is needed to provide for sufficient building area for the homes. They are located on the lots to provide maximum distance between the neighboring lots while by default they are consistent with historical setbacks used on the island. The front yard setback has been reduced to bring the homes in-line with others on the street, while maximizing the rear yard setback.

The creation of the proposed Conditional Zone would enable the creation of two new single-family affordable homes and one existing home to be sold as affordable units. The development of affordable housing on this site is compatible with many of the policies and actions on the City's Comprehensive Plan and the City's strategic housing plan -- *Housing: Sustaining Portland's Future*, dated November 18, 2002. For example, the following strategic plan actions will be realized with the creation of the proposed Conditional Zone:

*Action 1.a.3: Develop financial incentives, partnerships, zoning incentives and non-regulatory options to increase the diversity of Portland's housing stock.* (The proposed Conditional Zone will provide the financial incentives to be able to develop the homes and provide affordable housing where it is desperately needed).

*Action 5.b.1: Locate new housing along or within walking distance of major transportation corridors.* (The proposed development is within walking distance to the Casco Bay Line ferry terminal, which provides easy access to Portland's downtown district, and Peaks Island amenities.)

*Action 5.b.2: Encourage in-fill development on vacant lots along City streets.* (The proposed Conditional Zone allows for in-fill development on existing undeveloped land along Luther Street, an existing City street.)

*Action 5.e.3: Explore ways to use zoning and other regulatory tools to encourage environmentally friendly development.* (The proposed Conditional Zone allows for the development of 2 new homes on a small footprint, thus minimizing the impact to the environment and the homes will be on public water and sewer.)

*Action 5.f.2: Encourage energy efficient rehabilitation and new construction for City assisted housing.* (The proposed Conditional Zone will allow for the rehabilitation of the existing home for greater energy efficiency and allow for the development of two new homes that will be primarily heated by fossil free fuels.)

This conditional zone complies with the proposed policies and actions outlined in *Housing: Sustaining Portland's Future*. The goal of the 18 Luther Street project is to provide additional affordable housing to the residents of Peaks Island. The proposed Conditional Zone for this project is a mechanism to help HOMESTART attain these goals as well as diversify and sustain the housing stock on Peaks Island.

Enclosed you will find seven (7) copies of the Zoning Amendment Application, seven (7) copies of the proposed Site Plan, and a check for \$2,250.00. I trust you will find the information sufficient for review. We look forward to working with the City to finalize the Conditional Zone that will help to provide affordable homes on Peaks Island.

Respectfully,



William R. Walsh, III, PE  
Walsh Engineering Associates, Inc.

- Enc.   Zoning Amendment Application (7 sets)  
          Conditional Zone Agreement – Draft (7 sets)  
          Site Plan  
          Application fee
- cc.   Jane Banquer – President HOMESTART  
      Mary Terry – Island Institute Fellow, Peaks Island  
      Bill Floyd – Genesis Community Loan Fund  
      Ellen Mahoney – HOMESTART  
      Dick Reed – HOMESTART  
      Chris Roberts - HOMESTART