



**Northern  
Maine  
Development  
Commission**



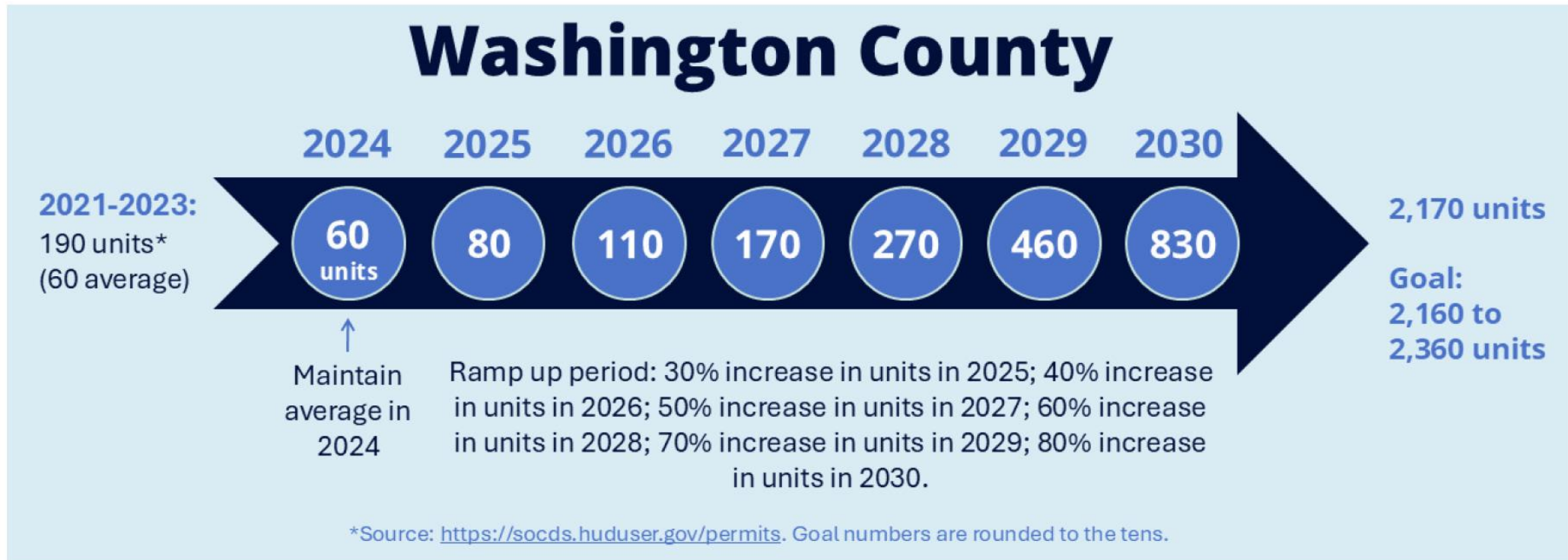
# **BRIDGING THE GAPS: ADDRESSING RURAL HOUSING NEEDS**

# HISTORIC UNDERPRODUCTION

## Aroostook County



# HISTORIC UNDERPRODUCTION



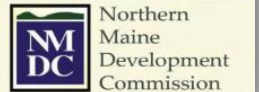
# THE TOOLKIT



Empowering Communities,  
Building Futures:  
Guiding Affordable Housing  
for Builders and Municipalities in  
Aroostook County



FUNDED BY A GRANT FROM MAINE DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT



# CONTRIBUTORS

The Steering Committee consisted of professionals in real estate, municipal management, low-income housing, social services, code enforcement, and utilities.

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**Disclaimer:** The acknowledgments made herein reflect the author's gratitude towards the individuals, and entities that have supported the development of this work. These acknowledgments are expressions of appreciation and do not constitute endorsements by the mentioned parties of the content, conclusions, or interpretations presented in this publication.

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### Commonly Used Terms

Municipal comprehensive planning involves various terms and concepts. These terms provide a foundational understanding of the vocabulary commonly used in municipal comprehensive planning. Keep in mind that the specific definitions and usage may vary slightly depending on local regulations and planning practices.

Here are some common words used in municipal comprehensive planning along with their definitions:

**Zoning:** The division of a municipality into zones or districts with specific land use regulations and restrictions to control and guide the development of different areas.

**Land Use:** The purpose for which land or a particular area is utilized, such as residential, commercial, industrial, agricultural, or recreational.

**Infrastructure:** The fundamental physical and organizational structures and facilities needed for the operation of a municipality, including transportation systems, utilities, and public services.

**Zoning Ordinance:** A legal document that outlines the specific regulations and requirements for land use and development within different zones of a municipality.

**Comprehensive Plan:** A long-term planning document that outlines the community's vision, goals, and strategies for future growth and development, covering aspects like land use, transportation, housing, and more.

**Smart Growth:** A planning approach that focuses on sustainable and balanced development, emphasizing efficient land use, walkable communities, and a mix of land uses.

**Density:** The number of dwelling units or people per unit of area, often measured as dwellings per acre or residents per square mile.

**Mixed-Use Development:** The development of an area that combines different types of land uses, such as residential, commercial, and recreational, within a single project.

**Green Space/Open Space:** Undeveloped land or areas designated for parks, recreation, and conservation, providing environmental and aesthetic benefits to the community.

**Brownfield:** Abandoned or underutilized industrial or commercial properties where redevelopment is hindered by the presence of contaminants. Brownfield redevelopment aims to revitalize these areas.

**Master Plan:** A comprehensive and long-range plan that serves as a framework for more detailed planning efforts, often guiding development for a municipality.

**Stakeholder:** Individuals, groups, or organizations that have an interest or concern in the planning and development of a community, including residents, businesses, and government agencies.

**Transit-Oriented Development (TOD):** A type of development that focuses on creating compact, walkable communities centered around public transportation hubs to reduce reliance on personal vehicles.

**Infill Development:** The development of vacant or underused parcels of land within existing urban or suburban areas, promoting efficient land use and revitalization of established communities.

**Concurrency:** A planning principle that ensures that infrastructure and public services keep pace with development, preventing undue strain on resources.

**Multi-family Dwelling:** A structure containing three (3) or more dwelling units.

Commonly Used Terms

Why Do We Need Affordable Housing?

Comprehensive Planning

Step Guide to Writing a Comprehensive Plan

Housing Availability

Equities

Planning Districts

or Mixed Use Multi-Family in Commercial Districts

Minimum Lot Width and Area Requirements

by Houston, Texas

Eliminate Minimum Parking Requirements

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Adaptive Reuse: John Huse Memorial School Apartments

Unlocking Affordable Housing: ATIFF's

Cast Study: ACAP Weatherization Program

LD2003 Model Wording for Municipalities

Dear reader,

Nestled in the heart of Maine, Aroostook County is facing a challenge: the growing crisis of housing affordability. This issue doesn't discriminate, touching the lives of the elderly, new families, working adults, and single-parent households. Beyond the personal struggle, it's also becoming a roadblock to economic growth and job creation across our communities, each with its unique set of hurdles.

In 2022, Maine's legislature passed LD 2003, An Act to Implement the Recommendations of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions, which had a goal of alleviating the housing affordability in Maine by increasing housing opportunities. LD 2003 is designed to remove unnecessary barriers to housing development.

Municipal officials, Housing Authority staff, developers, community advocates, and residents, must be prepared to evaluate housing needs and effectively advocate for local housing policies in diverse communities across Aroostook County. This requires a thorough understanding of market trends, a working knowledge of various local policies and their impact on housing costs and development, and a compelling benefits case for multifamily housing. This toolkit is intended to help stakeholders engage in local housing policy conversations by providing a framework for understanding how local government policy impacts housing affordability.

This toolkit is your compass. It's designed to guide conversations about local housing policy, offering a framework to understand how government decisions directly impact housing affordability. As we navigate through this journey, we must equip our municipalities with the tools and adaptability to address the needs of our residents. This means crafting comprehensive plans that not only identify growth areas and opportunities for growth but also ensure the upgrade of essential services while maintaining our unique landscape.

Our collective vision should be reflected in updated zoning and land use regulations that breathe life into these plans. We're seeing the seeds of change through innovative solutions like inclusionary housing, mixed-use zoning, and a variety of housing types, including tiny homes, bringing diversity and vitality to our communities.

As we stand at the threshold of planning and funding affordable housing, this toolkit is your invitation to join the conversation. While it's not a magic wand to solve every issue or tailored to each town's unique story, it's a steppingstone towards understanding and action.

Thank you,



Jay Kamm, Senior Planner  
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# WHY THE NEED FOR AFFORDABLE HOUSING?

- Aging Population- Increased demand for senior housing and fewer homes for younger families
- Pandemic Migration- Influx of out-of-state buyers
- Low Housing Stock- Limited new development since 2008; high construction costs
- Zoning Restrictions- Regulations limit affordable, high-density housing
- Tourism impact- Short Term rentals reduce long-term housing availability
- Affordable Housing Gaps- Inconsistent funding and slow development of affordable options



# Comprehensive Planning

Comprehensive planning is a process that determines community goals and vision in terms of community development. The product is called a comprehensive, or master plan. The resulting document supports growth in public policies on transportation, utilities, land use, recreation, and housing.

Comprehensive plans typically encompass geographical areas and a broad range of topics. In Maine, the planning document covers 10 years and municipalities should be reviewing the document annually but no less frequently than every 5 years. It allows for citizen participation and an opportunity to brainstorm, debate, and discuss the future of the community. Strong public participation usually enjoys robust community support.

Maine adopted the Comprehensive Planning and Land Use Act (ACT) in 1988 which continued a long tradition of land use planning. The Act establishes a cooperative program of comprehensive planning (the Plan) and land use management (the ordinance).

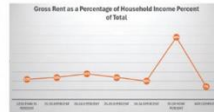
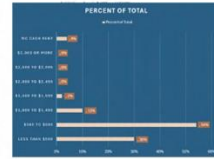
A comprehensive plan provides a vision for the future of a municipality along with the steps that are needed to make that vision a reality. From a housing standpoint, a comprehensive plan should identify where a variety of housing should be located (affordable, workforce, elderly, single or multi-family), make recommendations on minimum lot sizes, identify needed public infrastructure such as water and sewer that supports development, and develop a capital investment plan that identifies likely funding sources.



## AFFORDABLE HOUSING AVAILABILITY

A review of home selling prices for 2022 was completed through records provided by the City Office (recorded real estate transfers). These comparisons were based on all home sales within "Our" community during the period, including foreclosure, mobile homes, and urban and rural properties. They do not include sales due to family transfers or divorces. The average for 11 months in 2022 was a total of 115 home sales were considered as part of the housing affordability study. During the period, the average sale price was \$105,136 with a high of \$408,000 and a low of \$4,000.

- At least 18 (15%) home sales in 2018 were affordable to very low-income families
- At least 46 (39%) home sales were affordable to low-income families. The moderate-income families had the widest available options for home sales.
- Very low-income families had the fewest options but still had potential access to over 15 percent of the sales during the period.



In our sample community, the comprehensive planning committee's conclusions might be that housing affordability wasn't an issue... yet... but increasing housing costs, especially as home sale prices is a cause for concern. Rental affordability also isn't an issue at that point in time.

Comprehensive Planning: A Manual for Maine Communities  
www.maine.gov/dacf/municipalplanning

## RENTAL AFFORDABILITY

According to the US Census, rental units make up 1,829 or 49.8 percent of the total housing stock. Rental affordability was determined with US Census information utilizing the following two (2) tables.

## PUBLIC FACILITIES AND SERVICES

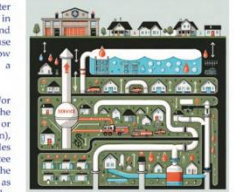
The planning committee also needs to review solid waste management to include collection services, recycling programs, and other programs such as town-wide cleanup. As housing grows within the community, the committee needs to determine volume trends and associated costs and sources of funding for disposal and the capacity of the facility to be able to handle future volumes. It is important to maintain a strong working relationship with the operator of the transfer station and/or landfill and incinerator.

The services and facilities that a municipality provides to its residents are heavily dependent on and impacted by changing development patterns. These services include but are not limited to public water and sewer, fire and police protection, education, solid waste management, and even municipal services in the town or city office. Public facilities and services and land use/proposed land use (discussed below) often go hand with how development patterns emerge within a community.

If the municipality has a public sewer and/or public water supply, the service may be the responsibility of the municipality, of a sewer or water district (a quasi-municipal corporation), or of a private company. Whoever provides these services, it is crucial that the committee establish a working relationship with the people in charge as early in the process as possible. Ideally, a representative of the department, district, or company will be invited to serve on the comprehensive planning committee. Public sewer and public water supply so strongly influence the pattern of development that those systems must be well understood by the planning committee, and those in charge of services must learn about and appreciate the committee's goals, especially when it comes to proposed development.

In the case of both water and sewer, the planning committee should identify the service area of the department or district, past expansions, and any known future expansion plans. Additionally important is the discussion and inventory of the capacity of the facilities to accommodate projected future growth and demand.

Housing demand increases and the municipality looks at increasing number of units, greater housing density, and a mixed use in neighborhoods, it is important to work with the Fire Chief and Highway Department Foreman. The planning committee should determine how changing development patterns have affected each department and their ability to continue to provide services. Questions often asked include "does the fire department need additional equipment or personnel to meet the needs of future growth" or "is the community being asked to accept new roads or increase the number of miles they have to plow in the winter?"



Highway and fire department staff should be part of the discussion during the discussion of new subdivisions and new road construction

Highway and fire department staff should be part of the discussion during the discussion of new subdivisions and new road construction

# COMPREHENSIVE PLANNING



# Land Use

State Goal: To encourage orderly growth and development in appropriate areas of each community and region, while protecting the State's rural character, making efficient use of public services and preventing development sprawl.

The land use component is one of the most important of the comprehensive plan. Reviewing past and present land uses, the location and amount of land available and suitable for particular purposes can be determined. Many of the issues listed above (Housing, Public Facilities and Services) revolve around and directly influence land use. In reality, land use ties all of the sections of a comprehensive plan together, and should be one of the last sections of a plan to be developed and a determination made on how each, housing, public facilities, and others, affects land use.

Most municipalities in Maine are required to designate a "Growth" and "Rural" area. Growth areas are, as the name implies, locations where the most future development should occur. This designation is an opportunity for the planning committee to begin to think about where smaller, more dense, and more affordable residential development should occur. These should be areas of the community that are either served by public infrastructure or have sufficient resources available to provide adequate water and sewers. Rural areas of the community should see less development pressure.

During the development of a plan, the planning committee needs to inventory the amount, type, intensity of current land uses such as residential, commercial, agricultural and forest lands; soil types and characteristics, natural resources, transportation networks, housing needs, demographics, the local and regional economy, and public facilities and services. Planning committees should also analyze trends in the supply, demand, and

prices of land and buildings. Planning committees should also be reviewing current zoning and land use regulations and determine what is working and what is not. An example may be actual larger minimum lot size on the ground than those listed by the ordinance. The land use section is a great opportunity to map current land uses, overlay with existing zoning, and visually determine trends and opportunity. These inventories are then analyzed and reflected in a Proposed Land Use Plan. In

Use Plan should be revised by revising existing by developing new

Below is an example inventory and a Rural areas.



The proposed implementation of Planning committee "What do we need the Land Use section to determine the type help direct development areas and help provide more affordable housing opportunity to review the comments participation and

# Zoning

Now comes the time to implement your community's comprehensive plan through the development of a zoning or land use ordinance. The creation or update of the zoning ordinance needs to be supported by a comprehensive plan. Designated zone districts are what use-based ordinances are rooted in. Land in the community can be divided into types of zoning districts such as residential, industrial, commercial, etc. Based on the district, certain uses are allowed while others require additional review by the Planning Board. Unlisted uses are generally not permitted, and some communities include a list of prohibited uses. Rethinking how zone districts are formulated provides a significant opportunity to meet the diverse needs of communities and make ordinances more practical and user-friendly.

While neighborhoods and districts have variation, there are other ways to use zone districts to regulate that complexity. The district itself does not need to do heavy lifting. Instead, more refined zoning provisions related to the intensity of uses can result in better outcomes for everyone. The tools that follow in this section aim to accomplish the following:

- Make your zoning ordinance more user-friendly – for residents, developers, staff, and elected/appointed officials.
- Expand allowable uses and integrate mixed-use categories of uses for greater housing choice and affordability.

Refinements in the structure and scope of the code will allow your zoning ordinance to better reflect the current demographic reality, help improve housing affordability and allow for the market to produce housing that meets

Refinements in the structure and code will allow your zoning ordinance to better reflect the current demographic reality, help improve housing affordability and allow for the market to produce housing that meets the needs of existing and future residents.

Overhauling zoning is not a solution to our housing crisis. It is a significant element that allows variety of housing choices and p the marketplace. Local action th is needed if communities wish to meet the needs of all present residents.

## Collapse Zone District

Traditional zoning ordinances land use districts (zones) can be another with small nuances. For example, a community might have a district for single-family dwelling zone district that allows single two-family units, and an R-3 zone allows single-family, two-family, 4-family units. Combining like reduce the overall number of districts eliminate exclusionary practices, opportunities for new investment



# Minimum Dwelling Size

Eliminating minimum dwelling unit size requirements plays a crucial role in supporting affordable housing initiatives by promoting flexibility, efficiency, and diversity in housing options. Traditional zoning regulations often stipulate minimum size standards for residential units, inadvertently driving up construction costs and limiting the variety of affordable housing that can be developed.

By removing these size restrictions, developers gain the freedom to create smaller, more space-efficient housing units. This allows for the construction of compact apartments, micro-units, and accessory dwelling units (ADUs), which are often more affordable to build and maintain. Smaller dwelling units require less land, fewer materials, and shorter construction periods, translating into reduced overall development costs.

Eliminating size requirements also encourages the development of more housing units within a given space. Increased density, facilitated by smaller dwelling units, maximizes land use efficiency and addresses the growing demand for urban living. This approach is particularly effective in high-demand urban areas where land availability is limited. As a result, a greater number of individuals and families can access housing options that fit their needs and financial means, contributing to a more inclusive and affordable housing landscape. The elimination of minimum dwelling unit size supports a dynamic and responsive approach to housing development, fostering affordability, sustainability, and increased housing choices for diverse communities.

Since the 1970s, the average household size in the United States has been steadily falling. Just under 129,000, or 37%, of the 347,000 households in Maine are households with children under the age of 18. This means 60% of all households are comprised of a single adult or two adults without children at home.

LD 2003 establishes a minimum dimensional requirements for dwelling units. A municipality cannot establish dimensional requirements for additional dwelling units on a lot that are more restrictive than dimensional requirements for a single-family unit, 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.  
MDECD LD2003 GUIDANCE

Young professionals and empty nesters are both more likely to prioritize the location of their homes over the size of the house. Communities that revisit minimum dwelling unit sizes can better accommodate the shifting demands toward lower maintenance and higher amenity options like cottage courtyards, townhomes, and condominiums. In high-growth markets with many young professionals seeking to live close to downtown, studio apartments are also an important option. Combine this tool with Reduce Minimum Lot Area and Width Requirements or more flexible density standards, and this is a winner for creating more affordable housing.

## What is an Accessory Dwelling Unit?

An Accessory Dwelling Unit (ADU) is a secondary residential unit located on the same property as a primary dwelling. Also known as a granny flat, in-law suite, or backyard cottage, ADUs provide additional living space and are

# LAND USE, ZONING, DWELLING SIZE

# What Role Do Tiny Homes Play in Affordable Housing?

1. **Affordability:** Tiny homes offer a more affordable housing option compared to traditional homes, making homeownership accessible to a broader segment of the population, including young adults, seniors, and those on fixed incomes.

2. **Housing Stock:** By integrating tiny homes into the housing market, communities can increase their overall housing stock, especially in areas facing shortages of affordable housing options.

3. **Resiliency:** Tiny homes often have a smaller carbon footprint due to their reduced size, requiring less energy for heating and cooling.

4. **Versatility:** Tiny homes can serve various housing needs, including serving as accessory dwelling units (ADUs) for family members or as rental properties, providing homeowners with additional income sources.

5. **Underutilized Land:** Tiny homes can be placed on smaller or irregularly shaped lots that may not be suitable for traditional homes, making use of land that otherwise would remain vacant.

6. **Local Economy:** The construction and maintenance of tiny homes can provide a boost to the local economy through job creation in construction, manufacturing of tiny homes, and services related to downsizing and minimalist living.

7. **Reduced Infrastructure Strain:** Because of their size, tiny homes typically require less in terms of utilities and infrastructure, potentially reducing the strain on local resources and services.

8. **Innovation:** The tiny home movement encourages innovation in housing design and construction, leading to new building techniques, materials, and sustainability practices.

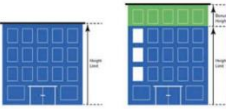


# TINY HOMES & AFFORDABLE HOUSING

## Density and Height Bonuses

Density and height bonuses are urban planning tools aimed at encouraging certain types of development and achieving specific goals within a city. Density bonuses involve allowing developers to build more units on a given piece of land than standard zoning regulations permit. In exchange for incorporating features like affordable housing units, public spaces, or sustainable design elements, developers receive permission to increase the overall density of their projects. This not only promotes a mix of land uses but also addresses housing affordability and community needs.

Similarly, height bonuses allow developers to exceed the maximum height restrictions established by zoning codes. In return for incorporating designated community benefits, such as green spaces, public art installations, or affordable housing components, developers gain the flexibility to construct taller buildings. Height bonuses contribute to maximizing land use, especially in densely populated urban areas, and can result in more visually appealing and functional structures. Both density and height bonuses play vital roles in fostering more sustainable and inclusive urban development. By incentivizing developers to contribute to the broader community's well-being, these tools help create more vibrant, diverse, and livable cities. However, their successful implementation requires careful consideration of local context, community engagement, and the specific goals of urban planning initiatives.



### Affordable Housing Density Bonus

30-A MRSA §4364

To qualify for this bonus, the development must:

1. Be approved after June 30, 2023
2. Include a certain number of rent or sales price restricted affordable housing units
3. Be in a growth area under section 4349-A, subsection 1, paragraph A or B, or served by water and sewer
4. Be in an area in which multifamily dwellings are allowed
5. Meet shoreland zoning requirements, meet minimum lot sizes if using subsurface waste disposal, and verify that water and sewer capacity is adequate for the development

### BONUSES FOR AN AFFORDABLE HOUSING DEVELOPMENT

If eligible, the affordable housing development qualifies for the following exceptions to the zoning requirements in the community:

1. The number of units allowed will be 2.5 times the number allowed for a development not designated affordable
2. The off-street parking requirements may not exceed two spaces for every three units

So, for example, if a developer can build up to six units on a site under local rules, and designates the development as affordable, the developer would be eligible to build 15 units (6 x 2.5). The local offstreet parking requirement for this development could not exceed ten spaces (15 x 2/3).

(11-2013 Guidance, Maine Department of Economic and Community Development)

## Missing Middle Housing

Missing Middle Housing represents a housing typology that fills the gap between single-family homes and large apartment buildings, offering a diverse range of housing options in terms of size, density, and affordability. Coined by architect Daniel Parolek, the concept addresses the need for more diverse housing choices that cater to a variety of lifestyles, family sizes, and income levels. This innovative approach aims to create more inclusive and sustainable communities by providing housing options that are often absent in traditional zoning and development.

human-scale approach, blending seamlessly into established neighborhoods while contributing to increased housing diversity.

One of the key advantages of Missing Middle Housing is its potential to address the affordability crisis in urban and suburban areas. By introducing smaller, more efficiently designed units, these housing types can provide affordable options for a broader demographic, including young professionals, families, and seniors. The diversity in housing size and configuration allows for a mix of



At its core, Missing Middle Housing encompasses a spectrum of housing types that include duplexes, triplexes, fourplexes, townhouses, courtyard apartments, and other medium-density developments. These housing forms share a common characteristic of being contextually integrated into existing neighborhoods, respecting the scale and character of the surrounding built environment. Unlike high-rise developments, Missing Middle Housing offers a more

income levels within a neighborhood, promoting socioeconomic inclusivity and reducing the economic segregation often observed in more homogenous housing developments.

Furthermore, Missing Middle Housing promotes sustainable development by utilizing existing infrastructure more efficiently. These housing types encourage infill development, making use of underutilized or vacant lots within established

## Building Forms and Uses

In numerous neighborhoods, a significant issue revolves around zoning regulations established in the mid-20th century, resulting in the classification of certain properties and lots as "nonconforming." Aligning zoning regulations with the current landscape could prove advantageous. Moreover, introducing flexibility in terms of land use has the potential to stimulate the local economy by fostering entrepreneurship and enhancing housing affordability and ownership opportunities.

### Expanding the use of Home-Based Businesses:

In the past, doctors, lawyers, and various professionals commonly worked from home-based offices. When zoning codes prohibited this, some less conspicuous home-based businesses opted to operate discreetly. The increased prevalence of new technology, delivery services, and adaptable business practices is broadening the feasibility of, and, especially during the COVID-19 pandemic, the necessity for home-based work. In areas where home-based businesses are permitted, potential disturbances can be mitigated by minimal regulation on aspects such as signage, workspace dimensions about the residence size, the number of employees and customers, operating hours, storage, noise levels, and the control of fumes and similar pollutants.

Many communities in Aroostook County have adopted Home Occupation standards as part of their ordinances. There usually are standards for "Minor" and "Major" occupations. Minor are normally not visible or noticeable outside of the building and utilize a small portion of the dwelling municipalities normally allow a percentage 15-25 percent of the dwelling unit or a square footage. Minor Home Occupations normally do not have impacts to the neighborhood and usually have one employee who is the occupant of the

home. Most municipalities in Aroostook County require that a minor home occupation meet a certain standard but do not require a permit. An example of a Minor Home Occupation may be an architect working from their home.

Major Home Occupations are normally defined as being more intrusive to the outside and have an impact on the neighborhood. Municipalities may allow for a larger use of the dwelling but typically no more than 50%. They may also allow for parking and signage. Some municipalities also place restrictions on the number of employees and hours of operation on Major Home Occupations. In nearly all cases, Major Home Occupations require some form of Planning Board review and a permit.

### Let New Buildings Align with Older Buildings

The widespread implementation of suburban zoning norms has led to front setback regulations that surpass those found in older neighborhoods. Placing new buildings further back than existing structures can compromise the character of a neighborhood. To remedy this, consider permitting new buildings to align with older ones or adhere to the least extensive of the existing setback distances.

### Modify Lot Size and Setback Standards

Modifying lot size and setback standards for affordable housing can yield significant benefits in addressing the pressing issue of housing affordability. By relaxing these standards, municipalities create opportunities for more efficient land use, enabling the development of higher-density, cost-effective housing solutions. Smaller lot sizes and reduced setbacks contribute to the

# BONUSES, MIDDLE HOUSING, AND BUILDING FORMS

# Pre-Approved Plans

The implementation of pre-approved Accessory Dwelling Unit (ADU) plans can serve as a transformative strategy in addressing the critical challenge of affordable housing. ADUs, also known as granny flats or backyard cottages, have gained prominence to create additional housing options within existing residential properties. Pre-approved ADU plans streamline and expedite the permitting process, offering a range of benefits that positively impact housing affordability, construction timelines, and overall development.

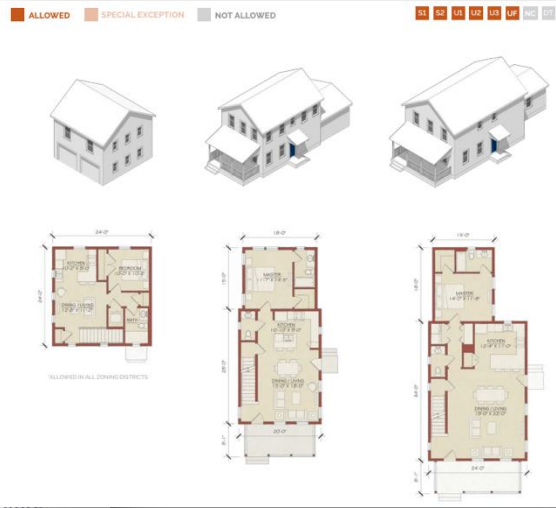
One primary advantage of pre-approved ADU plans is the reduction of bureaucratic hurdles associated with the permitting process. Traditional permitting can be a time-consuming and complex endeavor, often deterring homeowners from pursuing ADU construction. With pre-approved plans, local municipalities and planning boards have already vetted standardized designs, expediting the approval process and minimizing the administrative burden on both homeowners and local planning departments. This efficiency translates into cost savings for homeowners, as shorter approval times reduce associated fees and holding costs.

Another significant benefit lies in the cost-effectiveness of pre-approved ADU plans. Standardized designs allow for economies of scale, as architects and builders can replicate approved plans, reducing design and engineering expenses. Homeowners also benefit from a clearer understanding of construction costs upfront, enabling better financial planning and reducing the risk of unforeseen expenses. This cost predictability contributes to the overall affordability of ADU projects, making them more accessible to a wider range of homeowners and potential renters.

The streamlined process of pre-approved ADU plans facilitates faster construction timelines.

With standardized designs and pre-approved permits, builders can commence construction promptly, shortening the time from permit initiation to completion. Accelerated construction timelines are critical in addressing urgent housing needs, especially in high-demand urban areas facing housing shortages. Faster project completion not only benefits homeowners but also helps alleviate housing pressures by adding new units to the market more quickly.

Pre-approved ADU plans promote consistency and neighborhood compatibility. By offering a selection of standardized designs



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## Case Study: Renton, Washington's Permit Ready Accessory Dwelling Unit (PRADU) program.

Renton, Washington's Permit Ready Accessory Dwelling Unit (PRADU) program provides resources and tools to residential property owners. The program allows homeowners to add independent residential units to their lots. These units can be used as rental properties or to house family members.

The Renton City's Permit Ready Accessory Dwelling Unit (PRADU) Program offers homeowners various supports and resources to construct an ADU. This includes access to complimentary base plans, technical support, a streamlined permit process, and significantly reduced or eliminated administrative charges. Initiated to encourage the development of ADUs as an effective strategy for expanding the city's housing stock, diversifying residential choices, and providing more affordable housing options, the program is open to all property owners within the city limits, with no additional eligibility or income criteria.

The PRADU program includes:

- Free model base plans
- Technical assistance
- An expedited permitting process
- Reduced or waived administrative fees
- A 25-page PRADU Lookbook with architectural renderings and a list of benefits
- Pre-approved ADU models in eight base plans ranging from 418 to 989 square feet
- Pre-designed, pre-engineered, or pre-designed and engineered plans that comply with the city's development and design regulations for building and energy codes
- Reduced preconstruction fees
- Increased support from staff

The PRADU program is designed to simplify the building permit application and review process. Pre-engineered applicants won't need to go through the typical review process, which can save applicants time and money.

# PRE-APPROVED PLANS

**Capital Magnet Fund**

The Capital Magnet Fund was created to spur investment in affordable housing and related economic development efforts that serve low-income families and low-income communities across the country.

<https://www.cdfifund.gov/programs-training/programs/cmf>

**Affordable Housing Competitive Funding Program**

FHLBs award Affordable Housing Competitive Funding Program grants through a competitive application process for members working with community organizations and housing developers to create rental or homeownership opportunities for lower-income households

<https://www.fdic.gov/resources/bankers/affordable-mortgage-lending-center/guide/part-3-docs/affordable-housing-competitive-funding-program.pdf>

**Federal Home Loan Banks (FHLBs)**

The FHLBs are wholesale suppliers of lendable funds to financial institutions of all sizes and many types, including community banks, credit unions, commercial and savings banks, insurance companies and community development financial institutions.

<https://fhlbanks.com/>

**Choice Neighborhoods**

Choice Neighborhoods Planning Grants support the development of comprehensive neighborhood revitalization plans. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan.

[www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/cn](http://www.hud.gov/program_offices/public_indian_housing/programs/ph/cn)

**HOME Investment Partnerships (HOME) Program**

The HOME Investment Partnerships Program HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

[www.hud.gov/program\\_offices/comm\\_planning/home](http://www.hud.gov/program_offices/comm_planning/home)

**National Housing Trust Fund**

The National Housing Trust Fund (HTF) is the first new housing resource since 1974 targeted to the building, rehabilitating, preserving, and operating rental housing for extremely low-income people.

[www.nlihc.org/explore-issues/projects-campaigns/national-housing-trust-fund](http://www.nlihc.org/explore-issues/projects-campaigns/national-housing-trust-fund)

**Community Development Block Grant (CDBG)**

The Housing Assistance Grant (HA) Program provides funding to address housing problems of low-and moderate-income persons. Housing Assistance Program (HA) funds will be distributed through an annual grant application selection process.

[www.maine.gov/dec/d/community-development/cdbg-program/grant-categories/housing-assistance-program](http://www.maine.gov/dec/d/community-development/cdbg-program/grant-categories/housing-assistance-program)

**Affordable Homeownership Program**

The Affordable Homeownership Program is intended to help lower the costs to developers building single-family subdivisions by providing zero percent interest, forgivable loans.

[www.maine.gov/jobsplan/program/affordable-homeownership-rental-development-programs](http://www.maine.gov/jobsplan/program/affordable-homeownership-rental-development-programs)

**Affordable Housing Initiative for Maine Islands**

MaineHousing is making funding available to finance the creation or substantial rehabilitation of affordable multi-family rental housing units located on Maine's island communities.

<https://www.mainehousing.org>

**Affordable Housing Tax Increment Financing Program**

The Affordable Housing Tax Increment Financing (AHTIF) Program enables communities to dedicate the incremental tax revenues from new affordable housing development to help make the housing affordable or to pay for related costs.

[www.mainehousing.org/programs-services/housing-development/developmentdetails/affordable-housing-tax-increment-financing-program](http://www.mainehousing.org/programs-services/housing-development/developmentdetails/affordable-housing-tax-increment-financing-program)

**Contract Administration Loan Program**

The MaineHousing Contract Administration Loan Program ensures the preservation of affordability by permitting eligible owners of Section 8 properties with a project-based Housing Assistance Payments contract.

[www.mainehousing.org/programs-services/housing-development/developmentdetails/contract-administration-loan-program](http://www.mainehousing.org/programs-services/housing-development/developmentdetails/contract-administration-loan-program)

**Loan Modification Program**

The Loan Modification Program offers owners of MaineHousing financed multi-family properties the opportunity to restructure MaineHousing debt by modifying interest rates, extending loan terms, or both.

[www.mainehousing.org/programs-services/housing-development/developmentdetails/loan-modification-program](http://www.mainehousing.org/programs-services/housing-development/developmentdetails/loan-modification-program)

# FUNDING

## Unlocking Affordable Housing: The Role and Benefits of Syndication in Tax Credit Financing

Syndication of tax credits for housing involves a financial mechanism for housing development. At its core, it leverages the Low-Income Housing Tax Credit (LIHTC) program, a federal initiative aimed at incentivizing the construction of affordable rental housing for low-income households. Under this program, developers are awarded tax credits, which they can then syndicate or sell to investment institutions or corporations seeking tax benefits. These investors, in turn, provide crucial upfront capital to developers, enabling them to renovate or develop affordable housing units.

Syndication serves as a key mechanism for raising capital quickly, mitigating risk, and accelerating development. This influx of capital allows for more resources to be directed towards other development-related initiatives, such as energy-efficient building practices.

## Unlocking Affordable Housing: Leveraging Portland Oregon's Innovative ATIFF Approach

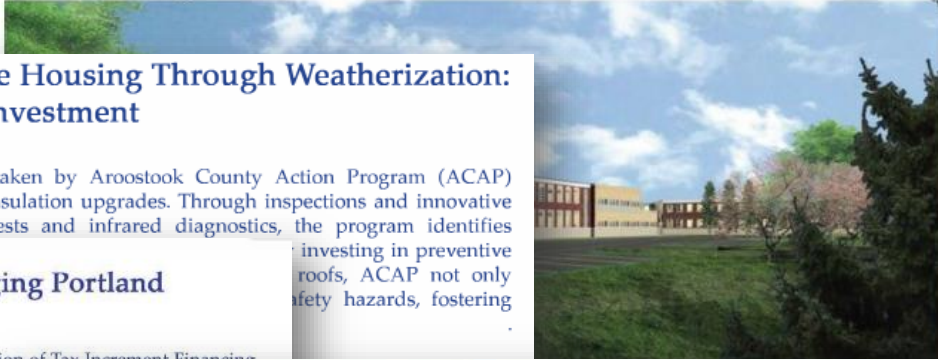
Affordable Housing Tax Increment Financing (ATIFF) is a variation of Tax Increment Financing (TIF) tailored to support affordable housing development. Like traditional TIFs, ATIFFs capture future property tax revenue from unorganized territories to leverage new property taxes generated within a defined geographic district. Any portion of the new tax revenue can be used for public or private projects for a defined statutorily allowable period of time.

The TIF Program is locally driven: The municipality or planning commission determines the amount of new taxes to be captured, identifies projects along with the term, with the whole proposal requiring approval by the voters. Like traditional TIFs, ATIFFs capture future property tax revenue and redirect them to finance public infrastructure or other community projects. ATIFFs prioritize addressing housing affordability by allocating resources to affordable housing initiatives.

This arrangement dedicates increased property tax revenue to affordable housing programs, subsidies, or incentives, supporting various aspects of development such as land acquisition, construction, or rehabilitation. By leveraging this revenue, municipalities encourage private investment in affordable housing in underserved communities, especially in high-cost housing markets.



## Transforming Historic Infrastructure: The Adaptive Reuse of John E.L. Huse Memorial School into Affordable Housing Through the Use of Tax Credits, Bonds, and State Grant Funding



## Strengthening Affordable Housing Through Weatherization: A Case for Sustainable Investment

The comprehensive approach undertaken by Aroostook County Action Program (ACAP) Weatherization Program transcends insulation upgrades. Through inspections and innovative techniques, such as Blower Door Tests and infrared diagnostics, the program identifies energy efficiency issues. By investing in preventive maintenance, ACAP not only reduces energy costs but also addresses safety hazards, fostering a more resilient and sustainable housing stock.

## Sanford's Land Bank Authority Creating Safer, Fairer Housing



Sanford's Land Bank Authority (LBA) has had a positive impact on the quality of Sanford's housing stock in the five years since its establishment, as shown by increased property values and reduced numbers of vacant and abandoned buildings. Ian Houseal, Director of the LBA, presented these findings and more in his annual report to City Council members at their meeting on September 20, 2022.

The LBA has three main objectives:

- Addressing dangerous buildings that detract from the value of real estate and impact the safety and quiet enjoyment of neighboring people and properties. Ensuring there are safe and affordable places to live.
- Expediting the transition of abandoned and foreclosed properties back to value-producing real estate. To accomplish these objectives, it administers these programs:

- Rental housing licensing with regular and proactive inspections of rental properties. The process ensures that renters have safe and healthy places to live, while it levels the playing field for landlords.
- Vacant building licensing which motivates property owners to bring those buildings back into occupancy. The Dangerous Buildings process which is employed as a catalyst for progress on properties that have been abandoned or neglected over a long period of time. This encompasses a revolving fund for redevelopment activities, which include sale of demolished dangerous building lots, rehab of salvageable homes and construction of new infill housing.

Aaron Lederer and Jeannie Wood are the Code Enforcement Officers who perform the inspections on rental properties and vacant buildings. Through the inspection process, they have completed a full inventory of

# CASE STUDIES

What have you learned that has surprised you?

“The lack of understanding as to the role of the municipality, especially when it comes to infrastructure development. You cannot build water infrastructure with the “build it and they will come” mentality. I would say the same for roads, sewer, and other municipal infrastructure.”

“The sheer amount of funding opportunities that can be stacked to create an achievable multi-family or workforce housing project.”

What type of assistance do you think will be most valuable for communities?

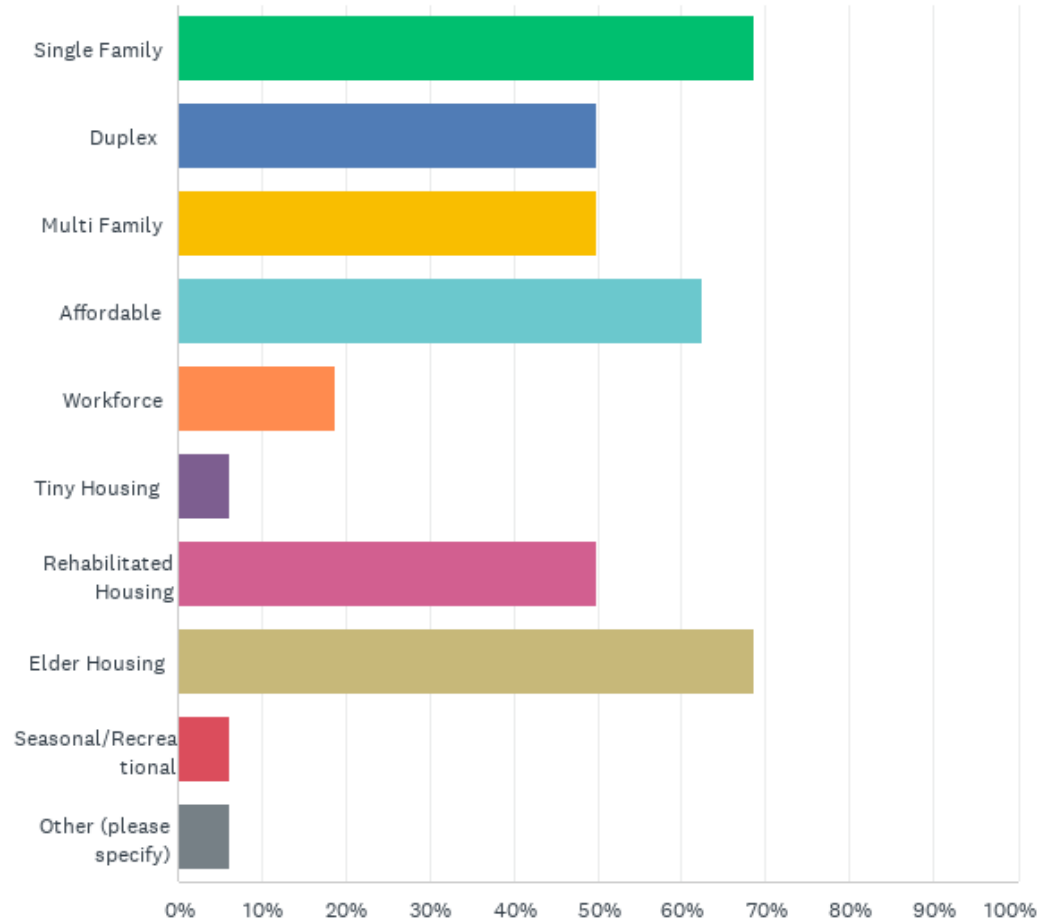
- Financial assistance TA including AHTIFS
- Land Use Planning
- Assistance in creating RFQ for developers
- Permitting refreshers
- Infrastructure funding opportunities
- TA dollars to continue to work with the municipalities who are interested in creating a vision and working with the right developers to create RFQ's for development
- How to target developers good fit for the community





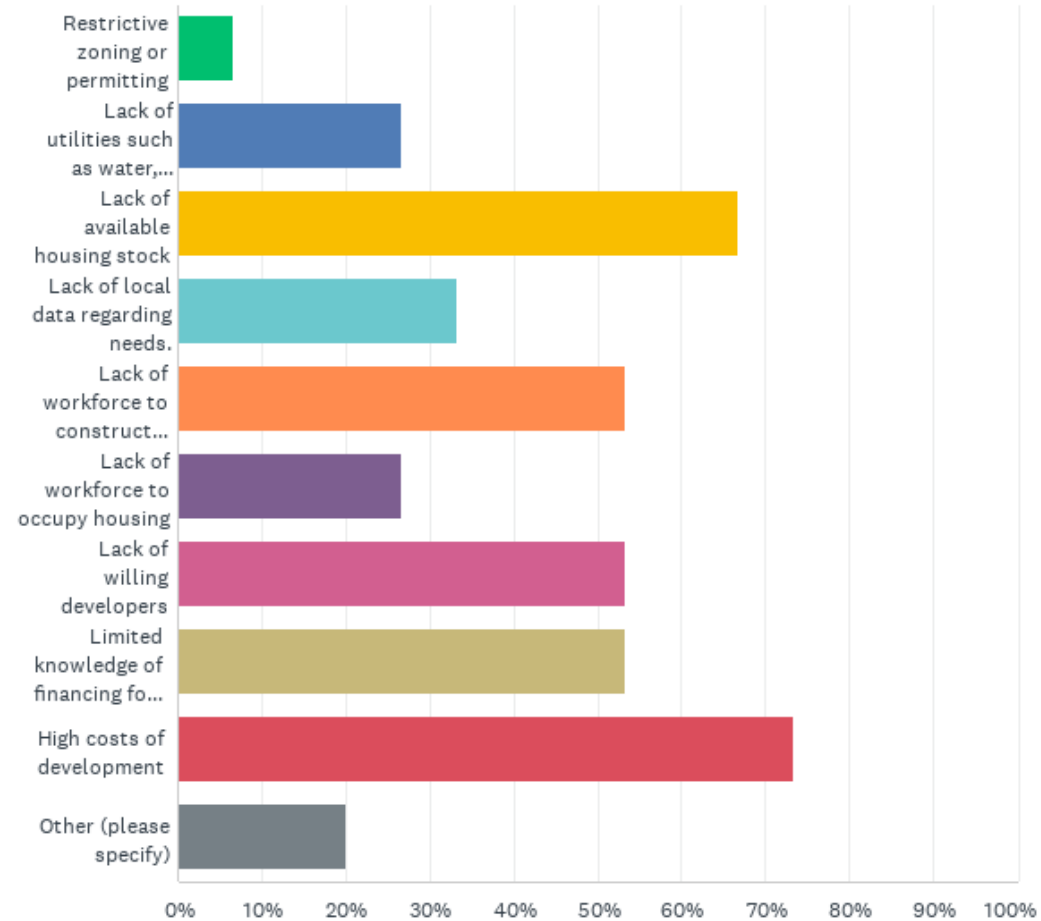
# HOUSING SUMMIT

Q3 What type of housing would you like to see developed in your community? (Check all that apply)



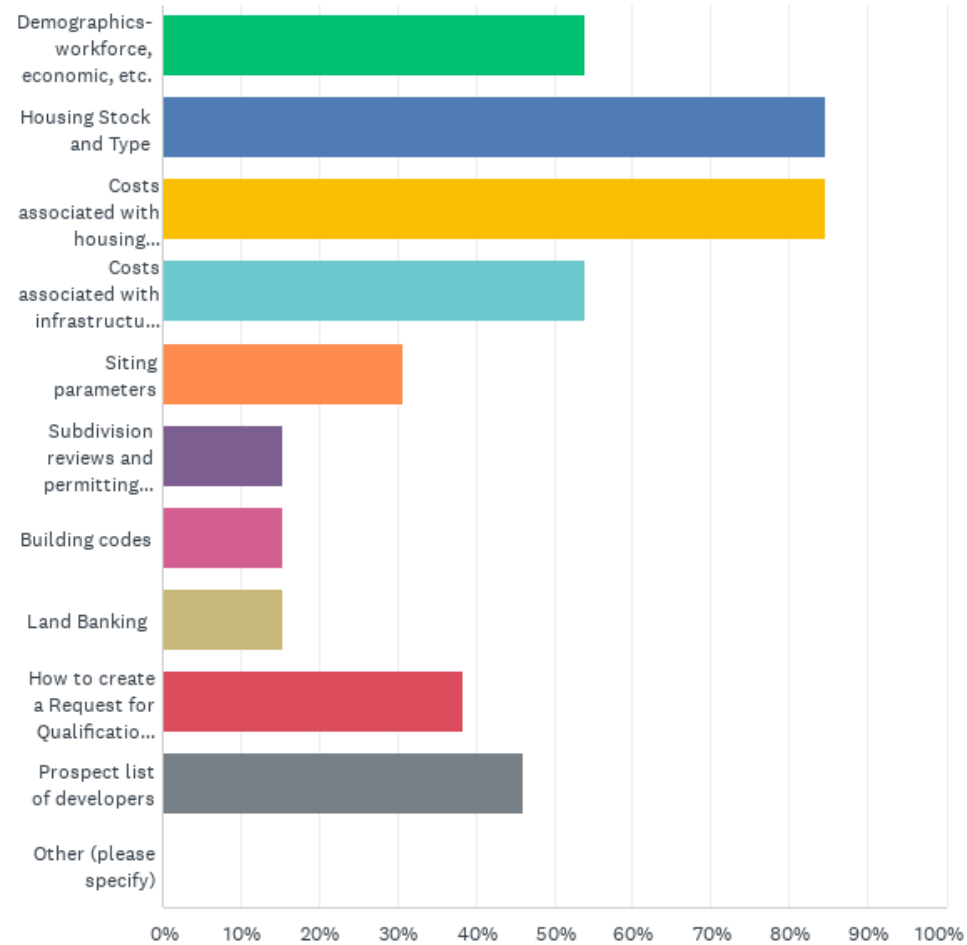
SURVEY SAYS

Q7 From your municipality's standpoint, what are the barriers to developing housing in your community? (Check all that apply)



SURVEY SAYS

Q9 What type of data and information would be helpful to your municipality to help make housing decisions? (Check all that apply)



SURVEY SAYS

- Hire housing specialist to work with municipalities
- Develop informational sessions
- Facilitate connections between developers, financial institutions, and community leaders
- Engage with state leaders and organizations
- Gather data/Don't assume

## NEXT STEPS