



To: Caitlin Cameron, Urban Designer, Planning & Urban Development Department

From: Tyler Norod, Housing Planner, Housing & Community Development Division

Date: March 10, 2016

Subject: Luminato Condominium, LLC: 167 Newbury Street & 42 Hampshire Street – Inclusionary Zoning Conditional Use

Conditional Use is authorized by Division 30, Section 14-487, Ensuring Workforce Housing, to secure the creation of Workforce Housing Units as part of new residential projects that propose 10 or more units. The ordinance requires a minimum of 10% of the project to be restricted for Workforce Households and that the number of bedrooms required under Section 14-487(e)3 be at least 10% of the total number of bedrooms made available as part of the project. The project located at 167 Newbury Street proposes the creation of 26 condominium units. Based on the total number of units the project will be required to provide at least two (2) workforce units.

In addition, the ordinance requires that every 400 square feet in a market rate unit count as a bedroom if the actual number of bedrooms in the unit is lower. The project consists of the following bedroom count: sixteen (16) one-bedroom units each of which is under 800 square feet; seven (7) two-bedroom units, four (4) of which are less than 1200 square feet and three (3) of which are less than 1600 square feet counting as three-bedroom units; and three (3) three-bedroom units each of which is between 1600 and 2000 square feet counting as four-bedroom units. Thus, the total bedroom count of the project according to the ordinance is 45 (16+17+12 = 45) resulting in a minimum requirement of four (4) bedrooms provided by the project.

The project has proposed to provide off-site workforce rental units to meet the requirements of this ordinance. The proponent has entered into an agreement with Community Housing of Maine (CHOM) to provide two (2) two-bedroom workforce units for rent at 42 Hampshire Street. The units will be rented to households earning up to 100% of the area median income (AMI) as required for workforce rental units. The units will be restricted for a term of 99 years and will be managed by CHOM. The workforce housing units will be renovated according to the standards outlined in the recently adopted inclusionary zoning implementation regulations.

By providing two (2) two-bedroom units off-site with a management plan with CHOM acceptable to the City, the project has met the minimum requirements set forth in Section 14-487.

Staff recommends the Board Approve this Conditional Use provided the Applicant and the City enter into an Affordable Housing Agreement (AHA) before a Building Permit may be issued. The Affordable Housing Agreement will outline the details of the affordability restrictions placed on the workforce units and will be filed as covenant to the 42 Hampshire Street property's deed with the Cumberland County Registry of Deeds before a Certificate of Occupancy may be issued. It should be noted that this project filed its

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application prior to the Board's recent approval of the Inclusionary Zoning Implementation Regulations on February 23, 2016. Staff has been working with the Applicant to establish clear expectations for what the AHA will entail. It is expected that the AHA will align closely with the draft regulations reviewed and approved by the Board.

Sincerely,

Tyler Norod
Housing Planner