

**City of Hallowell
Comprehensive Planning Committee (CPC)
Joint Meeting with the
Open Space Committee (OSC) &
Housing Committee (HC)**

City Hall
Room: Council Chambers
Tuesday, November 27, 2007
6:00 pm to 8:30 pm

AGENDA

1.	Welcome, Introductions
2.	Overview of Meeting & Meeting Purpose (see attached page 2)
3.	Hallowell Overview (see attached memo page 3)
4.	Open Space Committee: Review of Findings and Recommendations (see attached summary page 5)
5.	Housing Committee: Review of Findings and Recommendations (see attached summary page 12)
6.	Committee Discussion
7.	Public Comments
8.	Adjourned

Purposes of Meeting

1. To become informed about the work of two committees that will be reporting to City Council in the next few months, a year ahead of the Comprehensive Plan Committee's report.
2. To express willingness (or reservations) about playing the role recommended for the Comprehensive Plan Committee in each of these reports.
3. To provide specific guidance with regard to:
 - a. Agreement or disagreement with the report's goals
 - b. Actions recommended to take place prior to the Comprehensive Plan Committee's final report in the fall of 2008
4. To revisit and clarify the roles of the Ordinance Review Committee and Comprehensive Plan Committee

The following memos provide a general picture of recent development trends in Hallowell, and summaries of the two committees' reports.

Note that the above purposes do not include the Comprehensive Plan Committee taking positions on all of the specific findings and policy recommendations of the two reports. The reason is that the Comprehensive Plan Committee has not done its own research or had its own discussions about these issues, and is not ready to develop an informed group position. Because the Committee has held initial public meetings, it is in a position to make a judgment about whether the goals of the two reports are appropriate. And because some issues came up at those meetings - such as the potential connector road from the Target mall development to Winthrop Street - which may require action before the comprehensive plan document is finished, these too are ones that the group can appropriately address.

This is not to say that individual Comprehensive Plan Committee members can't take individual positions on the other findings and recommendations of the two reports, and express their views to the Council as individuals. It just is to say that the group as a whole has not done the groundwork yet to responsibly take positions on all of the issues raised.

Background to reports - Major trends in recent growth

Hallowell is one of 24 cities and towns in a larger economic region called by the U.S. Census the “Augusta Micropolitan Area” and by the Maine Department of Labor the “Augusta Labor Market Area.” This is a common area within which people commute to jobs, look for housing, shop, and play.

Hallowell is a small part of the region. With a land area of about 16 square miles, the City is only 2.2% of the land area of the larger region. With a population of 2,535 in 2005, it is only 2.7% of the region’s population.

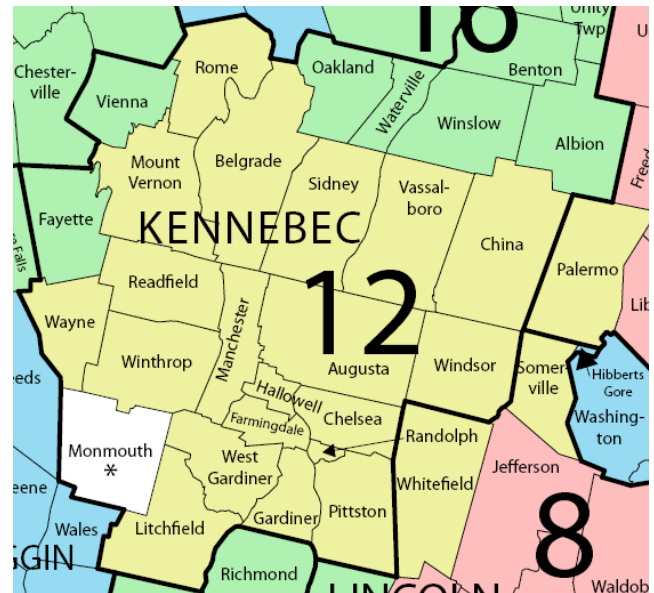
Because of its small size, history, and location along the River, Hallowell is more “urbanized” than other communities in the region or in Maine. The 2000 Census reported that:

- 83% of Hallowell residents lived “within urbanized areas,” as opposed to 30% for the region, and 40% for the state;
- average household size in Hallowell was 2.06, compared to 2.39 for the region and state;
- 43% of Hallowell households were renters, compared to under 30% for the region and state.

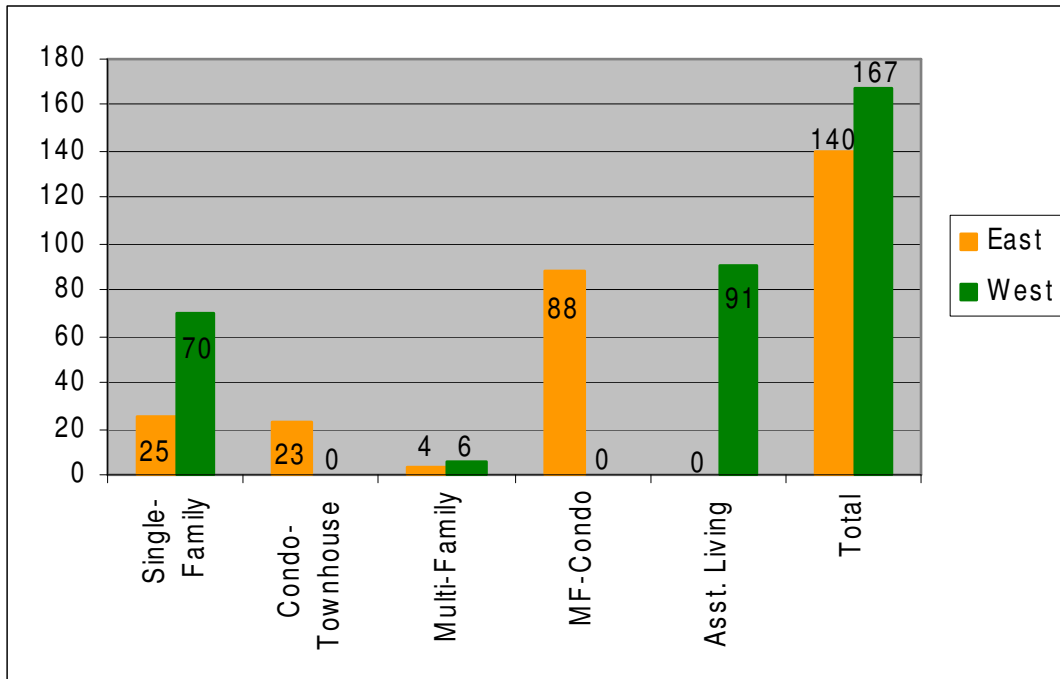
Over the last 45 years, Hallowell has lost 20% of its population, declining from 3,169 in 1960 to 2,535 today. Since 2000, Hallowell (like Augusta) has turned the process around. There has been a modest population growth in Hallowell from 2000 (2,467) to 2005 (2,535). Still, the majority of growth in this period has been in the outlying areas of Kennebec County, such as Litchfield, West Gardiner, Manchester, and the like.

Even though Hallowell has lost population, it has gained households. From 1990 to 2007, Hallowell’s population has held stable, but it has gained about 140 households, or about 7%. The reason is that households are getting smaller, and it takes more houses to shelter the same population.

Within Hallowell itself, new growth is spreading out. While most residential neighborhoods are east of the turnpike, most new single family housing has been built west of the turnpike since 1986.



New Residential Growth in Hallowell, 1986-2007



Since 2000, with the stabilization of population, there has been an increase in housing demand in Hallowell, and higher prices. The median home price increased 40% from 2002 to 2006 (\$112,500 to \$156,450), the median 2-bedroom rent about the same from 2000 to 2006 (\$545 to \$779, utilities included). Meanwhile, incomes rose only 7% during the same period. As a result, Hallowell in 2006 had higher home prices and rents, and lower household incomes, than the average for the labor market area.

Draft Open Space Plan Summary

Start: Fall of 2006

Members (Open Space Working Group of the Conservation Commission): Cathie Murray (Chair), Richard Bostwick, Diane Circo, Bill Duffy, Judy Kane, Sarah Shed

Vision, themes:

Generations from now, Hallowell will still be a place where people are keen to live, raise a family, work, and own businesses because the quality and distribution of open space strongly sustains natural functions and community identity and supports outdoor recreation and enjoyment of nature, even in the core of the city.

- 1) In the Hallowell of tomorrow, the natural environment will be strongly expressed and well protected.
- 2) In the Hallowell of tomorrow, children and adults will have access to a diversity of well maintained and safe open spaces and facilities for outdoor play, natural wonder, and fitness and mental well being. Users will understand and honor the differences between public and private lands, and respect the property and rules of both.
- 3) The city's identity will be uniquely defined by its historic, visual, and other special values.
- 4) In the Hallowell of tomorrow, people will be able to easily walk or bike to every-day destinations where they shop, work, go to school, or access a recreation area.

Key facts:

- Hallowell provides habitat for a wide variety of animals and plants, some of which are rare or endangered
- Vaughan Brook water quality is deteriorating from upstream runoff
- Jamie Pond habitat for cold-water fish is threatened by erosion
- The River and brooks and open spaces are habitat for a wide variety of wildlife
- The Vaughan Woods is the favorite place for Hallowell residents, but is threatened by overuse

Land use recommendations:

- Strengthening ordinances to protect water quality, wetlands, and stream buffers
- Supporting zoning and incentives that conserve rural character and environmental quality, and reduce habitat fragmentation

Other recommendations:

- Take action as soon as possible to conserve the undeveloped buffer between Augusta and Hallowell
- Take action as soon as possible to conserve the unfragmented habittate connecting the Reservoir and Jamie's Pond
- Create a city fund to allow rapid action when opportunities arise for long term protection, acquisition, etc.

Role of Comprehensive Plan Committee:

- Take the lead role in:
 - 1) Educating community about innovative ways to accomplish conservation objectives through incentives such as “density trading” and “conservation subdivisions” (page 4-5, #4)
 - 2) Develop and recommend incentives and ordinances to achieve desired development outcomes, based upon an analysis of the suitability of lands for development (page 4-5, #6)
 - 3) Designate appropriate parcels, such as Vaughan Field and the undeveloped field and wetlands behind the Stevens School in the City's Open Space Zone (page 4-7, #19)
 - 4) Inventory and prioritize views and visual resources for consideration tin the Comprehensive Plan and Ordinance updates (page 4-8, #33)
 - 5) Consult with neighboring communities to promote joint action to create complementary zoning and land use standards for gateway areas (page 4-10, #55)
 - 6) Consult with neighboring communities on how to jointly promote the protection of special views and visual character (page 4-11, #56)
 - 7) Recognize and develop standards that protect the existing visual character of neighborhoods in the downtown/heights and visual buffers between Hallowell and adjoining communities (page 4-10, #57)

Executive Summary: Hallowell Open Space Plan

Introduction

Open space—the sum of public recreation and conservation lands such as Vaughan Field, Jamies Pond, the “Res” (a.k.a. City Recreation Area) and privately owned woods and fields—is one of Hallowell’s most precious resources.

The natural and cultural assets of this city are amazing and highly cherished: a tidal river, the vibrant and pedestrian-scale historic downtown, towering pines, beech forests, rolling grasslands, a cold water stream, and historic quarries. Few other communities in Maine have such a rich interplay of natural and built environments where:

- ★ Deer still find winter shelter on forested ridgelines;
- ★ One may see a bald eagle soar above a sweeping river;
- ★ People bike or walk on a 6-mile rail riverfront trail or explore or hunt in the woods of Jamies Pond Wildlife Management Area;
- ★ The landscape unfolds in a sequence of visual contrasts: open and enclosed, rural and developed, big river and small pond or brook; AND
- ★ Many woods and fields have been held for generations by the same families, which have generously allowed the public access and maintained environmental values which benefit us all.

This plan provides a blueprint for protecting, conserving, and enhancing natural and cultural open space values city-wide—for making sure Hallowell continues to be a great place to live and do business.

Planning Process

The Open Space Plan Working Group of the Hallowell Conservation Commission developed this draft Open Space Plan at the direction of the Hallowell City Council with the help of H. Dominie Consulting and the input of many community members. Over a year and half, the group reached out broadly to citizens, local boards, committees and organizations, local officials, and large landowners to establish plan foundations upon sound information and commonly held concerns, ideas, aspirations, and priorities. As the public reviews this draft, the group will also request comments from neighboring communities and relevant state agencies. Chapter 1 and several appendices record the results of public meetings, a public opinion survey, and other efforts.

Throughout the process, the working group heard many positive things about activities currently underway or in the works by others in the community to protect and enhance open space values that citizens hold dear. For example:

- Planning Board interim policies prohibit the use of invasive landscaping species and require shielded lighting to retain a star-filled dark night sky;
- The Waterfront Advisory Committee is planning to involve the public in development of the plan for the next phase of Waterfront Park improvements;
- The Tree Board is planning to seek guidance from the public in refining and implementing the proposed City Forest Management Plan and the Tree Board has already begun its Inventory of Urban Trees; and
- The Mayor and Council plan to involve the community in envisioning the future of the Vaughan Field and the Stevens School/Hallowell Annex property.

This plan builds upon, supports, and integrates into a single blueprint the strategies of those in the city who are involved in protecting and conserving open space resources, managing properties available for public access, and providing opportunities for outdoor recreation. It also provides a baseline account of the city's natural and cultural resources and existing facilities related to open space and public access, so that all may rely upon the same factual information.

Coordination with Comprehensive Plan and Ordinance Updates

The need for this plan is urgent – because development is intensifying – and this plan identifies key values, resources, and places which need multi-pronged protection through conservation, land use policy, and land use regulation initiatives. The community has recognized that our old “comp plan” and existing ordinances do not give Hallowell the tools needed to deal with growth and change – bit by bit important values are being degraded. We need better information and new approaches for the challenge of balancing development with the natural world and community character we cherish. This open space plan will provide “one third of the equation” needed to chart a more creative and rational strategy for conserving what is most special about the city's character while accommodating new development and attaining other goals. The updated comprehensive plan and ordinance processes, initiated by the City Council this summer, will provide the other two thirds. The Open Space Working Group, Comprehensive Plan Update Committee and Ordinance Revision Committees are working closely together to ensure that all are “pulling in the same direction.”

How the Plan is Organized

Chapter 1: Introduction and several appendices record the results of public meetings, a public opinion survey, and other efforts. This chapter also discusses the importance of open space.

Chapter 2: What We Already Have contains background information that will give everyone the same foundation of fact upon which the plan has been built. It describes current open space assets and issues, existing public or dedicated open spaces, and highlights of the public opinion survey results. This section serves as a reference for information for decision makers and those who wish to learn more about the open space values and opportunities in the city.

Chapter 3: What We Plan to Do contains the policy and action framework for moving ahead. It starts with a “Vision” detailing the open space values which citizens want Hallowell to still possess in years to come and the kind of relationship they hope they and their grandchildren will still have with the natural environment. It then identifies guiding principles and action steps for working toward realization of the elements of this shared vision.

Chapter 4: How We Move Forward outlines the actions which are of highest priority and stipulates the responsible entity and timeframes for carrying out each.

Finally, the **Appendices** document the various ways that the Working Group engaged the public and other boards and officials in the process.

Plan Vision

Hallowell citizens and city boards and committees have expressed strong agreement on the kind of open space values and recreational opportunities they want the city to safeguard and enhance. The meaning behind the broad brush statements below which articulate this common vision is further detailed in Chapter 3. Basically citizens desire that:

Generations from now, Hallowell will still be a place where people desire to live, raise a family, work, and own businesses because the quality and distribution of open space strongly sustains natural functions and community identity and supports outdoor recreation and enjoyment of nature, even in the core of the city.

They believe that this common vision will best be achieved by:

- 1. Planning for the long term and coordinating action among those responsible within city government for planning for open space, updating the comprehensive plan and land use ordinances, and making development decisions; and**
- 2. Partnering with willing landowners, as most of the open space remaining is in private hands. It is vital to ensure that those who use private lands for outdoor enjoyment understand and honor the differences between public and private lands, and respect the property and requirements of both.**

Four overarching goals or themes give more “flesh” to the specifics of Hallowell’s open space vision. They are presented in order of the depth of concern people expressed throughout the planning process. In short, in the Hallowell of tomorrow:

- 1. The natural environment will be strongly expressed and well protected;**
- 2. The city’s identity will continue to be uniquely defined by its historic, visual, and other special values;**
- 3. People will be able to easily walk or bike to every-day destinations where they shop, work, go to school, or access a recreation area; and**
- 4. Children and adults alike will have access to a diversity of well-maintained and safe open spaces and facilities for outdoor play, natural wonder, fitness, and mental well-being.**

Plan Actions and Priorities

Chapter 3 identifies the major issues, guiding principles or policies, and actions needed to address each of the four major goals listed above. Chapter 4 provides two tables which allow the reader - at a glance - to understand priorities among actions (Table 4) and who is proposed to have responsibility for each action (Table 5).

As the reader will see, there are sixty eight (68) actions listed in these tables. That's a lot to do and there is likely not enough time or money for volunteers and staff to cover them all in the next five years. That's why priorities are so critical. The most crucial or time-dependent actions are slated to receive highest priority action. Other actions will be undertaken as the appropriate lead has the resources to accomplish them; implementation of some may have to wait until after this plan is updated in five years.

Highest Priority Actions

Based upon its findings, the Conservation Commission has identified several actions for high priority attention.

Fundamentals: At the top of the list are those actions related to water quality, rural character, and habitat integrity, all fundamental to the city's unique identity and quality of life. If these actions are not undertaken before much more development occurs, the city will be left with few options, especially affordable ones, for reversing the almost certain degradation that will occur. They include:

1. Strengthening ordinances and coordinating voluntary efforts to protect water quality, wetlands, and stream buffers (Actions 1-3);
2. Supporting zoning, development patterns, ordinances and incentives that conserve rural character and environmental quality, and reduce habitat fragmentation (see Actions 4-8, 10, 19);
3. **As quickly as possible**, working with willing landowners, Kennebec Land Trust, state agencies, and neighboring communities to explore the conservation of the:
 - a. undeveloped buffer with Augusta to the east of I-95 and north of Winthrop Street, along the common boundary, including the undeveloped land at the Stevens School (see Actions 10, 15, 16); and
 - b. unfragmented habitat adjoining and connecting the Res and Jamies Pond (Action 24); and
4. Creating a city fund to allow rapid action when opportunities arise for long term protection, acquisition, and land management. This fund would be gradually capitalized by tapping such sources as development impact fees, City Forest timber sales (if any), and other options to allow rapid action when opportunities arise (see Action 10).

Long Term Integrated Improvements to Facilities. Citizens and groups are also excited about the opportunities that exist for Hallowell to become an even better place to walk, bike, or otherwise enjoy the out of doors, and avoid using fossil fuels to get around town. Currently, responsibility and coordinating mechanisms are unclear for the development, management, and coordination of biking and pedestrian pathways and off-road trails to create an integrated system. Likewise, the city has no accepted implementation plan for making the "Res" function at its full potential as one of the city's finest gems. For these reasons, the following measures are also deemed among the highest priorities on Tables 4 and 5:

1. Establishing, by Conservation Commission action, a Trails Subcommittee with ongoing responsibility for hiking trails and other "off-road" trails (Action 12);

2. Establishing, by City Council action, a Bike/Ped Committee with ongoing responsibility for ensuring safe sidewalks, walking routes and bike paths throughout town with a special focus on routes to school (Action 11);
3. Charging both of the above groups with coordinating the development of a city-wide integrated system of trails, sidewalks, pathways, and bike lanes (Action 13);
4. Reactivating the Recreation Committee to oversee formal recreation facilities at the Res and Vaughan Field (Action 14);
5. Charging the Conservation Commission, Tree Board, Recreation Committee and others to integrate and improve existing plans for the Res (our largest municipally-owned open space) into a realistic implementation strategy and annual work plan (Action 22, 23);
6. Exploring the possibility of transfer of or access to the former Mobil property on the riverfront and integrating it with the Rail Trail and Waterfront Park to provide access to this beautiful stretch of the river (Action 17); and
7. Undertaking the steps necessary to achieve long term protection and planning for Vaughan Field (Actions 18-21)

Conclusion

There is much to be gained and little to be lost from taking these and other steps to plan open space and develop the community mindfully to maintain Hallowell's quality of life and economic vibrancy as it grows and changes.

Open Space, both publicly- and privately-owned, is an irreplaceable resource which is critical for:

- Safeguarding environmental functions;
- Promoting health and fitness;
- Enhancing psychological well-being;
- Limiting need for services / public expenditures;
- Sustaining community character and prosperity; and
- Maintaining and enhancing business and community diversity.

Hallowell's challenge in safeguarding these values is to find ways to achieve balance and foresight in a manner which benefits all concerned—from local wildlife and backyard gardeners—to large landowners who hope to manage their resources wisely and benefit from their value—and children who need green space for imaginative play, maintaining a healthy weight, and finding nurture in the great outdoors.

Hallowell Housing Committee Executive Summary

How to achieve additional units of affordable housing

Presented by Hallowell's first Affordable Housing Committee: Sybil Baker, Dick Davies, Justin Holmes, Kevin Mattson, Dot Mithee, Chris Vallee and Steve Vellani, with the assistance of Cary Colwell and Susan Webb.

I. Overview

The chief problem with providing sufficient housing in Hallowell—as in many parts of the nation right now—is the soaring gap between median income and median housing costs. Maine State Housing Authority (MSHA or MaineHousing) analysts report that in 2002 the median home price in Hallowell was \$112,500, and the median annual income was \$36,448. In 2006 these sums increased to \$156,450 and \$38,908, respectively. In other words, the price of a home rose by a whopping \$44,000, and annual income rose by a measly \$2,500 (in round numbers). Under Housing and Urban Development Department (HUD) guidelines, a family would have to earn \$54,500 annually to afford a house at the median price.

Hallowell renters fare even worse, because their median income actually fell in the last four years, from \$31,666 to \$27,073. And the median rent for a 2-bedroom apartment in that time period rose from \$625 a month to \$779. An annual income of \$31,151 would be needed to make this sum affordable (i.e., to cover rent and utilities by using no more than 30% of gross income). The supply of available housing dwindles monthly for every segment of Hallowell's 2,500 residents or would-be residents.

Last year there were 1,217 households in Hallowell, and 495 of these were renter households. Now there are 451 rental units, since 44—all of them affordable by lower-income tenants—have been lost to commercial use, except for 4 that are being transformed into a nonprofit sound studio for the city's first radio station.

For prospective homeowners, the costs associated with constructing a modest home currently run from \$130,000 to \$180,000.

Laurie Bourgeois, who manages the 57-unit HUD-subsidized Cotton Mill apartments for the elderly and disabled, reports, "Seven years ago there were 5 or 6 on the waiting list. In the last

year and a half it has just exploded.” Now, he said, the waiting list is about 55 people. The rents, which include utilities, range from \$330 for those whose annual incomes are \$18,000 or under to \$530 for those with incomes of \$31,000, the top limit.

The 44 affordable apartments lost in 2007 need to be replaced if Hallowell is to retain its vaunted diversity. It has always been a small city with a big reputation for tolerance, for mixing with people of all incomes; for encouraging and supporting artists and musicians and actors, for nourishing young families, and for providing the sheer fun of a joyous mix of restaurants, bars, dancehalls and shops that people come miles to visit.

In addition, the renovated waterfront is bound to bring more visitors, which will translate eventually to more residents.

II. Problems and Solutions

Every attractive facet of our little city seems to offer an associate quandary. Some are inherent to the age of the structure or the location of suitable land. But success is attainable by means of a basic change in attitude, while respecting Hallowell’s principles of historic preservation and environmentally enlightened land use.

Generally speaking, a city can profit by treating its citizens the way good parents raise their children. If you hand down too many edicts, you make them rebellious. But if you praise them when they are kind and generous and offer incentives to be that way, constructive behavior is reinforced.

Hallowell’s present housing crisis can be solved only by a willingness to consider remedies that were formerly apt to be precluded by the zoning ordinances. And, in fact, the Hallowell Planning Board—too often perceived as a “can’t-do” rather than a “can-do” governing body—is in the process of reforming its image. By the very mention of an allowable housing concept in the ordinances, planners suggest a way to supplement the housing stock and thus increase it.

A recent revision of the city’s ordinances, for example, is a case in point. Say a developer resists building a subdivision on a parcel of open land because adjacent homeowners will fight to the last green ditch to preserve their pastoral view.

In its revised ordinances, Hallowell now allows cluster housing. Now a developer who owns 20 acres, instead of constructing 1 house on each of the acres, can choose to put 20 houses on 5 of these acres and reserve the remaining 15 acres as common open space. The houses are built; the

view is preserved, and the neighbors are mollified. (How a builder can afford to build and a prospective homeowner can afford to buy such a house will be detailed further on.)

Below the Turnpike

Downtown Hallowell is charmingly historic. But, just as new homes are expensive to build, old houses and buildings are costly to maintain and/or to replicate. The space in floors above the Water Street merchants is almost all in use right now. Here's what's left in existing buildings: Some grand raw attic space above Harlow Gallery. The gallery, with the help of CD funds and private donations, plans to provide two affordable apartments there for artists once the roof and brickwork are repaired. (One affordable unit is already in place at the rear of the building.)

Two buildings that have long remained empty next to Boynton's. (City officers might consider meeting with the owners to see if they can induce them to make the space productive.)

The downtown offers a superb river where the sight of bald eagles and ospreys is commonplace. In addition, if less often, one can see muskrats swimming, creating their own little wakes in the water, or deer grazing watchfully on the far bank. For these and other abundant esthetic considerations, it is desirable to preserve remaining space on the east side of Water Street so as not to obliterate these views.

The only sizeable open acreage near the downtown is the former Mobil property to the north, on the east side of the Rail Trail. Soil tests could determine the degree of its toxicity and how it might be alleviated. [THE STATE PROBABLY WILL DO THIS FREE. I AM CHECKING ON THIS AND HAVE A CALL IN TO DAVE GIROUX ON WHO OWNS THE PROPERTY AND WHETHER THE SOIL HAS EVER BEEN TESTED.] The findings could suggest the best use of this land.

Again, the splendor of our river is balanced by the problems it creates for additional construction. Even the west side of Water Street, according to city officials, lies in the flood plain. Yet other nearby Maine cities readily permit infill construction in their flood zones. For example, in Brunswick, the Planning Department permits flood-plain construction if the "lowest floor is elevated to at least 1 foot above the base flood elevation and is floodproofed to at least 1 foot above the base flood elevation so that below that elevation the structure is watertight with walls substantially impermeable to passage of water."

And in Waterville, the old Hathaway shirt factory in the flood-plain zone won approval from city planners to be renovated into commercial, retail and office space, plus 66 residential apartments, some of them subsidized to a rent of \$500. The old factory's bottom floor will be flood-proofed. Some built-up property exists on the west side of Water Street that could be put to other uses that would provide housing units.

For example, on the land where Sousi's building stands, just south of the Cotton Mill, a 4-story building there could provide could provide at least 12 or 16 dwelling units. This space might also be appropriate for a rooming house supplying 20 units. Almost everyone who has had the opportunity to experience such housing for a few youthful years looks back on those years as happy ones. And a recent national trend toward privately operated suites of students housing lends credence to this concept. Portland, in fact, has approved a \$22-million project of this sort that is scheduled to open next August on Marginal Way.

In Hallowell, the style of Historic District housing is set forth by the city's historic society, Row House, and enforced through the ordinances by the Planning Board. And though Row House is vigorously praised, it occasionally prompts the same criticism of its policies as the Planning Board does, and for the same reasons. But Row House has wisely allowed some leeway in its policies, as long as the historic character of a place is suggested, if not replicated. After all, 19th-Century neighborhood in Hallowell might violate many of Row House's own rules.

About two hundred years ago, the city was more populous. Referring to Hallowell, an 1879 atlas done from surveys by H.E. Halfpenny states that Hallowell's "population in 1870 was 3008, a decennial increase of nearly 600." An 1879 map in this atlas displays a downtown that appears less densely populated north of Grove Street than it is today but much more densely occupied in Joppa, that era's tenement section—where 67 homes (mostly wooden; a few of stone, according to the legend) line Water Street from Vaughan Stream north to Central Street.

In what is now zoned RB, moderate-density residential, bordered by Franklin Street on the west, Winthrop Street on the north, Second Street on the east and Second Street on the south, lay the Hallowell Granite Co., where one wooden building took up half the block.

In a large framed 1878 picture titled "Bird's Eye View of the City," the downtown is crammed with buildings standing cheek by jowl, including some on Water Street that appear quite massive.

The point is that Row House has bent with the times. Its officers approve the use of vinyl siding and other synthetic materials if they are in keeping with the character of the house and the neighborhood. (This is important in restoring older houses plagued by those bugaboos of asbestos siding and lead paint. And when a community is eager to create affordable housing at a time of such costly new construction, rehabilitating existing housing is good way to do it, while putting additional value on the property tax rolls.

The Kennebec Valley Community Action Program and MSHA recently joined forces to renovate seven old homes with these problems in Waterville. The asbestos siding was encapsulated with vinyl siding, and contractors who completed a Lead Smart Renovator Course offered by MSHA covered the lead paint. Renovation costs of \$36,000 at one house included new steps and railings, repair of the roof and chimney and the latter's relining, and new storm doors and windows.

Many cities, such as Berkeley, Calif., provide technical help and the free loan of tools to help homeowners increase the housing stock themselves. Some cities actively engage the schools in practicing their carpentry skills on building or renovating apartments or homes, or bringing them up to code. In addition, the increased use of CD funds should be explored.

These steps might help address the problem of substandard apartments. It is painful for Hallowell citizens to know that some of its citizens live with leaks and mold but that the unintended result of a crackdown on the landlord is a rent hike for the tenant.

In Vermont, the state offers tax credits for up to 50% of the cost of elevators or sprinkler systems to encourage the reuse of upper floors for housing, and offers a 10% add-on to the federal rehabilitation tax credit of 20%, thus providing property owners with a total tax credit of 30% in certain designated downtowns.

Empty nesters and others whose families have shrunk could be pleasantly surprised if they offered a room or two for rent. The way to do it is to require three references that are thoroughly checked; to get the first month's rent and a security deposit equaling a month's rent in advance, and to sign a month-to-month lease with the lodger. That way, if it doesn't work out you are protected and it does, the month-to-month lease automatically renews.

Hallowell ordinances now make mention of in-law apartments. This idea is being literally expanded all over the country; it has even acquired its own acronym: ADU, or additional housing unit. A traditional ADU is within a home or attached to it; usually not containing a stove or

refrigerator. The modern ADU often supplies a microwave and small refrigerator. These ADUs can conform to the style of the existing house, expand the supply of affordable housing, usually renting for less than traditional units; provide families with additional income; and preserve the character of the neighborhood.

Another way to provide additional rental units is through building them above garages.

All the above efforts would require the easing of some ordinance restrictions, such as reducing the necessary parking spaces required for occupants, and should be rewarded by granting tax abatements.

Through these and other incentives, our ancient buildings could be rehabilitated in the downtown area; empty spaces could be made productive; and a higher density than the existing one could be achieved in the historic district while preserving its advantages.

Above the Turnpike

Here the city has plentiful, beautiful open space, which includes areas dedicated to conservation. But outside these last areas, the bulk of open land is west of the Interstate and is privately owned by long-established Hallowell families who by and large want to keep it in the family.

The remaining open space consists of:

- 1) about 15 usable acres of city-owned land (the rest of it is wetlands) on the north side of Central Street at the western edge of the Turnpike and stretching north to Eric Perry's land that borders Winthrop Street. It is zoned BC, or light industrial, but could probably be available for housing, city officials say. It is noisy, being close to the highway, but it is the kind of noise that one quickly gets used to, and directly across Central Street on the south are many pleasant houses that obviously have become accustomed to the traffic's hum.
- 2) 24 acres north of Central St. and west of Town Farm Road owned by Chris Vallee. Chris has said he is open to the idea of cluster housing and to affordable housing. He has extended water lines to the property. The sewer lines would need to be extended there or a septic system installed.

Figuring out the mix of market rate and subsidized units is critical to getting any affordable housing built in a subdivision. "All-units-affordable" projects are hard to do because developers need an enormous amount of subsidy to make up the difference between their costs and what they can sell or rent the units for. Hence savvy developers often design a development with a

judicious mix of low-, moderate- and market-rate housing, because the last can help subsidize the first. And the savviest of all build in Maine cities that provide density bonuses so that a developer can construct a number of dwelling units beyond the intensity allowed by zoning and simultaneously encourage affordable housing.

In Portland's ordinances, Section 14-486, the city does this by means of the following formula: If 5% through 9% of the new units are affordable, the percentage increase in the maximum number of units allowed is 5%; for 10% through 14% affordable units, it's 10%; for 15% through 19%, it's 20%; and if 25% or more of the units are affordable, it's a 25% increase.

These days the driving forces in financing affordable rental housing are the availability of Low Income Housing Tax Credits, affordable land on which to build, and the availability to MSHA of their 45% share of the Real Estate Transfer Tax. The competition for the LIHTC is very intense; affordable land is scarce; and MSHA is getting less than the 45% share of the RETT they should. The combination of these factors means few projects get funded each year. There are some other funding sources (Farmers Home/Rural Development, and HUD are the biggest) but they have limited availability.

Because of these pressures, a smart city will not hesitate to offer a TIF (tax increment financing) that will result in a substantial tax abatement to a developer. Hallowell has such a program in place.

Affordable housing TIFs were authorized the State in 2003. After being OK'd by a city, a TIF also requires approval by MSHA. The tax revenue that will be returned to the development will be more than offset by benefits that a city receives from the State and County. The way it works is that the property is sold at full market value to income-qualified buyers who get a "soft second mortgage" from the developer to reduce the purchase price. Every resident pays taxes to the city. The city stands to gain, not lose funds. (Augusta, for example, will gain \$61,000 after the TIF for Coney Village goes through. The tax rate to each Augusta resident will be slightly reduced.)

Adding more children to a municipality does not add cost. The State sets the mill rate locally, based on the State's valuation. In a TIF district, that valuation is not changed. Since the State reimburses a certain amount per pupil, the State contributes more dollars for education.

Alternatively, the city could set up a program of tax breaks for housing providers prepared to comply with the terms of the city program, and cap the amount of tax reductions

available through the program in any one year (related to the number of housing units that would be made available at a pre-determined rent or purchase level. However, this would cost the city real dollars, as opposed to tax dollars forgone through a TIF.

The city could also float a bond to set up a revolving fund that would allow a buyer to purchase a property at a reduced rate of interest. The property owner would pay back into the fund and replenish it.

Regarding new subdivisions above the Turnpike, folks who want to immediately replace those 44 lost apartments want to build out there as soon as possible. Others maintain that since the tenants of those 44 apartments are housed elsewhere at present and would probably return, it would be better to position ourselves for what they see as the ideal solution: use of the Stevens property.

III. Dreams and Schemes

The state-owned Stevens School complex, or Annex on Winthrop Street, with its 64 acres of open space and many attractive historic buildings—does it represent a golden opportunity or an alluring trap?

Many Hallowell residents want to defer immediate action on providing additional housing units on the premise that the city will somehow acquire the Stevens property during the next three years (since state legislation sets 2011 as the transfer date).

The site is ideal. It is within walking distance of downtown and the elementary school and on existing bus routes to the middle and high schools. In the built-up area, utilities are already there. A number of structures—some in good shape, some needing substantial work—are already built. Visions of studios for artists and musicians, hangouts for teenagers, day-care for preschoolers, residential units for a variety of incomes—they dance in our collective heads. New housing in the open space in back of Reed Street could be judiciously clustered so as to preserve the open space. The homes could vary in size and serve various income levels. Solar power could be emphasized; perhaps a windmill could be constructed.

Reliable sources have maintained that if we presented a good housing plan that includes affordable housing on some of the Reed Street space, the State might hasten the transfer or lease of this empty land. Equally reliable sources term this rumor false and say the notion of our

acquiring any of the Stevens School land is a pipedream; or that if any transfer to Hallowell occurs, it won't happen for years.

The 121st State Legislature in 2003 passed legislation under the heading *Resolves*, which stipulates this property be conveyed or leased by 2011. But it doesn't say: *To Hallowell*. And it stipulates: "That any lease or conveyance pursuant to this resolve is exempt from any statutory or regulatory requirement that the property first be offered to the Maine State Housing Authority or another state or local agency." The Resolve requires an appraisal of the land, which is worth millions. How could that bidder be Hallowell?

The last section of the Resolve states: "That this resolve is repealed 8 years from its effective date" (i.e., three years from now).

One plausible scenario is that the land will be sold to a responsible and civic-minded developer who will work with the city to implement whatever designs the city presents.

Some citizens see the possibility of what they term "a worst-case scenario," that the property will go to some nonprofit enterprise and that Hallowell will neither control use of the property nor obtain any revenue from it.

Obviously, the sooner the city can resolve the disposition of this property, the better off it will be to chart its course in supplying affordable housing for its citizens.

IV. By what process can Hallowell's affordable housing shortage best be solved?

The Affordable Housing Committee recommends that the city do the following:

- Establish a permanent small committee on housing composed of experts in the field, and make funds available to allow this group of people to hire consultants and/or conduct feasibility studies. Such a committee would keep abreast of all state, national and local subsidies available from the state and encourage input from the public.
- Meet, along with housing experts, with the State, including area legislators, to explore any available options regarding the Stevens complex and to keep the issue alive.
- Float a bond to set up a revolving fund that would allow a buyer to purchase a property at a reduced rate of interest. The property owner would pay back into the fund and replenish it.

- Create a policy on affordable housing and spell it out in the city ordinances. Specific tax abatements should be offered developers and homeowners who create low-cost dwelling units. Include in the ordinances specific remedies that can alleviate Hallowell's affordable-housing crisis so that residents will be assured no legal obstacles will bar these remedies.
- Ease requirements on parking.
- Permit the addition of all additional dwelling units made to a home as long as these ADUs conform to the characteristics of the home and neighborhood.
- If used to provide affordable housing, permit the addition of apartments above garages, either in existing space or to be built by a homeowner or landlord.
- Allow higher density in appropriate locations on the west side of Water Street and extending uphill from Water Street.
- Permit appropriate construction in the floodplain on the west side of Water Street.
- Encourage the creation of new rooming houses or apartment suites suitable especially for young people or the elderly who might enjoy more social contact.
- Establish density bonuses for subdivision developers who provide affordable housing.
- Make appropriate use of the TIF process in creating affordable housing.
- Consider the employment of a grant-writer, either via one of our civic-minded volunteers or salaried, to explore what funds are currently available for enhancing the quality of life in Hallowell, including the addition of affordable places to live.