

# Report of the Hallowell Affordable Housing Committee to the Hallowell City Council

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With the help of Cary Colwell and Susan Webb, and thanks also to Bob King and Justin Brown at Maine State Housing Authority (MSHA); Frank O’Hara, Mayor Tony Masciadri, City Manager David Giroux, CEO Todd Shea, Deanna Hallett, Diane Polky, Dan Kelly, Linda Gilson, Gerald Mahoney, Sam Webber, Ed Cervone, Deb Fahy, Mike Laflin, and many others who lent their brains and gave their time to this project.

## Part 1: Background and Need

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 5 square miles, the city is less than 1% of the land area of the larger region. With a population of 2,535 in 2005, it is less than 3% of the region’s population.

Because of its small size, history, and location along the Kennebec River, Hallowell is more “urbanized” than other communities in the region or in



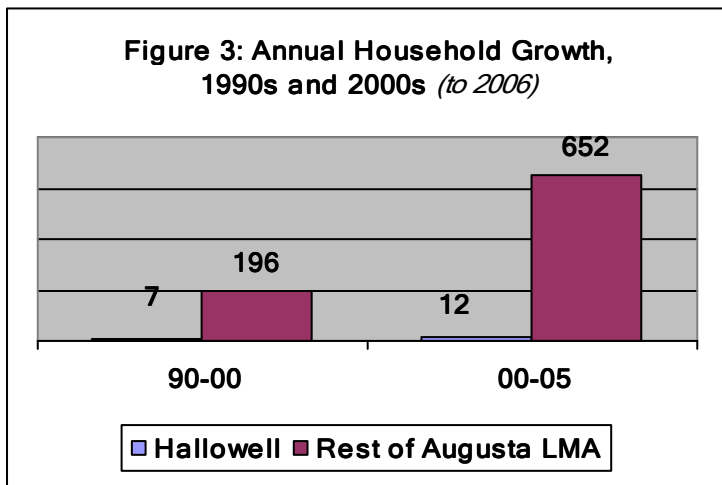
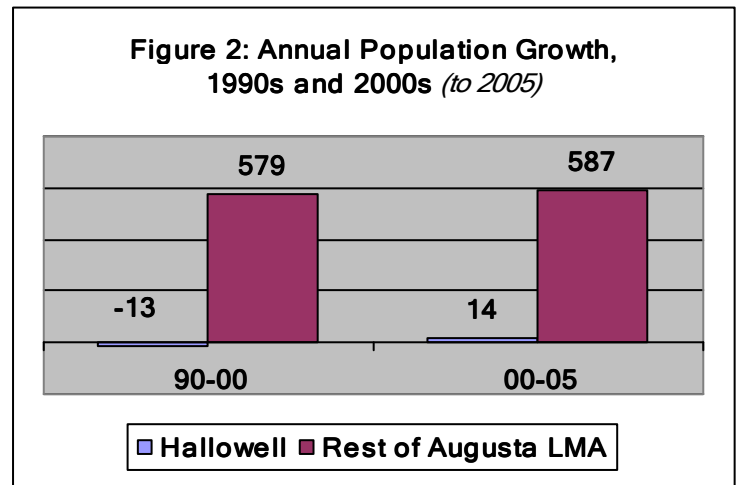
Maine. Hallowell has more population density, more people living in Census-defined “urbanized” areas, more renters, and smaller households—all characteristics of urban communities.

**Table 1: “Urban” character of Hallowell housing**

	People/sq/mile	Live in “urbanized area”	% of households that rent	Average size household, 2000
Hallowell	432	83%	43%	2.06
Augusta LMA	120	30%	27%	2.39
Maine	43	40%	28%	2.39

Over the last 45 years, Hallowell’s population declined from 3,169 in 1960 to 2,467 in 2000; then (like Augusta) stabilized and modestly increased to reach 2,535 in 2005. Still, almost all the region’s population growth in these years occurred in surrounding towns like Litchfield, West Gardiner, Manchester, and Readfield.

Even though Hallowell has lost 22% of its residents since 1960, it has gained about 140 households, or about 7%. The reason is that households are getting smaller, and it takes more dwelling units to shelter the same population. Hallowell’s household size declined from 2.24 people to 2.06 between 1990 and 2000—a level considerably below that of other municipalities in the region and the state. (see Table 1).



From 2000 to 2006, Hallowell gained population in 75 institutional beds (at Woodlands Assisted Living). According to MSHA, Hallowell gained 66 people overall during those years. This means that the population outside institutional settings declined by 9. Since new housing and new households have been created in Hallowell during this period, that means household size continues to drop. It is now 1.93 people per dwelling unit.

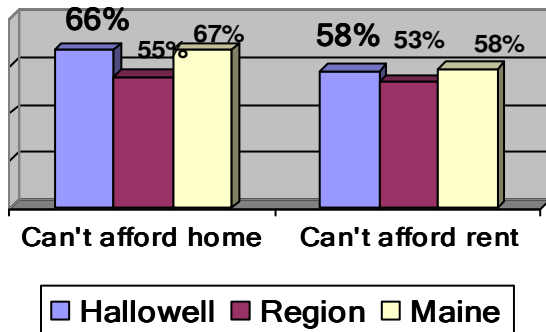
Despite its scant growth in population and households, Hallowell remains a popular place to live—even though a more expensive place compared to the rest of the region.

In 2006 both the price of housing and the average rent of a 2-bedroom apartment were 8% above the regional average, according to MSHA. And the median income of Hallowell residents in 2006 was 11% lower than the median of \$43,700 in the Augusta Labor Market Area, MSHA points out.

With higher costs and lower incomes, it is not surprising that affordability is a greater problem in Hallowell than in the rest of the region. Households with median incomes in Hallowell cannot afford 2 out of 3 homes in the city, and nearly 60% of apartments (see Figure 4).

**Figure 4: Percent of households who can't afford median cost housing, 2006**

*Maine State Housing Authority*



The problem began to draw attention in the years between 2002 and 2006. The median income of Hallowell households went up 7%; average rents went up 35%; and median home values went up 39% (source: MSHA). 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 between 2002 and 2006, 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).

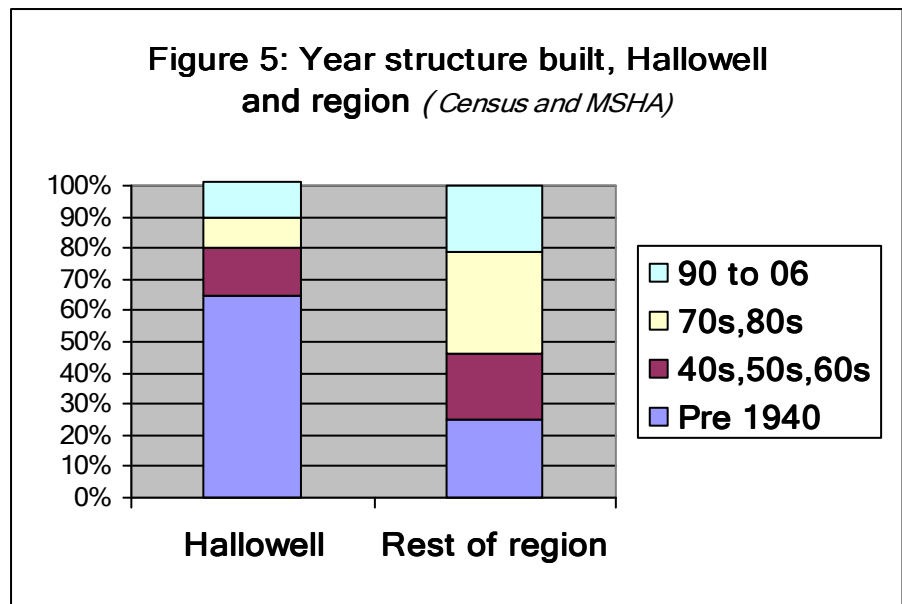
The city's affordability problem has been exacerbated since February, 2007. At the beginning of the year, there were 1,217 households in Hallowell, and 495 of these were renter households. Now there are 451 rental units, since 44—all of them affordable by lower-income tenants—have been lost to fire or commercial use. (These losses are too recent to show up on MSHA data).

The housing crunch hits almost all segments of Hallowell citizens, including the elderly. Laurie Bourgeois, who manages the 57-unit HUD-subsidized Cotton Mill apartments for the elderly and disabled, reports, "Seven years ago there were five or six 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. One woman, number 33 on the list, was told recently that her wait would probably be about two years. Cotton Mill rents, which include utilities, range from \$330 for those with annual incomes of \$18,000 or under to \$530 for those with incomes of \$31,000, the top limit.

The 44 affordable apartments lost by Hallowell in 2007 need to be replaced if the city is to retain its trademark diversity, bring back renters who moved out of town, and supply enough homes to ensure that people who work there can also live there. In addition, the population will probably expand in years to come. A renovated waterfront is very likely to bring even more visitors, which will translate eventually to more residents.

Meanwhile, because of the slow rate of growth in the last 25 years, Hallowell now has a relatively old housing stock. Almost two in three homes and apartments were built prior to 1939. Many of the 411 single-family homes built before 1939 have been rehabilitated in recent years, and have modern and safe electrical service, weatherization, and maintenance.

In the 350 rental units built before 1939, the situation is different. Many have old wiring, poor access, and deteriorated conditions. Although rents are high relative to incomes in Hallowell, they are not high in relation to the landlord's costs for utilities and maintenance. Therefore, many apartments along Water Street and throughout the community do not meet minimum standards of health and safety.



Most Hallowell residents with low incomes are living in rental housing (see Table 2). They are the ones most likely to experience problems of affordability and poor conditions.

**Table 2: Hallowell Households With Potential Housing Needs, 2006 (MSHA)**

Income level	<30% extremely low	30% to 49 % very low	50% to 79% low	80% to 150% moderate
Income below	\$11,700	\$19,500	\$31,100	\$58,000
All households	122	256	477	844
Owners	36	85	191	421
Renters	86	171	286	423

The issue of affordable housing is a concern to other communities in the region. The City of Augusta is in the process of adopting a comprehensive plan that calls for a regional approach to providing affordable housing. Winthrop has had an ongoing effort, led by the Town Council, to build more affordable housing. Gardiner has an affordable housing implementation study underway. The Kennebec Valley Council of Governments is also planning an affordable housing study this year.

Hallowell has always been a small city with a big reputation for tolerance, for its citizens' mixing with people of all incomes; for providing an exuberant collection of restaurants, bars, dancehalls and shops that people come miles to visit; for offering memorable hiking, boating, and cross-country skiing; for granting nature-lovers the kind of scenery that lifts and soothes the spirit; for encouraging, supporting and housing artists and musicians and actors, and for supplying an unusually good environment in which to raise children. If it takes a village to raise a child, it takes children to transform a spot on the map into a true village.

You travel around Maine, and people ask, "Where you from?"

"Hallowell," you tell them, and they smile and murmur, "Hallowell. Boy, I wouldn't mind living in Hallowell."

## **Part 2: Problems and Solutions**

We need to add from 50 to 100 dwelling units while respecting Hallowell's principles of historic preservation and environmentally enlightened land use.

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. Generally speaking, a city thrives when it treats 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. The Hallowell Planning Board is too often perceived as a "can't-do" rather than a "can-do" governing body. As one longtime resident observes, "Every time you go down there, they rain on your parade."

But the board is in the process of reforming its image. It could further accomplish this by including in the ordinances every allowed housing concept, thus suggesting a way to supplement the existing housing stock. A recent ordinance revision 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 allows cluster housing. Now a developer who owns 20 acres, instead of constructing one house on each of the acres, can choose to put 20 houses on five 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.)

The creation of sufficient affordable housing in Hallowell is a two-part process: reaching decisions about how the shortage can be alleviated; and implementing these decisions. The most powerful way Hallowell can achieve both segments of this process is to establish a standing committee composed of housing experts and, if possible, several city officials. In addition, the city should consider creating a small Housing Authority. Staffed with two

employees, an agency of this kind could use the city's bonding capacity and could accomplish a lot of affordable housing since the city, unlike a developer, does not need to make a profit.

### *Below the Turnpike*

Downtown Hallowell has little room for additional housing units. The space in floors above the Water Street merchants is almost all in use right now, except the following:

Some grand raw attic space above Harlow Gallery. The gallery, with the help of CD funds and private donations, hopes to provide two affordable apartments there 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.

How about new structures?

The downtown offers a superb river view. The sight of bald eagles and ospreys is commonplace. Sometimes you 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.

But the splendor of our river is balanced by the problems it creates for additional development. Even the west side of Water Street, according to city officials, lies in the floodplain. Our ordinances permit construction there, and give numerous details on how it can be done.

Some built-up property exists on Water Street's west side that could provide housing units. For example, on the land where Sousi's building stands, at the corner of Temple and Water Streets just south of the Cotton Mill, a 4-story building could provide at least 12 or 16 dwelling units. This space might also be appropriate for a rooming house supplying 20 units. Construction in the floodplain adds about 20% to the developer's cost, says City Manager David Giroux. He adds, however, that this same amount can be restored through tax abatements, and that landlords who take advantage of all the deductions available to them in federal and local income taxes can prosper.

Many landlords, in every section of the city, agree. The owner of one Hallowell duplex, for example, for several years has rented out one side, with its own private entrance, for \$550 a month, which includes all utilities. The landlord reports receiving a tax refund of between \$2,000 and \$3,000 each year, due to the many allowable deductions: in this case, among other things, half the cost of maintenance such as mowing and plowing, plus the sum for property depreciation.

In regard to rooming houses, 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 student 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.

The only sizeable open acreage near the downtown is ExxonMobil Corp.'s property to the north, at 10 Hinckley Road, on the east side of the Rail Trail. Soil tests could determine the degree of its toxicity. Nick Hodgkins of the state Department of Environmental Protection's "brownfields" program has no record of any testing done, but says he will investigate further. If no test results are found, he says, "Hallowell would have to get the consent of ExxonMobil to have the tests conducted." A colleague, Jean Firth of DEP, concurs, adding that city officials might encounter a friendly response if they explained how use of the land would benefit the community. The findings on the amount of contamination could suggest the best use of this land.

Many Hallowell citizens are under the impression that Row House, which defines itself as a nonprofit membership organization dedicated to preserving historic Hallowell, is responsible for the set of guidelines concerning the style of housing in the Historic District. But Gerald Mahoney, past president of the group, notes that the originator of these standards is actually the Maine Historic Preservation Commission. The guidelines in question are outlined in Section 9-551 through 963 of the ordinances, and are enforced by the Planning Board. Here again, the planners have wisely identified the need for some leeway in these directives, and are debating a basic question: What is historic? Few Hallowell citizens would want to replicate the downtown at the turn of the century, when huge industrial enterprises loomed on Second Street and at the foot of Winthrop Street.

About 200 hundred years ago, the city was more populous. An 1879 atlas based on 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. And a large framed 1878 picture titled "Bird's Eye View of the City" depicts a downtown crammed with buildings standing cheek by jowl, including some on Water Street that appear quite massive.

In many respects the Planning Board has bent with the times. It has approved the use of vinyl siding and other synthetic materials if they are in keeping with the character of the house in question and its neighborhood. The Board now permits adding in-law apartments to a home. It should examine other ways—including easing the current height restrictions on buildings and permitting the construction of apartments above garages. After all, in the actual downtown of the 1870s and '80s, the Historic District used to contain more tall buildings than it does now.

Of course, providing additional housing units downtown raises the question of how to accommodate the additional cars this would entail. In 1878, folks who lived downtown didn't own cars. Considering the limited amount of land available downtown, a parking garage would be one solution.

If we adhere to our vision of retaining the existing open space on the east side of Water Street, two sites exist, each suitable for a 2-story structure accommodating 200 cars. These are: 1) again,

the plot where the Soussi's building stands at the corner of Temple and Water Streets, where an alternate use of the land could be a parking garage accessed from the uphill side, on Second Street, and 2) the current parking lot on the corner of Second and Union Streets, just north of the library. One story might serve the Worster House offices and the other, the public.

But a parking garage? In a Historic District?

As a matter of fact, in the heart of the historic areas of Williamsburg and Yorktown, both in Virginia, careful design and construction have produced parking garages that blend in with the surrounding buildings and with the neighborhood. In Virginia the façade of these garages is of brick; here it could even consist of clapboard. And such a structure could combine housing and parking.

Another idea is to institute angled parking on Water Street and Second Street, which would necessitate making each a one-way street in a given section.

Many towns and cities have found innovative ways to finance rehabilitation of their older housing. 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. One method is through CD funds. Hallowell should explore increasing their use for repairs and rehabilitation.

The Kennebec Valley Community Action Program and MSHA recently joined forces in Waterville to renovate seven old homes with asbestos and lead problems. 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.

Berkeley, Calif., provides technical help and the free loan of tools to help homeowners repair homes themselves or add units, thus increasing the housing stock. Various cities actively engage the schools in practicing their carpentry skills on building or renovating apartments or homes, or bringing them up to code. These steps might help address the problem of substandard apartments. Some Hallowell citizens live with leaks and mold rather than ask the landlord for repairs, since the unintended consequence can be a rent hike.

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.

One method of increasing affordable housing 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 (such as an in-law apartment), and usually does not contain a stove or refrigerator. Elsewhere these days, ADUs are often built in a back yard and supply 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.

All the above efforts would require the easing of certain ordinances restrictions, such as the ones regarding a building's height and its parking requirements, for example. Any appropriate steps that promote affordable housing 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.

From a housing point of view, the increased pace of conversion from residential to commercial is worrisome. This is especially true in the areas from the end of the Historic District up to North Street, in which section quite a few homes stand, though zoned BA, for business; and also on a section of Second Street, even though it is zoned RA, or high-density residential.

In the northern area, residents fear that businesses will eventually crowd out the homes. On the other hand—as is true for the landowners west of the Turnpike—to change the rules in the middle of the game is seen as unfair, since homeowners may have planned their retirements on the prospect of selling to a commercial enterprise willing to pay a very good price. In a business zone such as this one, grandfathering of the residential structures should not be out of the question.

Portland has instituted a policy that would be too extreme for Hallowell: If in Portland you convert a legal apartment (defined as existing legally by the taxing authority and meeting all necessary codes), you pay a penalty of \$40,000 a unit.

Here, we recommend the following as a brake on conversion to commercial: The City Council, with input from the Planning Board, should create, publish and enforce an ordinance declaring, in effect, “The City of Hallowell does not approve of the conversion of housing to commercial development, and any such conversion shall be subject to Planning Board approval” in cases of just cause or hardship.

#### *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 suitable for housing 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. Though it is noisy, being close to the highway, it is the kind of noise that one quickly gets used to, and directly across Central Street on the south are many pleasant houses whose residents 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 including affordable homes in a development. 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 that it is due. 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.

The state of Maine authorized affordable-housing TIFs 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 in the development 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, while the tax rate for 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 relative to the number of housing units that would be made available at a predetermined 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.

### **Part 3: 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 see the property as the city's safety valve. They want to defer providing additional housing units now on the premise that the city will acquire the Stevens property during the next three years. And, in fact, the 121<sup>st</sup> State Legislature in 2003 passed legislation under the heading *Resolves*, which stipulates this property be conveyed or leased by 2011.

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 serving various income levels for tenants and owners—they dance in our collective heads. New housing in the open space behind Reed Street could be judiciously clustered so as to preserve the open space. 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.

As a matter of fact, although one Resolve stipulates that the land be transferred by 2011, it doesn't say: *To Hallowell*. And another decrees, "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 document’s final Resolve states: “That this resolve is repealed 8 years from its effective date” (i.e., three years from now).

The Resolves require an appraisal of the land, which is worth millions. How could Hallowell acquire it? 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. Others counter that a community college, for example, might be nonprofit, but would still translate to enhanced revenue for many downtown merchants and businesses.

Obviously, the sooner Hallowell can settle the many issues regarding the disposition of this property, the easier it will be to for the city to chart its course in supplying affordable housing.

#### **Part 4: How can Hallowell’s affordable-housing shortage be remedied?**

The Affordable Housing Committee recommends that the City:

- Establish a permanent standing committee on affordable housing composed of experts in the field and several city officials and make funds available to this committee to allow it to hire consultants and/or, conduct feasibility studies. The group would keep abreast of all state, national and local subsidies available and encourage input from the public.
- Keep the issue of the Stevens complex alive by urging that city officials, accompanied by the standing committee on affordable housing, meet with the state, including area legislators, to explore available options regarding the Stevens property.
- Contact riverfront property owners ExxonMobil to gain their consent to have the land tested in order to determine its suitable use for the benefit of the community.
- 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. 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.

- Publish and enforce a policy declaring the city's opposition to conversion of housing to commercial development, and require a project involving such conversion to gain Planning Board approval.
- Offer tax abatements to developers and homeowners who create low-cost dwelling units. Make appropriate use of the TIF process in creating affordable housing.
- Ease requirements on parking adjacent to buildings housing two or more units.
- Permit all additional dwelling units 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.
- Consider allowing parking garages that adhere to the style of adjacent buildings and the neighborhood.
- 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.
- 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.
- Explore involvement in the Kennebec Valley Council of Governments' planned affordable housing study this year.

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