

Work-force housing explained

Writers of ordinance detail income range, options

By **Deborah McDermott**

dmcdermott@seacoastononline.com

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YORK, Maine — On Aug. 18, the citizens of York will have an opportunity to share their thoughts with the Board of Selectmen about a proposed work-force housing ordinance, and the board will decide soon after whether to put it on the ballot for November.

The seven-page document is replete with language like "herein" and "hereby" and contains figures that may seem obscure to the lay reader. In an attempt to more fully explain the ordinance, the Herald sat down recently with the document's three authors — Selectmen Michael Estes and Ted Little as well as Jim Gambrell, who is chairman of the York Housing Authority but has said he was acting as a private citizen in crafting the ordinance.

The following report is based on that conversation.

Moderate income: This is a key component to understanding the ordinance, which states that in order to qualify for work-force housing, the household income must be between 50 and 120 percent of the median family income for the area.

In 2007, that median income was \$51,400 for one person and \$73,400 for a family of four. So anyone earning 50 percent less than that amount and up to 20 percent more than that (the median income equaling 100 percent) would qualify under this ordinance.

According to a table provided by Ocean National Bank, the salaries that would fall under this ordinance range from \$25,750 for a single person at 50 percent to \$88,080 for a family of four at 120 percent (see accompanying table).

Qualifying household income includes, in addition to salary, 3 percent of assets such as stocks, bonds and property.

The ordinance authors assume home ownership in the range of \$200,000 to \$250,000, and townhouse ownership in the range \$162,000 to \$179,000. In order to afford these residences, household income will need to be at least \$66,100 for a townhouse and at least \$79,320 for a home. These figures are based on a mortgage rate of 6.25 percent.

This is assuming a mortgage is taken out for the full cost of the home, which often is not the case, as people put at least some money down.

Families making between \$25,750 and \$61,600, roughly, would be considered for rentals.

"Basically, if you don't make \$50,000 to \$60,000 a year, it's going to be difficult for you to purchase a home under this ordinance," said Little.

"This is a starting point," said Estes. "A teacher making \$33,000 a year could start with a rental and then move into a townhouse and finally a home as her income increases."

Who qualifies: As was the case when a similar ordinance was proposed last year, first priority is given to those who live and work in York, and this includes self-employed people; second, to those who work in York and live elsewhere; and third, to those who live in York and work within a 10-mile radius of the town's borders.

The authors chose this radius so that it would include the Portsmouth Naval Shipyard and Portsmouth.

Where housing can be located: Any work-force housing, from apartment buildings to townhouses to homes, would be located in the town's growth area, which is located from the Cape Neddick River to the York River, east of Interstate 95.

The authors chose this area because it is serviced by water or sewer or both. This is important, they said, because drilling a well or creating a septic system adds to construction costs. In addition, town public safety and municipal services are located in this area, and so sprawl is contained, they said.

Source: <http://www.seacoastononline.com/apps/pbcs.dll/article?AID=/20080811/NEWS/808110319/-1/NEWS01&sfad=1>

New construction: The minimum size of a lot for either new apartments, townhouses or houses is three-fourths of an acre, or 32,000 square feet.

Apartments or townhouse rentals: The land area needed for each rental unit is a minimum of 3,000 square feet. The floor area for the units themselves can be as small as 500 square feet, and the remainder would go for parking and buffer. On a minimum lot size, 10 units could be built.

"It is denser than is currently allowed, it's true," said Little. "But currently, Deerfield Place, for instance, is more dense than would be allowed under this ordinance."

Houses or townhouse ownership: the minimum land area needed would be 8,000 square feet if it's on sewer and water or 20,000 square feet if it's on one or the other, but not both. The floor area for the house itself can be no more than 1,500 square feet.

No buildings can be higher than 35 feet, which is currently allowed in the growth area, and that could be as high as three full stories.

All new buildings under this ordinance would have to be built to Energy Star certifications, roughly 15 percent more efficient than conventional buildings. This proviso was added at the request of Eric Hopkins, the town's Energy Committee chairman.

Conversions: Any existing building, whether conforming or nonconforming, can be converted for rentals. The authors mention the Ice House on Long Sands Road and the former Harbor Nursing Home as two buildings that would easily convert into apartments.

Buffering: The language in the ordinance in terms of setbacks and buffers is the same as it is for any residential structure in York, the authors said.

Resale: According to the ordinance, everyone who buys a new home or townhouse can stay in it as long as they want, even if they start making more money than allowable. However, they won't be able to sell it for full market value. This is done so that it's reasonably priced for the next work-force owner.

Although someone may buy a house for \$210,000, say, the assessed value may be \$350,000. In that case, the homeowner is buying the house for 40 percent less than it would be worth at market rate. When they go to sell it, they can only sell it for 40 percent of its market value as well. So, for instance, if the assessed value of the house at the time of sale is \$450,000, the owners can only sell it for 40 percent of that amount, or \$270,000.

Governance: A similar ordinance that failed to make it past selectmen last year mandated that the York Housing Authority alone be responsible for developing and qualifying applicants for all work-force housing, and managing all rental housing. This new ordinance allows for any nonprofit housing agency to develop the housing, such as **The Housing Partnership**, based in Portsmouth. However, the YHA would continue to qualify applicants for either rentals or home ownership and would manage the rentals. Although most housing agencies also manage and qualify, the authors felt it was best to keep this responsibility with the YHA.

"We feel someone local should do that," said Gambrill.