

AFFORDABLE HOUSING STRATEGIES IN THE BLUE HILL DISTRICT

Council Business Meeting
March 13, 2019



Purpose of Tonight's Discussion

- Provide guidance on affordable housing strategies for Blue Hill District
- No Council action required



Agenda

1. Context and Process

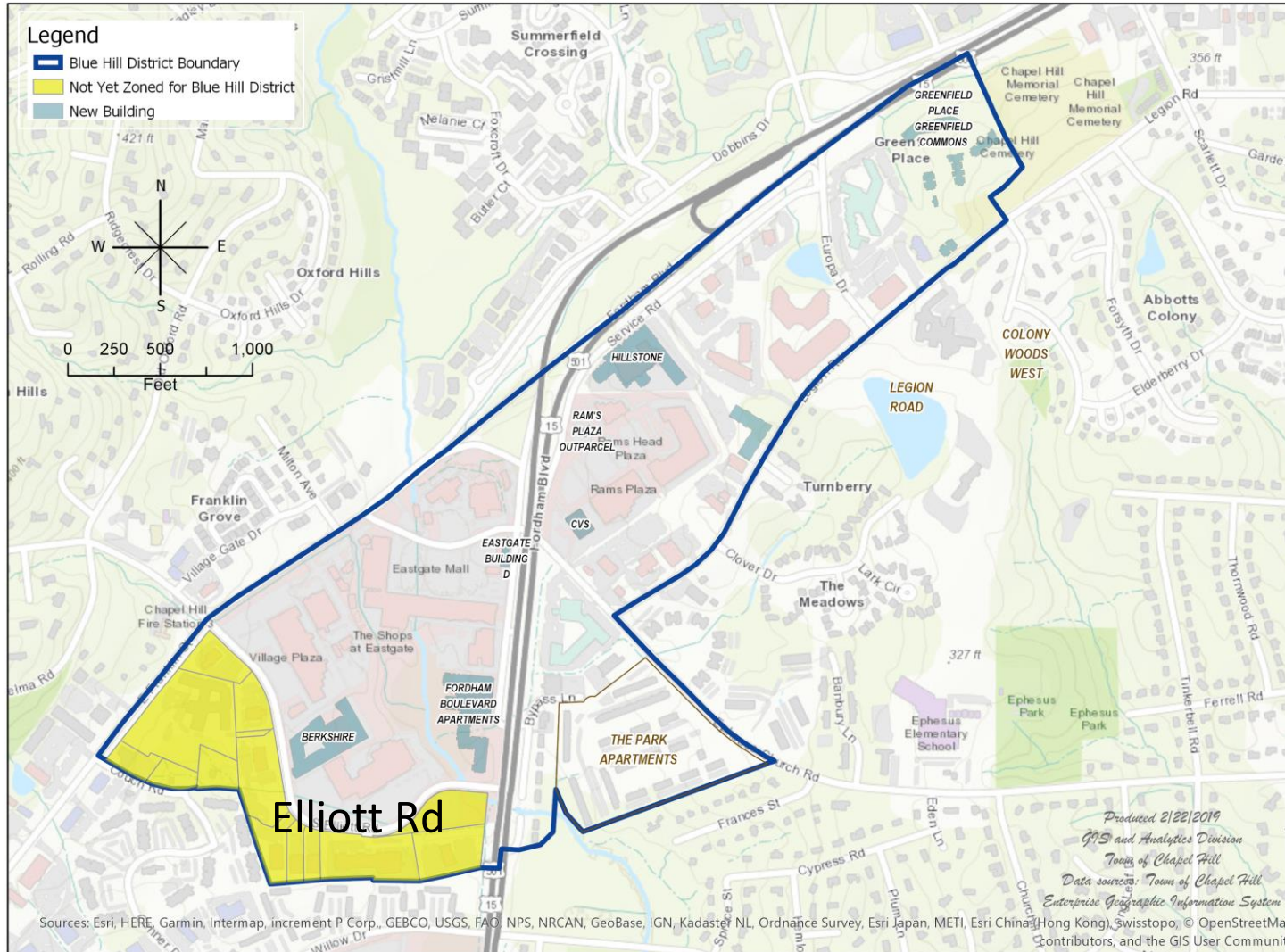
2. Review of Proposed Strategies

3. Discussion and Feedback



Blue Hill District Overview

Blue Hill District



Council Petition

“Propose solutions that will allow us to meet our existing goal of 300 new affordable housing units as well as to mitigate impacts of units lost when the Park Apartments property redevelops.”



Affordable Housing Goal and Progress

- Develop 300 new affordable housing units, or 20% of net new units

Development	# Affordable Units	Status
Greenfield Place	+ 80	Completed and Occupied
Greenfield Commons	+ 69	Anticipated Completion in Spring 2019
Park Apartments	-198 +155	- Expect full vacancy by Summer 2019 - Developer to provide income-restricted units (80-120% AMI) on site - Developer to pay \$1.5M contribution prior to receiving building permits
Total	106	



Strategy Development Process



PROPOSED STRATEGIES





Strategy 1: Revise Blue Hill code to reflect the Town's commitment to affordable housing within District

- Incorporate affordable housing into District vision
- Require pre-application meeting with Town Affordable Housing staff

Next Steps:

- Initiate text amendment process to revise Blue Hill District Code





Strategy 2: Offer development review process options to support affordable housing

A. Under Current Zoning

- Offer Commercial Exemption

10% Commercial

or

% Affordable Housing

Next Steps:

- Determine affordability level requirements
- Coordinate with Planning on design of code modification





Strategy 2: Offer development review process options to support affordable housing

B. Under Proposed Restructured Blue Hill Code Related to Stormwater

1. Enhanced Stormwater
(Blue Hill)

2. Conventional Review
Process

3. Conditional Zoning

Next Steps:

- Determine affordability level requirements or expectations
- Coordinate with Planning on design of code modification





Strategy 3: Partner with developers to provide affordable housing opportunities in planned development

- Subsidize development of units
- Designate portion of units for public employees
- Master lease with Town/affordable housing provider

Next Steps:

- Refine subsidy estimates
- Assess interest among developers





Strategy 4: Offer similar review process for affordable housing development in area surrounding Blue Hill

- Would expand support for affordable housing development
- Area suitable for affordable housing
 - Competitive for 9% tax credits (e.g., Greenfield Place)
 - Nearby Town property and Elliott Rd parcels

Next Steps:

- Design zoning structure to extend development benefits
- Further explore nearby affordable housing development opportunities





Strategy 5: Allocate a portion of increased tax revenue to affordable housing

- Synthetic Tax Increment Financing (TIF) District finances road improvements in Blue Hill
 - Current projected repayment in 2029
 - Future Council consideration for allocation of revenue

Next Steps:

- Monitor debt repayment schedule for Phases I and II
- Consider allocation of revenue to affordable housing after current debt paid off



Council Action

- Provide guidance on affordable housing strategies for Blue Hill District








Guiding Questions

- What do you like about the proposed strategies?
- What questions or concerns do you have on any of the strategies?
- What areas of exploration should be further pursued?



Proposed Next Steps

	STRATEGY	TIMELINE
	1. Revise Blue Hill code to reflect the Town's commitment to affordable housing within District	June: Could be incorporated into proposed text amendment
	2. Offer development review process options to support affordable housing	Spring: Conduct affordability analysis Fall: Council consideration of text amendment
	3. Partner with developers to provide affordable housing opportunities in planned development	Spring – Summer: Conduct subsidy analysis Ongoing: Explore partnership opportunities
	4. Offer similar review process for affordable housing development in surrounding area	Spring – Summer: Exploration of zoning structure Fall: Council consider zoning options
	5. Allocate a portion of increased tax revenue to affordable housing	Ongoing: monitor debt repayment schedule

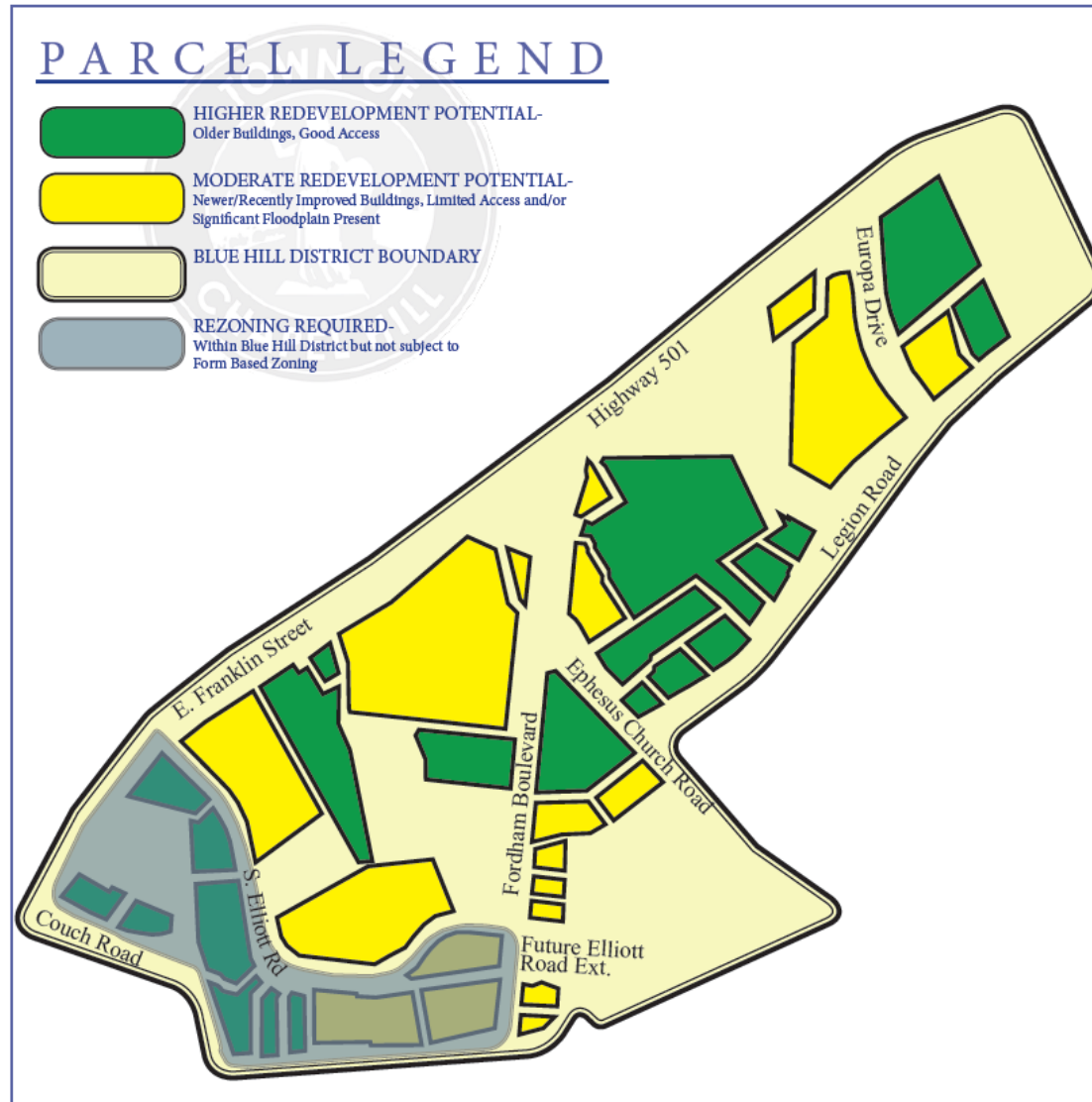


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Analysis of Redevelopment Potential in Blue Hill District



Blue Hill Form-Based Code

- Establishes basic requirements for development to serve as prescriptive standards
- Design guidelines in code interpreted by staff, reviewed by CDC
- **No Council approval required;
Staff/CDC Approval within 100 days**



Traditional vs. Blue Hill Development Review

Traditional Development Approval Process	Blue Hill Approval Process
Opportunity for Council and Advisory Board review	<ul style="list-style-type: none"> - Eligible projects receive 100-day approval - Limited Advisory Board review (CDC only) - Council approval not required
Utilize incentives (density bonus/Floor Area Ratio bonus) or grant rezoning for rental developments in exchange for affordable housing	<ul style="list-style-type: none"> - Form-based code does not dictate density; developers can maximize density/size by right - Value of height bonuses limited by increase in construction costs for greater than ~6 story buildings



Blue Hill and Affordable Housing



Promotes Affordable Housing

+ Streamlined, predictable review process reduces development costs

Hinders Affordable Housing

- Difficult to incentivize affordable housing
- No Council approval required

