

**Town Council Meeting
DRAFT Minutes
March 14, 2016**

The meeting was called to order at 7:00 pm.

Roll Call

All Councilors were present and answering roll call.

Councilor King moved to suspend Council rules to add an executive session to the end of the agenda; Councilor Hemphill seconded. Motion carried 7-0.

Item 1 Order to Authorize the Town Manager to enter into an agreement with the Portland Water District for the Construction, Financing and Operation of Mill Creek pump Station and Ancillary Force Mains in the Town of Falmouth

Chair Goldberg opened a public comment period; there was no public comment.

Town Manager Nathan Poore introduced the project. This is a \$6 million project. The Town brought this to the Maine Municipal Bond Bank for bond financing; there is a federally subsidized Sewer Revolving Fund administered through them. At that time, MMA requested that this be set up as a general obligation bond instead of a revenue bond; this would require a June referendum. The Town has already have gone to bid with this project, and has had two extensions to award the contract. Mr. Poore didn't think they could get another extension and the current one expires at the end of April; a June referendum is not good timing. Also, the Town ordinance requires that the Town finance sewer projects through an enterprise fund, not general obligation bonds. Another solution was to work in partnership with the Portland Water District, as the Town has in the past. The District would borrow the money for Falmouth and would technically own the infrastructure for 20 years. The Town would maintain the system and pay all operating and debt costs. After the end of the agreement, the project would be turned back over to the Town. The Town of Cumberland, which is paying for 44% of the project, supports this approach.

Chair Goldberg reopened a public comment period; there was no public comment.

Councilor Farber appreciated the Portland Water District's willingness to do this so we don't have to go with the general obligation bond. Councilor Hemphill agreed that Portland Water District would be a great partner.

Chair Goldberg asked if the borrowing costs will be any less, due to the borrowing power of the District. Mr. Poore said the borrowing costs will be slightly higher, due to the increased legal review necessary for the agreement.

Councilor Farber moved the order; Councilor McBrady seconded. Motion carried 7-0.

Item 2 Order to authorize the Town Manager to accept an easement for underground utilities on property owned by Heidi G. Almy and Douglas C. Snapp and located at 19 Depot Road, such easement associated with the construction of Mill Creek Pump Station and Ancillary Force Mains in the Town of Falmouth.

Mr. Poore said the Mussel Cove Homeowners Association requested that this easement be taken care of prior to the required easements from them. The Town Attorney will hold this easement in escrow until all of the other pieces of the project come together.

Chair Goldberg opened a public comment period; there was no public comment.

Councilor Farber said that the \$15,000 for this easement will be coming out of the enterprise fund and not out of general operation funds.

Councilor Farber moved the order; Councilor Hemphill seconded. Motion carried 7-0.

Item 3 Presentation and discussion about assessing services provided by Cumberland County to the Town of Falmouth, including status of assessing in Falmouth and the proposed FY17 budget.

Renee LaChapelle, Director of Regional Assessing and the assessor for the Town of Falmouth, explained that the Regional Assessing Office provides services for Falmouth, Casco, and Yarmouth. She provided an update on the number and qualifications of the staff within the County Assessing department. Lisa Sangillo is the Falmouth town staff person who works directly with the public. The Assessor is an agent of the State and is governed by State Statute. She discussed the records they keep, and how often they process changes. The State is two months behind on providing information to assessing, so changes don't happen until the information comes from the State. Customer service is very important to them; they get the most questions after the tax bills are sent out. The mil rate this year is \$14.63 per \$1,000 of assessed value. The total valuation base is \$2,368,571,800. Tax for collection is \$34,652,205. The number of abatements has dropped quite a lot over the last few years. The 5 largest tax payers in town are Oceanview, TD Bank, Falmouth Realty, LLC, CMP, and Princeton Falmouth, LLC. Assessors are audited every year by the state. Assessment ratio for the Town is currently at 100%; the combined ratio of real-estate for the prior two years equated to 96%. The Town's quality rating is at 8. It has been between 7 and 9 over the years since the reval; anything under 10 is considered a very good rating. She reminded people that there has been an increase in the homestead exemption this year; the applications need to be submitted by April 1 in order for taxpayers to qualify. The exemption is for primary residences, and the owner needs to have owned the home and lived in it for 12 months to qualify.

Councilor McBrady asked how they determine the cost allocation between the three different towns for the office. Mr. Poore said there is a 10% baseline; the remaining 90% is divided three ways: 30% is based on total valuation, 30% on the number of parcels, and 30% on the number of personal property accounts.

Councilor King asked if there were any other towns that had expressed interest in joining the regional assessing model. Mr. Poore said there are several towns that have looked at it in the last year. Ms. LaChapelle said they reach out to any towns that are advertising open assessing positions.

Councilor Anderson asked how Ms. LaChapelle felt about the adequacy and stability of this staff to meet the needs of all of these towns.

Ms. LaChapelle felt the staffing will be adequate going forward with the three towns they have. They are currently finishing up with Cumberland, but they have some extra help coming in to get through that transition. They will be done with Cumberland as of April 1.

Councilor Anderson asked how Falmouth will assess the quality of the service that the Town is getting from this new model.

Mr. Poore said there was a conversation between the participating managers and the Director last fall; they have committed to communicating on a more regular basis on the status of the office.

Councilor Kitchel asked what the net savings of the program have been.

Mr. Poore discussed the service model, which includes an in-house staff person. The total budget is around \$147,000, which is a \$70,000 decrease. The Town has been putting \$25,000 of that savings into a reserve account for a future revaluation. In the past, the Town did revals in-house and hired some part-time assistance. He thought they may not have to do another reval for 2-5 years because the numbers have stayed so steady. With that reval money set aside, he thought the Town is seeing \$45,000 in net savings each year.

Item 4 Introduction of amendments to the Code of Ordinances, Section 19-25 Elementary School Redevelopment District (ESRD), in relation to the development of the Plummer School into affordable elderly housing units.

Councilor Farber introduced the amendments. The plan put forward last fall was for senior housing in the Plummer building with some number of affordable units. The project has moved forward and they are starting to break ground, but they need some changes to the ordinance.

Rick Licht, of Licht Environmental, presented the history of the development to date and the proposed amendments. They are planning to develop 34 units of affordable senior housing at Plummer and have started the Planning Board process. In that process, they realized that there are some administrative and technical items within the ordinance that they need to change. First is a housekeeping item to update the date under section 3.20.4 which references the master plan. The second is within the permitted uses: the original intent was to allow the most flexibility since at that time it was unsure what the use of the buildings would be. They would like to add the term “elderly housing” to make it specific rather than broad and to add this term to the definition section of the ordinance. Thirdly, the current ordinance has a minimum dwelling size of 600 square feet; they feel there should be no limit to dwelling unit size in this district. Finally, staff pointed out that the current building cap could be interpreted to apply to affordable housing. They would like language to clarify that the building cap does not apply to this district.

Councilor Farber said the CDC has been working on the issue of “minimum unit size” as part of its zoning work. The CDC’s proposal, which will be presented to the Council soon, actually would eliminate this minimum in the entire ordinance. She suggested dealing with this issue now, instead of addressing it as part of this district and then again with the CDC’s proposed amendments. Regarding the definition of “elderly housing” and the questions of affordability, staff has identified several items the Council should consider: whether they should limit the number of occupants, define the relationship between occupants, and whether they want an age-restriction or just a reference to the definitions in Federal law. She said there is a definition of affordability in the ordinance. She wondered how they reconcile these proposed amendments with that.

Councilor Anderson thought the CDC modified the building cap recently, and included exemptions for “congregate housing”. He asked why that wouldn’t apply to this development.

Councilor Farber said the definition of congregate housing includes services, like dining, which are not included in this development.

Chris Wasileski of Oceanview said they are using federal funding to make this project more affordable; the square footage restriction ties into making the units more affordable. They are not offering congregate services within this community; it is not designed to be full retirement community, but a project for elderly folks that is affordable. They will build in the affordability with proper finances (including the TIF) and by building the units to appropriate sizes.

Councilor Goldberg asked the current status of the project.

Mr. Wasileski said they are through the demolition and are now waiting on the changes in the ordinance in order to qualify for the final financing of the project. If they can finish this process, the Planning Board process, and get a building permit in the next few months, they expect to get the new building shell done before winter 2016.

Councilor King didn't think they have to define how many people are in the unit; she wondered how that fits in this discussion; she did understand the age guideline to determine the age of the primary lease holder.

Councilor Farber asked if there was a way to define elderly housing that didn't include the number of people and their relationship to each other.

Mr. Wasileski wasn't sure about the definition in the Federal Elderly Housing statute. 95% of the time at their facility in Topsham the residents are a single person or an elderly couple; occasionally there is an elderly parent with an adult special needs child.

Councilor Farber thought the zoning ordinance didn't need to dictate how many people live in the unit; the landlord can do that. She thought the definition should read "elderly housing: where at least one resident meets the elderly age requirement of the act".

Councilor Goldberg agreed; he thought Oceanview policy states 1 or 2 people. Mr. Wasileski confirmed that.

Mr. Poore recommended that staff and Oceanview work to amend the language of the definition to take the comments of the Council into account, removing the reference to number of residents per unit as well as referring back to the requirements of the federal act. Those changes can be brought back to the Council for the public hearing; they would not be substantive enough to require a new introduction.

Councilor King asked what is included in the 350 square foot unit; she wondered if it has a bathroom and a kitchen and whether they would have any other amenities.

Mr. Wasileski said that these units will have access to common areas; in Plummer that would be the old gym, which will have tables, a kitchenette, and a gathering space with furniture. There will also be access to laundry facilities, and a fitness room.

Councilor King wanted to make sure that, if they get rid of the minimum size, that it would be appropriate to do so.

Councilor Kitchel asked the livability of 350 square feet. He thought it was pretty small. He also asked what would prevent them from building a 250 square foot unit, if they remove the minimum standard.

Mr. Wasileski spoke about his experience living in a unit of that size; it is very small, but for a single person it is livable. They are bound to both architectural and building codes to have accessible bathrooms, which will limit how small the units can be. The architecture of the school also determines the size of the units.

Councilor Farber pointed out that the market would drive this as well; if a unit isn't livable, people won't rent it. She didn't think it was their role to dictate this, in terms of size.

Councilor King said these units are for a historically underserved population; they are not going to be market-driven as much as other rental units. These renters don't have as much choice.

Mr. Wasileski said that this will be a unique project for the area; there isn't another project in this area with these types of amenities.

Councilor Anderson thought allowing Oceanview to build a 350 sf unit in this particular development is different than allowing anyone in town to build small units anywhere in town. He said it may not be appropriate to eliminate the dwelling unit size across town; they should look at this first before doing that.

Councilor Farber was happy to treat this as an amendment to the current ESRD only; she didn't want to derail the process just for that piece.

Councilor Hemphill asked if the Council was satisfied with the level of affordability being proposed. He thought affordability and eligibility was important to the Council last fall; he didn't think it has been carried forward in this proposal.

Mr. Poore said the original proposal was for all units to be no higher than 120%, which is in the TIF eligibility criteria. They should have a definition for this overlay that would also set them up for implementing the TIF and having a few units less if they wanted to partner with Oceanview on a TIF that would allow them to lower the affordability.

Councilor Farber thought there was language in the development agreement that speaks to the level of affordability. She pointed out that, if the town takes some of the TIF money to lower the 120%, the TIF only lasts 20 years. If they want to ensure the affordability of units over the life of the project, she wondered if they should add language to the definition.

Mr. Licht said the conditions of the development agreement refer to the MSHA affordable housing TIF program, which requires 33% of units meet affordable guidelines. This proposal is proposing that all units will meet those guidelines.

Councilor King said, if the Town wants to make the development more affordable, it should be captured in a definition. Councilor Anderson felt that they should not define affordability here; that definition is already determined in the agreement. Whether the Town wants to subsidize the units with TIF money is a separate discussion.

A public hearing was scheduled for April 11.

Councilor Farber summarized that staff would assist Oceanview to amend the “elderly housing” definition per the Council discussion tonight. Both the minimum unit size and the growth cap amendments are going to amend the ESRD only.

Item 5 Presentation from Avesta housing of a request for a zoning amendment in order to rehabilitate and expand the affordable housing development at 21 Squidere Lane

Drew Wing, the Development Officer for Avesta Housing, gave a presentation on their request to renovate the existing 20 units of affordable housing, serving residents 62 years or older or those with a disability, and the creation of 19 new units. Avesta acquired this property in 2013 and knew there were great capital needs. They have been working ever since on a financing package that would allow them to do those improvements. In 2016, they put together a competitive application using a “Preservation for Housing” set-aside that Maine Housing had. They were awarded one of the five awards in the State. They also received an award from the Federal Home Loan Bank. Those two awards will allow them to move forward with the necessary rehab work as well as the creation of the new units. He explained that Avesta was founded in 1972 as the York-Cumberland Housing Corporation with a mission to provide quality affordable housing for those in need. Maine has the highest percentage of 65+ residents in the country. The waitlist for a unit at the Blackstone development has 120 people on it. Last year, they were only able to place 3 of those people into a unit. There are two other housing developments in town serving the low-income population; all the low-income units in town are 100% occupied already with waitlists of 1-2 years. The 20 units of housing that exist at Blackstone are 40 years old and need deep renovation work including new windows, roofing, insulation, new floors, cabinetry, etc. The proposed 19 new units would include 1 and 2 bedroom apartments. The residents of this development would have incomes at 50-60% AMI. The existing property includes a community room, which they propose to enlarge; there is also on-site laundry, and a part-time resident service coordinator. This property is a smart growth location in regards to the Town’s comp plan; it is served by public water and sewer and is in close proximity to other services. He discussed a conceptual rendering of the new building, which takes the design of the surrounding neighborhood into account. He explained that there is a debate on the ownership of Squidere Lane; at a later date the Council should have a discussion on ownership of the road. Avesta would be willing to take ownership and maintenance of the road, if the town vacated its ownership. There is an opportunity with this plan to provide homes for people in need and fulfill the larger objectives of Falmouth’s comp plan including diversity of housing. He pointed out that the financing for this project is

already place, they are experienced as an owner/manager, and the development will generate additional tax revenue since currently this property does not generate any tax revenue. In order to keep their financing they need to begin construction by October 2016, and complete it within 12 months.

Councilor Anderson would like to know some detail on the renovations that have occurred in the 40 years that the buildings have been there.

Mr. Wing said they have invested over \$80,000 in the last two years. He couldn't testify on the whole 40 years.

Councilor Anderson asked for more detail on the history of renovations to the property. Mr. Wing said he would look into that.

Chair Goldberg asked how long Avesta has owned the property. Mr. Wing said they purchased the property two years ago, but have been managing it for a longer period of time. He felt the prior owners looked to Avesta to acquire the property because of the difficulty of financing the needed renovations.

Chair Goldberg said this is for senior housing. Mr. Wing clarified that the existing units serve residents 62 years old or older, or those who are disabled. The new units would serve residents 55 and older.

Councilor Kitchel asked what would happen to the existing tenants during renovation.

Mr. Wing said they would create a model with their contractor to figure out the sequencing. They want to approach this as an occupied rehab, so they would renovate during the day and then the resident would return in the evening. In some cases of deeper renovations, they might use off-site hotel rooms to house residents.

Councilor King asked the impact of the total development on the neighborhood. This property is in a RA district, and is bigger than what is envisioned for properties in that district. She asked about capacity and impact; she asked if there is any flexibility on the number of units and the size of units.

Mr. Wing said they do not have flexibility relative to number of units; that is set by the financing application process. They have some flexibility on unit size.

Councilor Faber asked what conversations they have had with the public. Mr. Wing said he has gone up and down Depot Road and spoken to all the abutters on Lunt Road; he spoke to eight people directly and left contact information at others. He has been working directly with one person to address concerns. Their residents have been notified as well.

Councilor King asked if a master plan is the only option for this project.

Councilor Farber said the first question is whether there enough interest on behalf of the Council on this project to go to the next step. She had no concerns in principle but would like to see a more detailed conceptual plan. She didn't want the Council to become a default Planning Board. The Planning Board should take care of the level of detailed governed by the larger zoning ordinance. Other than a master plan, the only other option would be to create a new zone.

Councilor Anderson said he was supportive of this in concept since there continues to be a need for affordable housing and it's consistent with the comp plan. The Town's Senior Committee has expressed that the proposed senior housing at Ocean View isn't really affordable. There is clearly a need for true affordable housing in this community. He didn't think they should shy away from a master plan approach.

Councilor Hemphill felt it was a good proposal. It is in a smart growth area.

Councilor Farber asked about the car ownership rate for the property. Mr. Wing said currently they have 11-12 residents that use cars. Their internal data shows a parking ratio of .7 cars/1 unit of housing. They are proposing to create a total of 29 parking spaces.

Chair Goldberg agreed with Councilor Anderson's comments. This property is an island in a special zone, and he felt it can be accommodated that way

Councilor King was surprised this came to them this late, and wondered if it could have come to them earlier. Mr. Wing said they couldn't come until they had the financing. They discussed the appropriate time to bring it forward with town staff.

Mr. Poore asked about the road ownership issue; there is one private resident whose property gets its access off Squidere. He asked how they propose to assure that property owner that the road will be maintained well, perhaps with a road maintenance agreement. Mr. Wing said they haven't got there yet, but he felt the lawyers will work that out to the Town's satisfaction.

Mr. Poore said there are two components to a master plan: the renderings and drawings, and the zoning language. They need to review what standards they can meet in the current zone and what standards can't be met. There is a lot of work that needs to be done quickly to turn this around.

Councilor King asked if there was a way they can reassure their financing sources if the timing doesn't work. Mr. Wing said they know there is a process; he said the funds are secure and will not be released to Avesta until the planning and permitting process is underway. He felt their funding sources will review their efforts to move through the process and take that into consideration.

Item 6 Order to schedule a public hearing on the FY17 Municipal and School Department Budgets for April 7, 2016.

Chair Goldberg said the public hearing will be held at the Falmouth Elementary School Cafeteria. He opened a public comment period; there was no public comment.

Councilor Faber moved the order; Councilor Hemphill seconded. Motion carried 7-0.

Item 7 Order to establish a three person Council sub-committee to propose a process for the evaluation of options pertaining to the former Brown property at 260 Foreside Rd.

Councilor Farber said the Council had a lengthy discussion on historic materials regarding the Town's purchase of the Brown property. They agreed at that time that there needs to be a public process in place and a group to evaluate the options laid out.

Councilor Farber moved the order with the addition of Councilors Kitchel, McBrady, and Hemphill as appointees to the subcommittee. Councilor Anderson seconded the motion. Motion carried 7-0.

Item 8 Order to amend the Council rules in order to incorporate a formal Conflict of Interest policy.

Councilor Anderson pointed out that this is an amendment to the Council rules; it would be added to the list of Council policies as policy 6.

Councilor King moved the order; Councilor Anderson seconded.

Chair Goldberg opened a public comment period; there was no public comment.

Councilor Farber asked about a portion of the language, but Councilor Anderson said it was directly from State statute. The Council discussed the phrase, but decided not to change it.

Motion carried 7-0.

Item 9 Order to enter executive session pursuant to the Laws of Maine to discuss and consider the disposition of real estate rights, pursuant to 1 M.R.S.A. § 405 (6) (C).

Councilor King moved to enter executive session; Councilor Anderson seconded. Motion carried 7-0.

The Council entered executive session at 9:27 pm and did not return.

Respectfully submitted,

Kimberly Darling
Melissa Tryon
Recording Secretaries