

Excerpt from February 26, 2018 Council Meeting Minutes

Item 9 Presentation by Godfrey Wood, Executive Director of Habitat for Humanity Greater Portland, regarding a proposal to create an affordable housing development on Town-owned property on Marshal Drive, off Woods Road.

Godfrey Wood said Habitat for Humanity is interested in building approximately 25 homes on property behind the police station. The homes would be available for families with limited incomes and they would be open to granting priority status to applications from Falmouth town employees, business owners and current and past residents. Their initial concept plan includes 13 acres of conservation land. The proposed homes would be similar to other projects they have built and would include energy efficient buildings and a neighborhood design. He said the median listing price for a home in Falmouth today is \$636,000 and the average rent is \$2950/month. The definition of “affordable” housing means spending no more than 30% of total income on housing. Habitat qualifies families based on income, and works with a local community bank to finance the home at 100% with payments no more than 30% of the families’ income. The family gets a first mortgage with the bank and then a second, silent mortgage with Habitat. They pay no interest or principal on that second mortgage until they sell the home. Habitat can afford to do this because they build the home with the families; each family is required to put in 275 hours of work to build the homes. They also do fundraising, sponsorships, receive materials at cost from Hancock Lumber, and raise money with their ReStore. The families have to have a stable credit and income history. Habitat has a very low foreclosure rate. He said they would like the Town to contribute the land for this project, and maintain the road and sewer. The Town would receive an estimated \$87,500/year in property taxes on the homes once the project is built.

Councilor Farber thought it was a great idea, but she wondered if the Town should put this out as an RFP to other non-profits. A donation of land is a contribution; they would do an RFP for anything else they were going to sell. She liked that this is a request for a donation of land and not a contract zone; it is designed to follow the current ordinances, and would be subject to growth caps. If they were going to donate this land for affordable housing, she would like some kind of agreement that if the development fell through, the land would revert back to the Town and not be sold. She thought the Council should consider it.

Councilor King agreed with the RFP idea. She like the proposal and that the homes were energy efficient. She supported pursuing the project.

Chair Hemphill agreed; he liked the suggestion of offering these homes to families with Falmouth ties.

In response to Councilor Farber’s concern, Mr. Wood said that they have an agreement in Scarborough that the Town owns the land until they develop each lot; they take the land on a lot-by-lot basis.