



**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Victoria Volent, Housing Program Manager

**DATED:** April 19, 2018

**SUBJECT:** Inclusionary Zoning Workflow Update

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### Introduction

In October 2015, the City Council approved Order 82 – 15/16 mandating inclusionary zoning within all residential development projects creating ten or more new dwelling units for rent or sale. Division 30, Section 14-487 of the City's Zoning Ordinance requires all projects to set aside a minimum of 10% of their units as workforce housing to eligible households. Developers also have the option of building units off-site within the same census block or paying a fee-in-lieu of some or all units into the City's Housing Trust Fund.

### Workforce Housing Development

Attached is a list of projects subject to the ordinance and their proposed method of meeting its requirements. Since adoption of Inclusionary Zoning, eighteen qualifying residential or mixed-use projects have been approved by the Planning Board as of March 27, 2018. From those eighteen projects, 8 units of workforce units have been developed; 23 units of workforce housing are proposed, and six out of eighteen developers chose to pay the fee-in-lieu into the City's Housing Trust Fund for a total of \$1,266,250 (the actual funds will be deposited when the certificate of occupancy is requested). Two of the eighteen qualifying projects are associated with mission oriented developers (510 Cumberland, 58 Boyd Street) proposing a greater percentage of affordable units at a lower area median income. Of the ninety affordable units associated with these two projects, thirteen units would have been workforce housing had the developers not proposed to exceed the affordability requirements of Division 30, section 14-487. The project at 583-605 Stevens Avenue is also proposing a greater percentage of affordable units at a lower area median income. Of the 66 affordable units associated with this project, twenty-four units would have been workforce housing had this developer not proposed to exceed the affordability requirements.

### Fee-in-lieu

Of the \$1,266,250 in committed fee-in-lieu funds, \$280,000 has been collected to date. The remaining funds (\$986,250) will be collected prior to issuance of the certificate of occupancy. Three projects (with a total fee-in-lieu commitment of \$570,000) are in the construction phase. 62 India Street (aka the Mason Block) anticipates occupancy in spring 2018, and 20 Thames (aka Twenty Thames) is aiming for a late 2018 completion date. As previously mentioned six out of eighteen developers, or 1/3, chose to pay the fee-in-lieu.

### Deed Restriction

Before a building permit may be issued, a Workforce Housing Agreement is entered into by the developer and the city. The agreement outlines the details of the affordability restrictions placed on the workforce unit(s) and is filed as a covenant to the property's deed with the Cumberland County Registry of Deeds before a Certificate of Occupancy may be issued.

In order to fulfill the provisions of the Workforce Housing Ordinance, the developer agrees to certain restrictions on rental terms, conditions, and amounts or restrictions on the sale of the workforce unit(s) including restrictions on the purchase price for the Workforce Unit, the parties who may purchase the Workforce Unit, occupancy restrictions, and the grant of an option to purchase the Workforce Unit to the City. The covenants and restrictions are considered covenants that run with the Workforce Unit and bind all subsequent owners and holders of any interest in the Workforce Unit,

## Inclusionary Zoning Development Projects: December 2015 - March 2018

Address	Status	# of Units	Type	Workforce Units	On-Site	Off-Site	Fee-in-lieu
169 Newbury St (Luminato)	Completed	26	Condo	2	0	2	\$0
65 Munjoy St (City Owned)	Completed	8	Condo	6	6	0	\$0
443 Congress St	Under Construction	28	Apt	0	0	0	\$280,000 *
62 India Street	Under Construction	29	Condo	0	0	0	\$290,000
20 Thames St	Under Construction	28	Condo	0	0	0	\$280,000
1 Joy Place	Under Construction	12	Condo	1	1	0	\$0
70 Anderson St	Approved (2016)	10	Rental	1	1	0	\$0
75 Chestnut St (Westerlea View)	Approved (2016)	54	Apt	5	5	0	\$0
161 York St	Approved (2017)	11	Condo	0	0	0	\$110,000
221 Congress St	Approved (2017)	17	Condo	0	0	0	\$170,000
153-165 Sheridan St	Approved (2017)	19	Condo	1	1	0	\$0
1700 Westbrook St (Stroudwater)	Approved (2017)	123	SF/Townhouse	12	12	0	\$0
218-220 Washington St	Approved (2017)	45	Condo	0	0	0	\$416,250
510 Cumberland (Avesta)	Approved (2017)	80	Rental	46	46	0	\$0
58 Boyd St (PHA)	Approved (2017)	55	Rental	44	44	0	\$0
583-605 Stevens Avenue **	Approved (2018)	109	Rental	66	66	0	\$0
22 Hope Ave Subdivision (Brandy Ln)	Approved (2018)	16	SF Home	1	1	0	\$0
56-60 Parris St (Parris Terrace)	Approved (2018)	23	Condo	2	2	0	\$0
<b>Subtotals</b>		<b>693</b>		<b>187</b>	<b>185</b>	<b>2</b>	<b>\$1,266,250</b>
<b>Pending Projects- 2018</b>							
383 Commercial St	Under Review	82	Condo	9	TBD	TBD	TBD
1844 Forest Ave	Under Review	16	Apt.	TBD	TBD	TBD	TBD
37 Front St (PHA)	Under Review	99	Rental	79	79	0	\$0
56 Hampshire St	Under Review	28	Condo	TBD	TBD	TBD	TBD
300 Allen Avenue	Under Review	12	TBD	1	TBD	TBD	TBD
977 Brighton Avenue	Under Review	40	Rental	34	34	0	\$0
<b>Subtotal</b>		<b>1009</b>					

\* Fee-in-lieu collected on 12-19-2017

\*\* 40 units targeting households earning 50% AMI, 26 units targeting households earning 60% AMI. \$625,000 in City HOME funds subsidized this project to increase affordability by lowering the income affordability from 100% AMI