

# AGENDA TOPIC 10.

TO: Mayor & City Council  
FROM: Wayne Marshall, Director, Code & Planning  
DATE: August 31, 2017  
RE: Public Hearings - Housing Issues

## **REQUESTED ACTIONS**

The Council is scheduled to conduct 3 public hearings on issues related to housing, particularly rental housing, at its meeting of September 5, 2017. The hearings and potential actions requested following the Council discussion of the respective hearings are as follows:

**Hearing # 1:** First Reading of potential amendments to Chapter 102, Zoning and Chapter 66, General Provisions, regarding a proposal to allow construction of a one or two bedroom dwelling unit in a detached accessory structure on a property on which a single family residence is located. This option would generally be available to properties in all zoning districts in which a single family residence is permitted. **Suggested Actions:**

1. Conduct scheduled hearing following my presentation regarding the proposal.
2. Provide direction on the proposed amendments.
3. Vote to schedule a second reading and public hearing on the proposals on which you want to move forward. I believe the October 3 Council meeting could be appropriate for a hearing.

**Hearing # 2:** First Reading of potential amendments to Chapter 102, Zoning and Chapter 666, General Provisions, regarding proposals to increase or clarify current density standards (number of units per acre) for multi-family housing located in many of the zoning districts located outside of the bypass, and to allow multi-family housing in the Route 3 Commercial zoning district; a district which currently prohibits multi-family housing. **Suggested Actions:**

1. Conduct scheduled hearing following my presentation regarding the proposal.
2. Provide direction on the proposed amendments.
3. Vote to schedule a second reading and public hearing on the proposals on which you want to move forward. I believe the October 17 Council meeting could be appropriate for a hearing.

**Hearing # 3:** The intent of this public hearing is to provide an initial opportunity for the public to offer comment on other approaches that the Council, Planning Board and City staff have discussed regarding rental housing concerns. These options reflect the approaches discussed with the Council at your August 1, 2017 meeting. **Suggested Actions:**

1. Conduct the scheduled public hearing following my presentation regarding the proposal.
2. Offer any initial comment that you may choose to offer.
3. I specifically note that no specific amendments are being proposed at this time, nor am I expecting or asking the Council to take any specific action on any of these proposals at this meeting. I would anticipate more detailed and action oriented discussion occurring at a future Council meeting after work on the proposals for Hearing # 1 and Hearing # 2 is completed.

I have provided informational materials regarding each of the scheduled public hearings, including draft First Reading Ordinance language for the proposals associated with Hearing # 1 and Hearing # 2.

## **BACKGROUND INFORMATION**

The City Council has identified concerns regarding the lack of rental housing in Belfast as a high priority. The Council, Belfast Planning Board, and City staff (City Manager, Planner, Economic Development Director, and Director, Code & Planning) have met and discussed potential options, many of which involve amendments to current Ordinances, to try and address rental housing issues. The City Council, at its meeting of August 1, reviewed options that I presented and chose to initially move forward on two approaches, and to subsequently move forward on other approaches. The two initial approaches that will be considered for Ordinance amendments are the subjects of Hearing # 1 and Hearing # 2 scheduled for the September 5 Council meeting. Other approaches that were identified are the subject of Hearing # 3.

### **HEARING #1: Should the City amend current Ordinances to allow the construction of a one bedroom or two bedroom dwelling unit in a detached accessory structure on a property that has a single family residence.**

I have prepared draft Ordinance language to implement this proposal and offer the following comment on the draft proposal.

- In October 2014 the City adopted amendments to the Residential 1, Residential 2 and Residential 3 zoning districts that are located in the inside the bypass area to allow a one bedroom dwelling unit in a detached accessory structure on a property on which a single family residence is located.
- The current proposal to allow a 1 or 2 bedroom accessory dwelling unit in a detached structure would apply to any zoning district in which a single family residence is permitted. However, if a property also is located in a Shoreland Zoning district, the property likely is too small to allow 2 dwelling units or structures on 1 lot. A map is included with the draft Ordinance proposal that depicts areas that are subject to Shoreland Zoning and the areas that do not allow single family residences.
- The proposed language also identifies proposed performance standards that a property must satisfy to allow both a single family residence and an accessory dwelling unit in a detached structure. These standards address such issues as the size of the lot, the number of driveways, the need to have a driveway on which a vehicle can turn around rather than back out into the street if the posted speed limit is 40 mph or greater, requirements for wastewater disposal and such. In short, not all properties on which a single family house is located will be able to meet these proposed standards, which means that not every property will be able to construct a dwelling unit in a detached structure.
- The Code and Planning Department has not prepared any estimates or analysis of the number of additional rental units that may be constructed if the proposed standards are adopted. The Department has previously noted to the Council that since the October 2014 adoption of similar Ordinance amendments (one bedroom accessory dwelling allowed) for the inside the bypass area that our Department has not issued any permits and that no applications have been submitted to construct an accessory dwelling unit in a detached structure.

**HEARING # 2. Proposal to increase or clarify the current density standards (number of dwelling units per acre) for zoning districts located outside of the bypass that now allow the construction of multi-family housing. Proposal also involves allowing the construction of multi-family housing in the Route 3 Commercial zoning district, which is now a prohibited use. In addition, proposal involves making accompanying revisions to some of the existing definitions identified in Chapter 66, General Provisions.**

I have prepared draft Ordinance language to implement this proposal. Admittedly, this language is often difficult to read let alone comprehend. I first offer a few comments on current City Ordinances regarding multi-family housing.

- Multi-family housing, per City definition, is 3 or more dwelling units in a single structure.
- Multi-family housing is now generally limited to properties and zoning districts located in the outside the bypass area that have access to public sewer. The only exceptions are the General Purpose A and General Purpose B zoning districts, which can use a septic system, and in these districts the density standard is quite low, 3 multi-family units per net acre.
- In most zoning districts in which multi-family housing is allowed the current minimum lot size requirement is one-half acre with a minimum of 150 feet of street frontage; this size lot would allow 3 multi-family units. An additional dwelling unit is allowed for each 7,260 square feet of additional land area, or a total of 6 units per acre.
- All of the zoning districts that now allow multi-family housing also allow many types of commercial/nonresidential development, and also allow both a nonresidential use and a residential use to occur on the same property.
- Multi-family housing is not currently allowed in the Route 3 Commercial zoning district, mostly because this zoning district was primarily intended to be reserved for commercial/nonresidential development.

So, what are the prime components of the proposed amendments.

- If public sewer is available, a property that is occupied only by multi-family housing could have up to 19 multi-family dwelling units per 'net' acre. Why allow so many units? - It is very expensive to construct multi-family housing and the hope is that by greatly increasing density that there is a greater likelihood that such housing may be constructed and that the housing will be constructed in areas that are connected to City sewer.
- If a property is occupied by both a commercial/nonresidential use and a multi-family use (mixed use development) the number of multi-family units that could be constructed typically would be no more than 8 multi-family housing units per acre on the same property. Why? - Many nonresidential uses require significant amounts of parking and supporting infrastructure. Thus, if both multi-family housing and a nonresidential use are located on the same property, particularly in an area in which multi-story buildings are the exception rather than the norm (unlike in the downtown), it likely is appropriate to decrease the number of multi-family housing units that could be constructed on a lot.
- In the General Purpose A and General Purpose B zoning districts, in which few properties are connected to public sewer and which must rely on a septic system, the maximum number of multi-family dwelling units that could be constructed on a property is 3 units, regardless if the lot is 1 acre or greater in size. Why? - Most of area is more rural in nature and the goal is to direct more dense housing to areas with more City services.

- The proposal would allow, for the first time, multi-family housing to be constructed in some of the areas in the Searsport Avenue Commercial, Office Park and Route 137 zoning districts that are not connected to public sewer. Density standard would be 1 multi-family structure with 4 units on a 1 net acre property and up to 12 units on a property that is 2 net acres in size. Why? - Properties in these zoning districts are often near most City services, however, some areas in the respective zoning districts are not connected to and likely will not be connected to public sewer in the near-term. These areas may be attractive to multi-family housing development.
- The proposal places some limitations on the use of a lot that is nonconforming to the minimum lot size or the minimum amount of road frontage to be used for multi-family housing. Why? - Some lots are too small to support multi-family housing and the amount of accompanying amount of parking that is needed.
- The proposal would allow, for the first time, multi-family housing to be constructed in the Route 3 Commercial zoning district at the same density standards as is proposed for other mixed use districts. Why? - Some properties in the Route 3 Commercial zoning district may present opportunities for the construction of multi-family housing, particularly land located to the rear of existing development. Further, such properties are located close to jobs and City services.
- Proposal uses a 'net developable' land area standard rather than total land area to determine the number of multi-family housing units that could be constructed. Net developable area does not include factors such as the land below the high annual tide, significant inland wetlands, and some road right-of-ways and public utility easements in the calculation of lot size that is available for development. Why? - Net developable area is typically a better indicator of how much land can be used to construct a proposed densely developed housing project.
- Proposal also involves amendments to Chapter 66, General Provisions, to ensure that definitions used in City Ordinances better address concerns related to the development of multi-family housing and similar concerns.

Two other comments.

- I have prepared a map for the Route 141 & Mill Lane Commercial zoning district to help illustrate that the lot size and lot frontage characteristics of many of the existing lots in the zoning district are too small to satisfy proposed lot size and frontage requirements to allow multi-family housing. In short, even though the density standards for multi-family housing may increase, many properties may not qualify for this type of development. I note that I have not yet been able to prepare a similar map for other zoning districts.
- The Code and Planning Department has not attempted to perform any analysis of the number of multi-family housing units that may be constructed if the proposed standards are adopted. Construction costs for multi-family housing are quite high and little private sector multi-family housing has been constructed in Belfast in the past 20+ years. While we believe the proposed density standards create additional opportunities to support the development of multi-family housing compared to current density standards, we are uncertain if the City will see the construction of any new multi-family housing units as a result of these changes.

### **HEARING # 3: Other options that the City Council may consider in the near future to address rental housing concerns in Belfast.**

The City Council has had initial discussions regarding other potential approaches to address concerns associated with rental housing in the community. The Council is currently seeking initial public comment regarding the following proposed approaches. At present, Council consideration of specific Ordinance amendments to address any or all of these issues likely would not occur until after work is completed on approaches identified in Hearing # 1 and Hearing # 2. These approaches are more fully outlined in the position paper prepared for Hearing # 3, copy attached, and are summarized below.

**Approach # 1.** Should the City allow existing single family or two family dwelling structures in the inside the bypass area to be converted to multi-family housing? Conversions are now prohibited in these areas. Why? - Conversions may allow one of the best and most practical opportunities to increase the amount of rental housing in the community, and these areas have most City services.

**Approach # 2.** Should the City consider allowing Tiny Houses on Wheels and the establishment of specific regulations to allow Tiny House communities, and if so, where? Why? - Tiny Houses may present an opportunity for more housing in Belfast, some of which would be owned by the occupant. Also, the State is now developing building code standards that would better address issues associated with the construction of a Tiny House.

**Approach # 3.** Should the City require an annual license for all rental units and the inspection of said units by the Code Enforcement Officer, perhaps once every two years, to ensure rental units comply with life safety code requirements? Why? Quality of rental units, particularly compliance with basic life and safety code requirements, may be as great of a concern as the number of rental units.

**Approach # 4.** Should the City consider regulations regarding short-term rentals vs. year-round rentals? Why? The number of short-term rentals in Belfast appears to be increasing, particularly with the advent of rental services such as AirBnB. More units being used for short-term rentals may adversely impact the number of year-round rentals and result in more properties not being used on a year-round basis. Also, potential concerns with impacts on neighboring properties.

**Approach # 5.** Should the City consider amendments to the current mobile home park standards? Why? Mobile homes (also called manufactured housing units), including units located in a mobile home park, often provide opportunities for housing that is more affordable. Intent of requirements is to clarify current standards and to create opportunities for a mix of housing types (such as a multi-family housing) in a mobile home park.

**Other Approaches or Concerns.** Are there other concerns regarding rental housing that you believe the City should consider?

I will close by noting that I recognize that this is a boatload of information that is often daunting to consider because it is often packaged in specific language associated with Ordinance amendments. I encourage you to ask questions. I will do my best to explain the proposed language in understandable terms.