

**WARRANT ARTICLE XII** - Shall the ordinance entitled “Amendments to the Subdivision Ordinance of the Town of Mount Desert regarding Affordable Housing Developments” be enacted in order to be in compliance with the standards of Title 30-A Section 4364.

***Explanation: This Article will amend the existing Subdivision Ordinance by adding a new provision which will allow for density bonus credits for projects in which more than half of the units are designated as affordable. This change is required by State Law (Title 30-A Section 4364).***

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## **5. GENERAL REQUIREMENTS**

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### **5.17 Affordable Housing Density Bonus**

#### 5.17.1 Purpose.

This section provides for a density bonus for the creation of affordable dwelling units pursuant to 30-A M.R.S. § 4364. Applicants can either use Section 15.17 or Section 15.16. They cannot use both.

#### 15.17.2 Applicability

For projects that choose to use the provisions of Section 15.17, the standards of Section 15.16 do not apply.

#### 15.17.3 Definitions.

1. Affordable Housing Development. A development composed of single-family dwellings, two-family dwellings, or multi-family dwellings and,
  1. For rental housing, in which a household whose income does not exceed 80% of the area median income can afford 51% or more of the units in the development without spending more than 30% of the household’s monthly income on housing costs;
  2. For owned housing, in which a household whose income does not exceed 120% of the area median income can afford 51% or more of the units in the development without spending more than 30% of the household's monthly income on housing costs.

3. For purposes of this definition, “housing costs” means: (a) for a rental unit, the cost of rent and any utilities (electric, heat, water, sewer, and/or trash) that the household pays separately from the rent; and (b) for an ownership unit, the cost of mortgage principal and interest, real estate taxes (including assessments), private mortgage insurance, homeowner’s insurance, condominium fees, and homeowners’ association fees.
2. Area Median Income. For the purposes of this definition, “area median income” means the midpoint of a region’s income distribution calculated on an annual basis by the U.S. Department of Housing and Urban Development (“HUD”). For purposes of this definition, “region” is considered Hancock County.
3. Base Density. The maximum number of units allowed on a lot not used for affordable housing based on the dimensional requirements listed for the zone(s) in which the lot is located. This does not include any other density bonuses, transferable development rights, or other similar means that could increase the density of lots not used for affordable housing.

#### 15.17.4 Affordable Housing Density Bonus.

A residential or mixed-use development shall be allowed a maximum dwelling unit density of up to 2.5 times the base density permissible in the underlying land use district if, after completion of the project, more than half of the total dwelling units, existing and new, on the same lot are affordable (as defined above) for a period of at least 30 years. The density bonus may not be applied to non-conforming lots. If a fraction results when calculating the density bonus, the number of units shall be rounded down to the nearest whole number.

#### 15.17.5 Location.

An affordable housing development must be located in a Growth Area defined in the Town's most recently adopted Comprehensive Plan, or served by a public, special district, or other centrally managed water system and a public, special district, or other comparable/engineered sewer system. Notwithstanding the foregoing requirement, the Town has no obligation to provide, install, or extend public sewer or water to any development.

#### 15.17.6 Water and Wastewater Requirements.

1. The applicant must provide written verification that each proposed unit within the affordable housing development will be connected to adequate water and wastewater services.

2. The applicant must make adequate provision for the long-term maintenance, repair, and improvement of any (i) individual private septic system, (ii) comparable/engineered sewer systems, (iii) individual private wells, and (iv) public water systems proposed to serve the units within the affordable housing development, including a process of collection and enforcement to obtain capital improvement funds from the developer (for rental housing) or the unit owners (for owned housing).

#### 15.17.7 Minimum Lot Sizing for Septic.

The subject property complies with minimum lot size requirements in accordance with 12 M. R. S. Chapter 423-A, as amended, if subsurface wastewater disposal is proposed.

#### 15.17.8 Parking.

No more than 2 off-street parking spaces are required for every 3 units.

#### 15.17.9 Long-Term Affordability.

More than half of the total dwelling units in the affordable housing development must be designated as affordable rental units or affordable homeownership units. The owner of the affordable housing development must execute a restrictive covenant, in form acceptable to the Planning Board and for the benefit of and enforceable by the Town or a third party acceptable to the Planning Board, recorded in the Hancock County Registry of Deeds, to ensure that for at least 30 years after completion of construction, occupancy of all of the dwelling units designated affordable in the affordable housing development remains limited to households at or below 80% (for rental housing) or 120% (for owned housing) of the local area median income at the time of initial occupancy. The restrictive covenant must run with the land and encumber the affordable housing development, be binding upon the developer (for rental housing) or the unit owners (for owned housing) and their successors and assigns, and inure to the benefit of and be enforceable by the Town and a third party acceptable to the Planning Board.

#### 15.17.10 Phase Project.

For phased projects, the Town may issue Certificates of Occupancy for dwelling units in a phase of a project only if a sufficient number of affordable dwelling units, subject to an affordable housing agreement consistent with 15.17.8 above, are included in the phase so that more than one-half of the total number of dwelling units that will be approved for occupancy, as evidenced by Certificates of Occupancy, at the end of the phase constitute affordable dwelling units.

#### 15.17.11 Shoreland Zoning.

An affordable housing development must comply with shoreland zoning requirements established by the Department of Environmental Protection under Title 38, Chapter 3, and municipal shoreland zoning ordinances.