



AGENDA TOWN FINANCE COMMITTEE

Thursday – August 8, 2024

Hybrid

5:00 P.M.

LINK TO PARTICIPATE REMOTELY:

<https://scarboroughmaine.zoom.us/j/84876677594>

TO VIEW MEETING ONLY:

<https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

- Item 1.** Call to Order.
- Item 2.** Those Present.
- Item 3.** Approval of Minutes: July 11, 2024
- Item 4.** Review of the Downs TIF/CEA Using new Financial Model and Review Assumptions – 40 Minutes
- Item 5.** Review TIF Policy Update Recommendations by Staff – 40 Minutes
- Item 6:** Other Items for Discussion if Time Allows:
 - a. Multi-Year Planning Approach – Anderson/Staff
 - b. Budget Review Update – Cushing/Staff
- Item 7.** Public Comments.
- Item 8.** Adjourn.

Fiscal Impact Model (FIM) Assumptions

SCARBOROUGH
MAINE





Formula

Revenues – Costs = Fiscal Impact

Basic Assumptions

FY 25:	4.21% Increase in Tax Levy over FY 24
FY 25:	\$ 11.05 Property Tax Rate
Residential Value:	53% increase over FY 24
Non-Residential Value:	45% increase over FY 24

Future Revals every 5-Years:	15% Increases in Values
Net Budget Increases:	5% Annual Increases
Net Budget Increases during Reval:	5% Annual Increases
Estimated Town-wide Value increases:	1.5%
Net Budget Increases in Depart. Costs:	5%

Fiscal Model Inputs

Residential Revaluations	Valuation Increase Townwide (Residential)	Valuation Increase Project (Residential)	Valuation Increase Townwide (NonResidential)	Valuation Increase Project (NonResidential)
Year 6	53%	53%	45%	45%
Year 11	15%	15%	15%	15%
Year 16	15%	15%	15%	15%
Year 21	15%	15%	15%	15%
Year 26	15%	15%	15%	15%

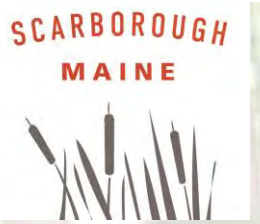
Net Budget Increases	
Annual Net Budget Increases in Non-Revaluation Years	5.00%
Annual Net Budget Increase in Revaluation Years	5.00%
Estimated Townwide Value Increase from New Development (Including the Project)	1.50%
Annual Department Budgets	5%

Values per Square Feet



Value per Sq Foot	2019	2023	Revaluaton # 1 Year 6 FY 25	Revaluation # 2 Year 11 FY 30	Revaluation #3 Year 16 FY 35	Revaluation #4 Year 21 FY 40	Revaluation #5 Year 26 FY 45
Small Retail	\$125	\$130	\$189	\$217	\$249	\$287	\$320
Special		\$250	\$363	\$417	\$479	\$551	\$634
All Other Retail & Service		\$150	\$218	\$250	\$288	\$331	\$380
Large Retail	\$100	\$123	\$254	\$292	\$336	\$386	\$444
Restaurants	\$160	\$185	\$268	\$308	\$355	\$408	\$469
All Other Retail & Service (Nursing Homes)	\$150	\$150	\$178	\$205	\$236	\$271	\$312
Recreational Fields/sports facilities	\$75	\$75	\$189	\$217	\$249	\$287	\$330
Office	\$125	\$130	\$319	\$367	\$422	\$485	\$558
Medical Office	\$200	\$220	\$109	\$125	\$144	\$165	\$190
Research/Professional Office/Production	\$100	\$212	\$218	\$250	\$288	\$331	\$380
Production	\$100	\$105	\$152	\$175	\$201	\$232	\$266
Warehouse	\$50	\$70	\$102	\$117	\$134	\$154	\$178
Hotel/Lodging		\$175	\$127	\$146	\$168	\$193	\$222

Based on 45% increase in 2025, 15% increases in remaining Revals



2023 Housing Sales

January through December Housing Sales in Scarborough

Category	Single Family	Townhouse	Condo	All Units
# Sold	214	25	44	283
Ave Price	\$742,980	\$610,240	\$572,875	\$704,806
Total # of Bedrooms	725	67	94	886
Ave Number of Bedrooms	3.39	2.68	2.14	3.13
# of Units with 4 or More Bedrooms	91	1	1	93
% of Units with 4 or More Bedrooms	42.5%	4.0%	2.3%	32.9%
Ave Square Feet	2,266	1,798	1,374	2,086
# of New Units (Built 2022-2023)	49	6	13	68
New Units as a % of Total	23%	24%	30%	24%
Ave Price of New Units	\$837,788	\$622,000	\$488,115	\$755,339

Residential Value per Unit

Type of Unit	4/1/23	Revaluation # 1		Revaluation # 2		Revaluation #3		Revaluation #4		Revaluation #5	
		Year 6	FY 25	Year 11	FY 30	Year 16	FY35	Year 21	FY40	Year 26	FY45
Single Family	\$465,500	\$712,215		\$819,047		\$941,904		\$1,083,190		\$1,245,668	
Condos	\$362,600	\$554,778		\$637,995		\$733,694		\$843,748		\$970,310	
Apartments Market Rate	\$122,500	\$187,425		\$215,539		\$247,870		\$285,050		\$327,808	
Apartments Subsidized	\$79,000	\$120,870		\$139,001		\$159,851		\$183,828		\$211,402	
Senior Apartments - Market rate	\$122,500	\$187,425		\$215,539		\$247,870		\$285,050		\$327,808	
Senior Apartments subsidized	\$79,000	\$120,870		\$139,001		\$159,851		\$183,828		\$211,402	
Special Units	\$250,000	\$382,500		\$439,875		\$505,856		\$581,735		\$668,995	

Based on 53% increase in 2025, 15% increases in remaining Revals

Other Revenue Considerations

01

Must forecast **Tax Rate** (calculated from Total increase in Tax Levy and Total Valuations)

02

Must separate revenues into **Sharable** versus Non-Sharable to calculate CEA

03

Non-Sharable revenues include Taxes from Original Assessed Value and Excise Tax

04

Calculate Amount Available to **pay for costs** – we add the OAV and Excise tax back (after CEA deducted)

COSTS: Based on Department Budgets

Category	Basis	Factor	30 Year Forecast
Public Works	Per Mile	\$32,918	\$111,471
Police	Per Call/Landuse	\$273	\$971
Fire	Per Call/Landuse	\$1,049	\$3,786
Education- Total	Per Student	\$18,736	\$63,447
Education: less 22% Fixed Costs	Per Student	\$14,614	\$49,488
Community Services	Per Person	\$34	\$115
Library	Per Person	\$53	\$179

Includes 5% annual increase in cost factors/Using FY 2024 Costs



Students per Household

		Unit Categories	Units	Students
Students/All Units	0.0981	All Units	1,985	195
Students per Non-Senior Units	0.1172	Single Family	462	197
Students/Single Family	0.4267	Condo	596	30
Students/Condo or Townhouse	0.0506	Apartments	577	26
Students per Apartment	0.0449	Subtotal by Category	1,635	253
		Senior Units	350	-

Based on School Reporting of students at The Downs

Characteristics of The Downs

Mixed Use

31 to 40%
nonresidential
value

17% Seniors

Components of The Downs' CEA

17% to The Downs
to pay for major
infrastructure

10%
Reimbursement
triggered in Year
19

\$2,000,000 cap
triggered in Year
21

Summary of Fiscal Impact

The Downs Based on Revaluation Increases in Years 6, 11, 16, 21 and 26

Project Summary	
Residential Units:	
Single Family	462
MF	1,523
Total	1,985
Percent Senior Units	17%
Non Residential:	
Commerical	
(Retail/Service/Office)	1,163,270
Research/Production	768,245
Total	1,931,515
People	3,636
Students	253

In Years 5 & 30:	Year5	Year 30
Revenues Sharable for CEA	\$ 2,860,655	\$ 29,553,728
Revenues Exdse	\$ 310,406	\$ 2,110,374
Revenues OAV	\$ 116,033	\$ 103,566
Total Available for Cost to Serve	\$ 3,287,094	\$ 31,767,668

Fiscal Impact Year 5:	\$ 769,467
Fiscal Impact Year 7:	\$ 1,320,814
Fiscal Impact Year 15:	\$ 2,349,030
Fiscal Impact Year 20:	\$ 7,290,231
Fiscal Impact Year 30:	\$ 7,623,202

In Years 5 & 30:	Years	Year 30
Municipal Costs	\$ 492,773	\$ 6,080,496
School Costs	\$ 880,592	\$ 16,063,970
CEA:	\$ 1,144,262	\$ 2,000,000
Total Costto Serve+ CEA	\$ 2,517,627	\$ 24,144,466

Property Tax Rates	
2020	\$14.70
2025	\$11.05
2030	\$11.38
2035	\$11.73
2040	\$12.08
2045	\$12.45
2049	\$14.25

Assumptions:	
CEA:	40%/10%/\$2Mil
Length of CEA	30Years
OAV	\$ 7,265,700
Reval Increase 2025-Residential	53%
Reval Increase 2025-NonResidential	45%
Future Reval Increases (All Uses)	15%
Annual Budget Increases	5.00%
Annual Townwide Increase in Value	1.50%
Annual Increase in Department Budget:	5%

Cumulative Revenues Over 30 Years	\$ 485,386,786
CEA Obligation:	\$ 81,394,510
Cost to Serve:	\$ 283,501,303
Fiscal Impact:	\$ 120,490,972
CEA Obligation %of Revenues:	16.8%



TO: John Anderson, Chair of Finance Committee
FROM: Karen Martin, SEDCO Executive Director
DATE: August 1, 2024
SUBJECT: CEA Policy update draft

At the last Finance Committee meeting, we identified a few areas in the current TIF/CEA policy that may need to be updated. I am providing a preliminary draft that addresses some of those areas for the Finance Committee's review.

Here is a summary of revisions to-date:

- 1) I have added a basic intro regarding TIF districts and why they are important to municipalities. Since this is a policy statement, it seemed reasonable to use it as an educational tool. Section I – Benefits of Creating Tax Increment Financing Districts is not necessary for the policy, but it does provide orientation to the reader.
- 2) I have separated the establishment of TIF districts from the other CEA requirements. The establishment of TIF districts is strictly the purview of the Council and is a statement of the Council powers and considerations.
- 3) Credit Enhancement Agreement guidance for applicants begins in section IV, with general considerations applicable to both Affordable Housing and Economic Development CEA's. Most of this section is about details of reporting and contract components. There is one yellow highlight in this section – Level Funding Adjustments. The question here is whether or not Item 6 already addresses this statement and in the reporting requirements of section 5.
- 4) The CEA Process (Section V) clarifies that the Manager can tap into staff (SED CO or otherwise) to serve as a coordinator for a specific application. This section also outlines a step-by-step process which begins with a letter to the Town Manager explaining how the application will meet a series of objectives from Section-VI.
- 5) There is another yellow highlighted passage in Step 6 which discusses master plans and preliminary site plan approval. We may want to think about conditions where an applicant may not want to go through preliminary siteplan before they know whether a CEA will be approved.
- 6) The next highlight is in Step 7 and refers to the formation of a negotiating team. This action seems really late in the process. Does it need to be moved or adjusted?
- 7) The housing CEA section (VIB) is all new. It has NOT been reviewed by the Housing Alliance due to a scheduling problem with their July meeting. We would like to take this back to the Housing Alliance at their next meeting.
- 8) We have not redone the scoring sheet. Once the Finance Committee works through the policy revisions and the Housing Alliance has reviewed their section, we will edit the sheet to incorporate both the housing and economic development standards.
- 9) This draft does not include the application fees. This section will need to be added back in to address costs associated with the process.

The attached draft is not a full redline, but generally identifies in red the suggested additions. There are also a few cross outs so that you can compare the new and old language. The changes are not intended to replace any standards, but to reorganize the language in a more readable and consistent fashion,

I. Benefits of Creating Tax Increment Financing Districts

The Town of Scarborough invests in economic development and affordable housing through the State's Tax Increment Financing (TIF) District program.

Under this program, the Town may create districts for a specified period of time within the municipal borders where property taxes paid on new value associated with development can be segregated and used for specific purposes. The use of the funds is regulated by State Statute.

In addition to creating a way for the Town to invest in the community, the TIF District designation also allows the Town to "shelter" new value from State funding formulas which determine how much financial aid the Town receives each year. Within the State funding formulas, the more value from properties within a town, the less that town will receive from the State. With a TIF district in place, all new value generated is not counted in the funding formula, thus increasing the amount of funds received from the State each year. Value is also a factor in the amount assessed to the Town from County government. With sheltered value, the County tax is lower.

Within an established district, the Town MAY choose to partner with a developer, company, organization or other private entity under a contract known as a Credit Enhancement Agreement (CEA). With a CEA in place, the Town may return a percentage of property taxes collected on new development to the partner. The CEA agreement outlines the period of time covered by the agreement, the purpose of the funds and may include performance standards. All CEAs must be part of a Town and State approved TIF District.

The Town may also choose to invest the segregated funds for their own purposes such as infrastructure or services to support new development.

II. Purpose of Policy

The purpose of this policy is to outline the **policies**, standards and processes that the Town of Scarborough will use in initiating, ~~or considering~~ **reviewing, and potentially approving** applications for Tax Increment Financing **Districts** (TIF) and any Credit Enhancement Agreements (CEA) associated with an existing or proposed district. ~~Notwithstanding this policy~~ **The creation of a TIF district and/or an associated CEA adoption of a development program** is a decision made on a case-by-case basis by the Scarborough Town Council. **This policy will apply to TIF Districts and CEA agreements for both economic development and housing projects. The Policy applies to both area wide and site-specific designations.**

In addition to the Town review process, all TIF District applications must be consistent with State statutes regulating Affordable Housing Development Districts (30-A M.R.S.A. §§5245-5250-G) and Economic

Development Districts (30-A M.R.S.A. Chapter 206), reviewed and approved by the appropriate State agencies.

~~and the Maine Department of Economic & Community Development (Maine DECD) must also review all TIF districts for statutory compliance.~~

Receiving a **TIF designation** or CEA ~~credit enhancement agreement~~ is not a right under Maine law and meeting the standards contained in this policy should not be interpreted as creating any rights or entitlements in any application.

Scarborough's TIF & CEA Policy supports investment in municipal economic development, **affordable housing, and** infrastructure investment (which is general through the establishment of area wide or neighborhood TIF districts) in **area wide** and individual **specific sites**. TIF districts to support either infrastructure or individual private project financing needs. Consistent with MRSA Title 30-A Chapter 206, this does not include purely residential development projects.

III. Establishment of TIF Districts

The Town Council may establish and/or amend any district within municipal borders. Guidance for the Council on the creation of Districts include the following.

1. **Time Frame** - TIF Districts may be designated for up to 30 years. The designation of a TIF district requires, **at a minimum**, legal notice, a public hearing, the majority vote of the municipal legislative body, and state approval.
2. **Eligible Expenses** - Eligible TIF expenses are defined by the State of Maine in the relevant State statutes found in Title 30-A of the Maine Revised Statutes in Sections 5221 through 5235 and Sections 5245 through 5250-G and in regulations related thereto (which may be amended from time to time).
3. **Comprehensive Plan** - The Town Council ~~will~~ **should** consider proposals that further economic development **or affordable housing** goals ~~endorsed~~ **consistent with** by the **most recent** Comprehensive Plan. Designated Growth Areas should be considered as part of consistency with the current Comprehensive Plan.
4. **CEA** - Documentation. The applicant is required to provide all documentation associated with the application. This documentation becomes the basis by which the project's implementation is reviewed for compliance with final approvals. Should there be a CEA component of the establishment of a District, the CEA will need to be approved as part of the CEA portion of this policy.
5. **Boundaries** - **District boundaries and size will be established by the Town Council taking into consideration any specific needs of an applicant under the CEA section of the policy and/or** ~~The Town reserves the right during the application will process to establish the size of the district necessary to meet the needs of the applicant or to meet the needs of infrastructure improvements deemed necessary by the Comprehensive Plan, the Town's capital improvement program, or in other supporting documents recognized by the community.~~

6. **Personal Property** - Personal property shall not be included in the calculation of revenues available for CEA purposes captured TIF.
7. **Excess Funds** - TIF districts and development programs that include one or more CEAs shall include a provision that directs any excess funds after the CEA is satisfied to qualified project costs as defined by the District/State or to the Town's general fund, depending upon the Council determination.
8. **Percent Modification of Retained Taxes** - The Town by vote of Council majority may modify the portion of tax revenue to be retained in the designated development districts.
9. **Amendments** - Some amendments made by the Town Council to an established District will require State approval.

IV. Credit Enhancement Agreements (CEA)

If a project within a TIF district seeks assistance from the Town in the form of a reimbursement of a portion of their property taxes, then the Town may enter into a partnership through a Credit Enhancement Agreement (CEA).

If TIF funds are to be used to reimburse a developer, organization or business for development project costs, a Credit Enhancement Agreement (CEA) is created. The

A CEA, or contract between the municipality and developer or business, is a mechanism to assist the development project by using all, or a percentage of, the tax revenues generated by the new investment to pay certain authorized project costs with payments made directly to the developer or business.

General Considerations for CEA's

- 1) The requester must make application under the guidelines outlined in this policy
- 2) ~~Amount of Funds. The TIF funds reimbursed/returned to the developer (via a CEA) will not exceed, over time, the amount of funds agreed to in the CEA. During the application process the applicant is required to submit all documentation that will justify the expenditure to be reimbursed as estimated in the TIF development program and CEA.~~
- 3) Amount of Funds - The CEA will stipulate the percentage reimbursement and the specific years in which the reimbursement will be in effect. A specific dollar cap may be established that governs the CEA. Once met, reimbursements will halt.
- 4) Use of Funds - the CEA should outline the specific uses of the funds to be reimbursed.
- 5) Term of Agreement - ~~Terms shall be negotiated between the Town and the applicant on a case by case basis.~~ Terms should include:
 - a. Agreements ~~shall~~ **should** extend between 4 five and 30 years **depending on the length of the TIF District**
 - b. Up to 100% of the incremental value created by the project ~~can~~ **may** be captured, depending upon the merits of the project

- c. Terms shall be consistent with state statute
 - d. Terms shall have performance measures that will be assessed regularly and, if adopted, whose assessment will be provided to the Town in an annual report by the developer.
 - e. Terms may include a reimbursement cap, in dollars, that the CEA will not exceed over the life of the agreement.
 - f. To the degree the Town is interested in frequent reporting from the developer such **Expectations on reporting will be negotiated as part of the credit enhancement agreement.**
 - g. Assignments will be allowed only for conventional commercial financing purposes or where the proposed assignee agrees to be bound by the same terms and conditions as the original applicant unless otherwise amended by agreement
- 6)** Suspension, Reduction, and/or Termination of Benefits – Credit Enhancement Agreements may contain provisions for the suspension and/or termination of benefits to the applicant as provided for in the CEA. This may include penalties for not meeting agreed upon targets, performance thresholds and/or timing.
- 7)** Level of Funding Adjustments. The Council may consider including a requirement in a CEA that during the application process and during the life of the TIF (and CEA), the applicant shall demonstrate that the funds are being used at appropriate levels for the purpose intended. If the level of funds the applicant receives exceeds the projected need, the amount returned to the applicant shall be adjusted.
- 8)** Financial Analysis - Will include a comprehensive cost to serve analysis **and tax shift disclosure.** ~~and expert analysis.~~ **For projects over \$5,000,000, the Town will require a third-party financial analysis. For projects under \$5,000,000, staff will work with applicants to review and assist with the preparation of needed financial analysis requested by the Council.** ~~Council may request additional expert analysis. Expert analysis will not be required for proposed CEAs under \$2,000,000. Proposed CEAs between \$2,000,000 and \$5,000,000 will have a staff provided analysis. Proposed CEAs greater than \$5,000,000 will have an external expert analysis completed.~~

V. CEA Application Process

~~SEDCO and the~~ The Executive Department will coordinate all activities regarding applications for economic development tax Increment Financing with possible for all CEAs and CEA Amendments. **The Town Manager will include the Housing Alliance, the SEDCO Board, SEDCO staff or other relevant staff to assist in working with an applicant, coordinating the process and /or producing requested analysis needed by the Council as part of their decision-making process. Each applicant shall be assigned a staff coordinator.**

~~It is understood that~~ The CEA process ~~can~~ **may** precede other local approvals, however, the final CEA approval can make receipt of such approvals as a condition. Working with applicants, **the designated staff coordinator** will coordinate the following process:

Step1: ~~SEDCO~~The designated staff coordinator will provide information on Scarborough's TIF/CEA **policy program** to the applicants

Step 2: The applicant will prepare a letter to the Town Manager outlining the basics of the proposed project and which thresholds the project meets that are listed in Section VI of this policy.

Step 3: The Town Manager reviews the letter and makes a determination on whether the project meets the required thresholds outlined in Section V. The Manager will inform the applicant in a letter either 1) that the project has met the initial threshold standards and may continue in the process or 2) that they have not met the threshold standards and the process stops. Applicants may resubmit. The Town Manager shall have final authority to invite an application. If an application is determined viable, the Town Manager shall notify the Town Council that an application is forthcoming.

Step 4: The applicant shall file a preliminary application with the Town through SEDCO. SEDCO shall review the application for completeness and then submit a complete application, to include a complete Financial Analysis (see Section II above), to the Town Manager for joint discussion.

Step 5: The Town Manager, in consultation with the Town Council Chair, will schedule a joint workshop with the Town Council and SEDCO Board or Housing Alliance. The workshop should result in feedback about whether the application is an appropriate use of TIF funding through a CEA. At that meeting:

- a. The applicant shall provide an overview of the development project
- b. The Town Manager and SEDCO staff coordinator shall provide any preliminary input.
- c. The Town Council and SEDCO Board or Housing Alliance Board shall provide comment, as appropriate
- d. There should be a preliminary discussion of terms including those involved with a CEA

Step 6: Using the comments from Council workshop, the applicant may apply for final application approval (the application is a separate document). The Town Manager and SEDCO staff coordinator shall proceed with the following:

- a. Meet and obtain input from appropriate department heads, specifically Finance and Assessing
- b. Unless otherwise specified by the Town Council, the applicant may be asked to obtain Master Plan approval, preliminary subdivision or preliminary site plan approval
- c. Applicant will, in consultation with Manager and other appropriate representatives, develop a draft agreement specifying all terms
- d. Revise, and renegotiate with the applicant as necessary

Step 7: Present the following items to the Finance Committee with any staff comments

- a) Final application from Applicant addressing workshop comments
- b) A summary of staff and Board comments including financial impacts and proposed terms
- c) Finance Committee SCORES the application based on CEA standards
- d) Finance Committee makes recommendation to the Council including composite scores.

Present the analysis of the factors identified in section IV above, generated by Town Departments and the SEDCO Board of Directors, to the Finance Committee who shall score the application in accordance with the scoring criteria in Appendix C. The Finance Committee shall present a composite score (based on individual member's scores) to the Town Council along with a recommendation. If the Town Council agrees that the application has met the established thresholds, then Council will vote to allow the Town Manager to form a negotiating team to include a Town Council member.

Step 8: Council starts final approval process

- a) Reviews Finance Committee Recommendation
- b) Final TIF/CEA proposal brought to Council for approval using a full public process including a public hearing, and a second reading prior to the final vote. At the Town Council's discretion, the public hearing and final action may occur at the same meeting.

VI. CEA Application Thresholds and Preliminary Applications

A. For Economic Development CEAs, the applicant must meet at least 3 of the following

Projects requesting a CEA must meet at least 3 of the following objectives/thresholds:

- a. The Project is consistent with the current Comprehensive Plans as well as other strategic planning documents
- b. Assistance supports public infrastructure projects typically funded through municipal budgeting
- c. The infrastructure project is identified as needed and or determined to deliver a public benefit
- d. Development project cannot move forward without specified infrastructure
- e. Development project will create or retain sustainable employment opportunities
- f. Development project will enhance environmental protections
- g. Development project is financially advantageous to the Town

The Applicant will draw upon this list to develop a letter to the Town Manager to initiate a CEA project as outlined in Step 2 of the process.

Narrative in the Preliminary Application must include:

- a. How the project will attract, retain or expand the Town's economic base
- b. How the project will implement specific recommendations from the Town's strategic planning documents including the Comprehensive Plan
- c. How the project is consistent with the current Comprehensive Plan
- d. Include a projection of new or retained employees
- e. How the project will create at least \$2,000,000 in new taxable valuation
- f. How the project will provide infrastructure beyond the current project
- g. How the project will enhance streetscape and the pedestrian experience
- h. How the quality of development and overall aesthetics goes beyond minimum requirements
- i. How the project adheres to higher standards of building design, materials, and energy efficiency.

- j. How the project will enhance environmental protections resulting in a more sustainable community or will enhance/increase access to natural resources.
- k. How the project makes financial and economic sense for the Town
- l. An accounting of value created, tax revenues generated and percentage of reimbursement of tax revenues requested by year

B For Affordable Housing Projects

NOTE: These suggestions have not been reviewed by the Housing Alliance – their review was postponed from their July meeting

For Housing CEA's, the applicant must meet the following State Requirements:

- 1. At least 33% of the housing units in the project must be for households earning no more than 120% of area median income.
- 2. The affordability of rental units must be maintained for at least 30 years, and the affordability of homeownership units must be maintained for at least 10 years.

Applications that need approval for a specific round of competition for funding at Maine Housing must submit at least 3 months before the deadline.

In addition to these requirements by the State, The Scarborough policy will list a series of housing objectives of which the project will need to meet at least 4:

- 1) The project will increase the supply of affordable housing units (using the attached definition) in the Town of Scarborough.
- 2) The project will demonstrate consistency with the Town's Comprehensive Plan and other Policy documents
- 3) The project will leverage additional funding that is equal to or greater than the CEA request
- 4) The project will target at least some units to those with incomes meeting 40% to 60% of AMI.
- 5) The project will demonstrate a long-term commitment to affordability
- 6) The project meets a specific housing goal of the Town Council
- 7) The project is located in an area with sufficient access to local services
- 8) The project provides a walkable environment for residents
- 9) The project is located in an established TIF District

The Applicant will draw upon this list to develop a letter to the Town Manager to initiate a CEA project as outlined in Step 2 of the process

The Narrative in the Preliminary Application must include:

- a. Documentation on which of the above objectives are met by the project

- b. How the project will affect the current housing supply in Scarborough
- c. An accounting of all units by type and affordability classification
- d. An explanation of how the affordable units will be held as affordable into the future
- e. A description of the applicant's experience, technical capacity, initiative and creativity in the development of affordable housing
- f. An accounting of what role the CEA plays in the overall financing of the project
- g. How the project will implement specific recommendations from the Town's strategic planning documents other than the Comprehensive Plan
- h. How the project is consistent with the current Comprehensive Plan
- i. The number of residents expected, including school age children
- j. An accounting of value created, tax revenues generated and percentage of reimbursement of tax revenues requested by year
- k. Whether the project will provide infrastructure beyond the current project
- l. Whether the project will enhance streetscape and the pedestrian experience beyond the project
- m. How the project adheres to higher standards of building design and energy efficiency.
- n. How the project will embrace sustainable practices
- o. An explanation of how the CEA fulfills different point values in the MaineHousing application.