Cumberland County Community Development Program
2012 CDBG General Program Application
Community Cover Page

Project Title  75 Broadturn Road Housing Initiative

Lead Community  Town of Scarborough

Additional Communities

Contact Information  Name  Daniel Bacon, Town Planner

Address  PC Box 360, Town of Scarborough, Scarborough, Maine 04074

Email  dbacon@ci.scarborough.me.us  Tel  730.4041

Program Category

Public Infrastructure/Facility  X  Downtown Revitalization  

Public Service  Housing  Economic Development

CDBG "National Objective"

Low/Moderate Income:  Area-Wide  X  Limited Clientele  

Direct Benefit:  Presumed Group  low-moderate income, 1st time homebuyers (Identify Group)

Slum/Blight:  Area-Wide  Spot Basis  

Amount of CDBG Funds Requested  $80,000

Total Estimated Project Cost  $550,000 for development infrastructure

Name of Authorized Official  Thomas Hall, Town Manager

Signature of Authorized Official  [Signature]

2012 General Grant Program Application  Page 2
2012 General Application Questions

Respond to the narrative questions in a maximum of five pages for non-economic development applications or six pages for economic development applications.

1. Provide a brief summary (400 words maximum) of the proposed project.

The Town of Scarborough is seeking CDBG program funds in the amount of $80,000 to provide funding for local infrastructure improvements, and specifically public sewer infrastructure, to help facilitate an affordable housing development on Town-owned land. The funding will serve to help meet the housing needs of low to moderate income persons by extending an existing sewer line to Town-owned property to serve the Town of Scarborough Housing Alliance and Habitat for Humanity of Greater Portland's (Habitat) partnership for an affordable housing development at 75 Broadturn Rd.

This initiative for affordable (or workforce) housing in Scarborough began back in 2006 when the Town purchased the 20+-acre parcel from the Maine Turnpike Authority (MTA) with the express intent of using the front portion of the property to create affordable housing and the back portion for land conservation. The location of property, which is in close proximity to the Dunstan Crossing development (a higher density, mixed housing development) as well as the mixed use center of Dunstan Village, is in the Town’s Village Residential 2 zoning district which is aimed at promoting compact, mixed housing neighborhoods within the Town’s identified growth area. The proposed sewer line extension is a necessary infrastructure improvement to comply with this zoning, State and Local Plumbing Codes, and to more generally enable a compact, neighborhood development.

Over the past few years, the Town has been in conversations with Habitat concerning housing on this property and more recently, due to the generous Planning Grant from the 2011 CDBG program, we’ve had the opportunity to create a development plan for the project as well as conduct initial engineering and construction cost estimating. While the Town and Habitat continue to fine tune the details of the development plan and design with input from the surrounding neighborhood and local boards and committees, we are also looking ahead to prepare for how this project will be financed.

As stated above, this project is very much a partnership that will rely heavily on grants, donations and in-kind contributions, as all Habitat projects do. Given that, CDBG program funding to help pay for the public sewer extension is a critical piece to help execute the project. Much like the Town’s donation of the land to Habitat removes the land cost from the building equation. These grants
and donations will enable Habitat to develop the site in accordance with their mission to create “simple, decent, and affordable housing” within CDBG program parameters, which require that at least 51% of the homes be affordable to low to moderate income persons.

2. **Provide a response to the four questions below defining and Justifying the need for the activity. - 20 points**

   a. Convey the magnitude and severity of the issue to be addressed.

   The Town of Scarborough has been concerned about the lack of affordable housing options available to low-moderate income families who live and/or work in Scarborough for a number of years. In 2005, the Town of Scarborough commissioned Bruce C. Mayberry, Planning Consultant to conduct a needs analysis. The comprehensive report, “Affordable Housing Needs Analysis”, identified the following issues that have contributed to the lack of affordable housing in Scarborough. Firstly, the Town has experienced tremendous job growth since 2000. As of the latest Census in 2010, Scarborough had the 3rd largest number of jobs (after Portland and South Portland) within the Portland metro area. The principal growth areas have been in both the highest paying (professional) and the lowest paying (retail, trade) sectors. Secondly, the median home price in Scarborough, according to current Maine State Housing estimates is $290,000, while the purchase price affordable to median income households is $215,000 which leaves a price gap of $75,000. This is a significant affordability gap that needs to be, and can be, addressed with housing stock in the $175,000 to $235,000 price range, which Habitat can supply.

   b. **Identify the total number of people affected by the issue.**

   This project is directly aimed at creating housing for low and moderate income households, therefore the number of people that will benefit from the project will depend on the number of housing units that the Town and Habitat are able to develop. As mentioned in the project summary, the Town is currently using CDBG planning funds for consultant assistance with the planning and feasibility stage of the project, and at this juncture we are meeting with the surrounding neighborhood and exploring development layouts and various housing densities. The current concept plan proposes seventeen (17) housing units with a mix of single-family and two-family dwellings. This concept will be refined as the process continues so we can’t definitively state the specific number of people benefiting from this project, but we intend for the project to create a meaningful number of new housing units that will provide a comfortable dwelling for people of low to moderate income.
c. Describe to what extent the project makes in the long-term measurable difference in the economic and social health of the region.

At this point Scarborough has very little housing that has been developed to serve low and moderate income households and the housing we have is in the form of either elderly housing or rental units. By developing housing that gives first-time homebuyers an opportunity, the Town and Habitat will enable them to enter the homeownership market and then over the long-term, enable them to potentially move beyond a starter home, then enabling other first-time homebuyers to purchase these units. This project will make a measureable difference in increasing the amount of affordable, ownership housing units in the Town of Scarborough and therefore the region. In addition, low to moderate income housing stock is increasingly critical to the long-term viability of our transportation infrastructure, given that Scarborough hosts a significant number of jobs in the retail and service sector that provide lower to moderate wages, but do not have the comparable housing stock. This project can play a role in providing local housing for such employees and lessen the impact on our regional transportation infrastructure.

d. Construction related activities: Convey how the project relates to the community's long-range planning and capital improvement needs.

While the sewer line extension is intended to primarily serve the housing initiative at 75 Broadturn Rd, it will also create the opportunity for other adjacent residential properties in the vicinity of the project to connect to public sewer if they so desire, either now or in the future. Since this area is within one of Scarborough’s growth areas, the extension of public sewer is in keeping with, and will further, the expansion of the Town’s infrastructure to efficiently serve new and existing development.

3. Management of the proposed activity – 10 points

The Town of Scarborough, and more particularly the Planning Dept. in cooperation with the Public Works Dept. and Habitat, will manage the grant funded project as a component of the management and oversight of all of the infrastructure improvements that will be made for this project. The Town Departments are very familiar and experienced with undertaking infrastructure projects of this scope, as on a yearly basis we manage a wide range of Capital Improvement Projects of this magnitude or greater. Further, Habitat is familiar and experienced with constructing and managing similar housing developments, as demonstrated by their projects in Portland, Westbrook and Freeport. Habitat is also experienced and committed to executing projects that are phased or take a few years to complete and they have an excellent track record for seeing their projects through to completion and within budget.
4. Demonstrate that the project is **ready to proceed** – 10 points

Thanks to a planning grant from the CDBG program, the Town and Habitat are actively planning for a workforce housing development at 75 Broadturn Rd. Concept designs are underway and we are actively conducting a public process for review and refinement of these plans as well as planning for the infrastructure that will be necessary to execute the project. While the details of the project and its design and scale will evolve as the process progresses, the Town’s commitment to workforce housing on the property dates back to 2006 when the land was purchased from the Maine Turnpike Authority (resolution is attached).

The steps necessary for this project include finalizing the development plan and design with neighborhood, public and Town Council input; conduct the Planning Board subdivision review and approval process; and receive a Stormwater Permit from the Maine Department of Environmental Protection. As demonstrated by the attached Town Council Resolution 12-01 and signed February 1, 2012, the Town Council has demonstrated its commitment to this grant application and the establishment of affordable housing on this parcel.

In terms of potential project impediments, given Habitat’s non-profit status, they rely heavily on in-kind contributions, donations of material, services and labor, and grant funding, so it is critical that grant opportunities like this one are successful to enable the project to move forward at the housing price points to enable low and moderate income families to purchase the dwelling units.

Regarding project timing, if the Town and Habitat are successful in receiving CDBG funding for sewer infrastructure, this infrastructure would be one of the first components of the project to be installed along with the other infrastructure improvements warranted for the development, such as public water lines, road and sidewalk construction, and stormwater facilities. Based on the project timeline, these infrastructure improvements, will be substantially complete within 24 months of receiving this grant.

5. **Implementation schedule** for project: Fill in the attached schedule form *(Appendix III).* - 10 points

Please see Appendix III

6. **Budget for project.** Fill in the attached budget form *and provide the basis for determination of budget amounts (Appendix IV).* - 10 points
Please see Appendix IV

7. Provide a response to the four questions demonstrating the need for CDBG program funds. - 15 points

CDBG funding is a critical component to the success of this development proposal, given that public sewer service is a requirement for development to occur on this property. The Town has worked diligently to bring together a conglomeration of individuals and groups to fill a gap in the housing market for low and moderate income persons. The consequences of the Town not successfully receiving CDBG funding could be the failure of this project. CDBG funding is considered a critical component to the project's success, though it does not stand alone as the only critical funding source. Habitat funds as well as Town and private donations and in-kind contributions will also be needed to pay for and implement the balance of the sewer line extension costs as well as all of the other infrastructure that is warranted. Additionally, the Town has already put forth $200,000 for the land purchase. In conjunction with these funding sources, Habitat will be seeking Maine State Housing grant funding for the development of affordable housing units. Each funding source, including the CDBG grant, is critical to the project's success. For each piece of the financial puzzle the development group is able to secure, we can help to hold down the purchase price of the homes and provide access to housing to low to moderate income persons that are currently priced out of Scarborough's housing market.

9. Distress Score

Per appendix I, Scarborough's Distress Score is 5
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## Appendix IV: Budget

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Provide the basis for determination of budget amounts:

As part of our planning and feasibility process that is underway, our consulting engineer has calculated a total infrastructure cost of $550,000 for the development project. This cost estimate is itemized based on aspects of the required infrastructure. The total above is $890,000, because it also includes engineering, project management and some extra materials. This is subject to refinement, based on the final design of the proposed development, but required infrastructure items, such as sewer lines and water lines are expected to remain relatively constant.
RESOLUTION 12-01

COMMUNITY DEVELOPMENT BLOCK
GRANT APPLICATION

Town of Scarborough

BE IT RESOLVED, by the Town Council of the Town of Scarborough, in Town Council assembled that we support the Community Development Block Grant (CDBG) application which will be submitted to the Cumberland County Community Development Program. Through this grant, the Town of Scarborough is seeking funding to help pay for the sewer line extension that is necessary to development workforce housing at 75 Broadturn Road. The Town’s Housing Alliance and Habitat for Humanity of Greater Portland are partnering to help create workforce housing on this property and it is anticipated that between ten and twenty dwellings will be developed, of which at least 51% (and ideally 100%) would be made available to the benefit of low and moderate income persons. CDBG funds will enable the Town of Scarborough to provide fair housing opportunities to those households for whom market prices homes are unattainable. The extension of sewer lines is critical in enabling greater housing density to allow Habitat for Humanity and the Town to lower the infrastructure costs of each dwelling unit and to create a meaningful number of workforce housing units.

Signed and sealed this the 1st day of February, 2012, on behalf of the Scarborough Town Council and the Town Manager of Scarborough, Maine.

Signed by: Ronald D. Ahlquist
Council Chair

Attested by: Yolande P. Justice
Town Clerk
75 Broadturn Road Housing Initiative
DEVELOPMENT PLAN
A Scarborough Housing Alliance & Habitat for Humanity Partnership

Development Plan is only a current Concept Plan and is subject to additional neighborhood meetings and Town Council and Planning Board Review