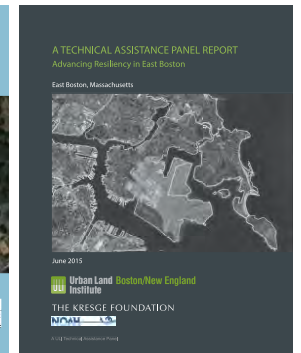


# About ULI – the Urban Land Institute

The Urban Land Institute is a global, member-driven organization comprising nearly 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

## ULI at the local level

Boston/New England District Council covers nearly all of New England with over 1,300 Members—developers, architects, planners, public officials, financiers, students, etc.



# Technical Assistance Panels (TAPs)

## Kittery & Berwick, Maine

ULI Boston/New England is committed to supporting communities in making sound land use decisions and creating better places. A TAP brings together ULI members with a range of professional expertise to provide focused, collaborative consultation to a local government or qualifying non-profit organization.

### TAP Impact on Communities:

- 82% said their behavior and approach to **Municipal Planning and Economic Development Strategies** was affected
- 67% said there were **increased municipal investments** related to the stated goals and recommendations of their TAP report.
- 62% said at least **one key developable asset** addressed in their TAP report had been **redeveloped** consistent with ULI Boston/New England recommendations

Final Deliverable – Written report (10 - 12 weeks) will be available at <http://boston.uli.org>

Thank you to the following organizations for their support with this tap



**SMPDC**  
SOUTHERN MAINE PLANNING & DEVELOPMENT COMMISSION



# The Panel

## Co-Chairs

- Jamie Simchik, Simchik Planning & Development
- Susan Connelly, Housing Opportunities Unlimited

## Panelists

- Glenn Burdick, UBJ Ventures
- Matt Ciborowski, Arup
- Kendra Halliwell, ICON Architecture
- Jim Heffernan, Navem Partners
- Aaron Jodka, Colliers
- Chris Johns, ThoughtCraft Architects

- Jeff Levine, Levine Planning Strategies
- Michael Lozano, Trinity Financial
- Christopher Ptomey, ULI
- Tim Mainella, Simchik Planning & Development

## ULI Staff

- Sara Marsh, Manager
- Manikka Bowman, Director Outreach & Policy

## TAP Writers

- Mike Hoban
- Tanya Mitchell (support)

# The Process

## Briefing Meeting

Panelists received briefing information from the town regarding the study area including zoning, past studies, current conditions, etc.

## Site Visit

On May 14, Panelists split into two groups to tour study areas in Berwick and Kittery Maine with Town staff.

## Stakeholder Interviews

On May 17, the panelists interviewed property owners, business owners, Naval Yard employees, and public officials via Zoom to better understand the needs of district tenants and the community.



“

The most severe cost burdens among middle-income households are predominantly found in the most populous regions.

However, there is a nationwide lack of attainable homes for many members of the workforce that is not limited to the most vibrant U.S. metropolitan economies.

In particular, there is a national struggle for lower-income households to find attainable rental units.

Segregation—both by income and race—cuts across market types and geographies, and high housing costs threaten to worsen racial and socioeconomic disparities.

2021 ULI Home Attainability Index

”



# Importance of Workforce Housing

Critical to household budgets and local economies

- **Location enhances affordability:** combined costs of housing and transportation are most accurate indicator of what a family can afford
- **Supports neighborhood economies:** provides employees and customers for local businesses
- **Enables housing access and stability for essential workers**
- **Eases traffic congestion:** increases walkability, transit usage, decreases congestion, reduces commute times and pollution

# Importance of Mixed-Income Housing

Tool for household and neighborhood success

- **Enables economic mobility:** income segregation is a stronger indicator of economic mobility than the overall amount of inequality in a city
- **Prevents physical and economic displacement:** enables residents to remain in improving neighborhoods and broadens access to the benefits of development
- **Creates positive climate for investment:** mixed-income communities are stable and sustainable magnets for investment
- **Increases impact and reduces cost of municipal investments:** transportation, infrastructure, schools, public safety





# Panel Assignment: Address These Questions



Study Area –  
Kittery, 2 parcels







# Study Area - Berwick



1. What is the feasibility of including workforce housing in the development/redevelopment of specific parcels the study sponsor identifies for mixed-use development?
2. What tools may the Town of Kittery, and other regional jurisdictions, use to improve the integration of transit services into workforce housing developments and increase opportunity for success?
3. What strategies, policies, actions, and best practices, including design principles, can the Town of Kittery and other regional jurisdictions pursue to attract investment in workforce housing development?



What did we hear, see and learn?



## Assets and Opportunities: A Unique Moment in Time for Berwick

The convergence of public and private forces necessary to leverage land use to support community challenges:

- housing affordability
- respond to open market forces - housing type options (rental)
- decrease car dependency
- Planning for a vibrant and viable community future – planning for what is and what we want the future to look like
- Forward thinking zoning that implements regional awareness and local action
- Creating framework and “foundation” for a long-term development

# Assets and Opportunities : A Unique Moment in Time for Berwick

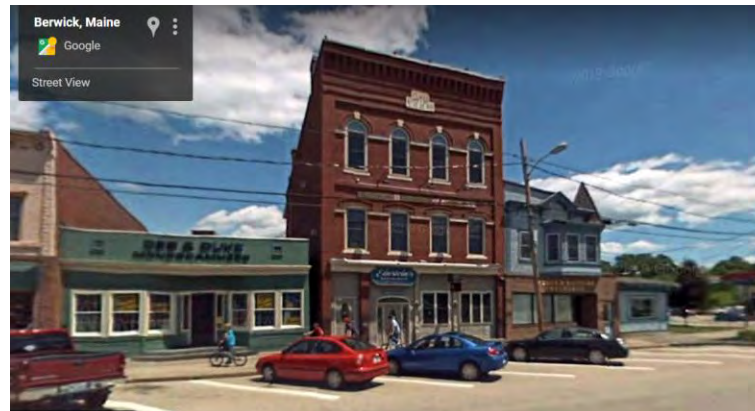
Awareness of regional challenges and opportunities, impacting local action

- Public sector leadership

- Elected and Town Hall staff capacity
- Creation of zoning reflecting infrastructure (existing and planned); water, sewer, awareness of traffic on a uniquely positioned site:

- Unique Location

- Entry to community, downtown, other historic examples of height/scale, creating walkability
  - Scale and density: understanding of connection to long term economic health of community, livability and maintaining rural areas of the community.





# Assets and Opportunities: A Unique Moment in Time for Berwick

- Unique private partner
  - Understanding of importance of public transportation and challenges in supporting in the immediate and planning for the future.
- Locally driven
- Construction / development combined



# Challenges - Berwick

- Traffic concerns
- High parking requirements for development
- Ensuring Project Completion
- Current construction costs
- Brownfield remediation
- Alignment with developer on streetscape
- Transit stop specifics: location, covered vs. enclosed
- MDOT Traffic Movement Permit
- Not allowing market to drive site specifics (BR size )
- Retail tax disadvantage with New Hampshire
- Parking requirements
- Viability of small-scale retail
- Long term planning of area – diversity of ownership and building types and uses
- Concerns over location of park & ride



# Recommendations

# Recommendations

- Include/encourage restricted affordable housing on part of The Edge at Berwick development.
  - The current park & ride, or westerly corner, could support a LIHTC project that the developer could do with a partner or dispose of the land to have done by a community affordable housing developer, with an affordability restriction in perpetuity.
  - Work to develop the longer-term planning needed to include deed restricted affordable rental housing to support an economically viable community.
- Provide an indoor transit hub with waiting area and transit information on Edge at Berwick development
- Review parking requirements and adjust to actual market need
- Optimize retail mix to the street scape and keep placemaking strategies
  - (See Kittery recommendation)



# Recommendation: Expanding Affordable Housing Options at Edge at Berwick

## Potential Performa for Expanding Affordable Housing Option

Berwick Affordable	May 18, 2021
<b>Unit Mix</b>	
Total Units	50
LIHTC-Only Units	50
LIHTC type	9%
<b>Sources</b>	
Permanent Loan	\$5,500,000
Low Income Housing Tax Credit	\$16,430,959
<b>Total Sources</b>	<b>\$21,930,959</b>
<b>Uses</b>	
Acquisition (Land & Building)	\$400,000
<b>Total Acquisition</b>	<b>\$400,000</b>
Construction	\$14,569,442
<b>Total Hard Costs</b>	<b>\$15,397,914</b>
<b>Total Soft Costs</b>	<b>\$3,469,014</b>
<b>Total Reserves</b>	<b>\$400,000</b>
<b>Total Development Fees</b>	<b>\$2,264,031</b>
<b>Total Development Cost</b>	<b>\$21,930,959</b>
<b>Overage (Shortfall)</b>	<b>\$0</b>
cost per unit	\$438,619

# Recommendation: Expanding Affordable Housing Options at Edge at Berwick

## Potential Performa for Expanding Affordable Housing Option

								Building 5	Parking	Retail	Residential	COBA
<b>LIHTC Only (&lt;60% AMI; Non-PHUs)</b>	<b># of units</b>	<b>Gross Rent</b>	<b>less Util Allow</b>	<b>Net Rent</b>	<b>Net Revenue</b>			1	14,434	6,000		\$0.00
Studio	5	871	40	831	\$ 4,155			2			20,434	\$0.00
1 Bedroom	10	\$ 933	\$ 49	884	\$ 8,840			3			20,434	\$0.00
2 Bedroom	20	\$ 1,120	\$ 64	1,056	\$ 21,120			4			20,434	\$0.00
3 Bedroom	15	\$ 1,293	\$ 117	1,176	\$ 17,640			Total	14,434	6,000	61,302	\$0.00
Total	50				\$ 51,755							
<b>Total Units</b>	<b>50</b>				<b>\$ 51,755</b>							
<b>Retail Rents</b>	6,000	sf NNN		\$ 25	\$ 150,000	annual						
<b>Operating Pro Forma</b>												
<b>Total Revenue</b>	<b>Per Unit</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	
LIHTC Only (<60% AMI; Non-PHUs)		\$ 621,060	\$ 633,481	\$ 646,151	\$ 659,074	\$ 672,255	\$ 685,700	\$ 699,414	\$ 713,403	\$ 727,671	\$ 742,224	
Market Rate		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
LIHTC & Market-Rate Vacancy Rate @ 5%	(621)	\$ (31,053)	\$ (31,674)	\$ (32,308)	\$ (32,954)	\$ (33,613)	\$ (34,285)	\$ (34,971)	\$ (35,670)	\$ (36,384)	\$ (37,111)	
Retail (NNN)		\$ 150,000	\$ 153,000	\$ 156,060	\$ 159,181	\$ 162,365	\$ 165,612	\$ 168,924	\$ 172,303	\$ 175,749	\$ 179,264	
Retail Vacancy Rate @ 10%		\$ (15,000)	\$ (15,300)	\$ (15,606)	\$ (15,918)	\$ (16,236)	\$ (16,561)	\$ (16,892)	\$ (17,230)	\$ (17,575)	\$ (17,926)	
<b>Effective Gross Income</b>	(621)	725,007	739,507	754,297	769,383	784,771	800,466	816,476	832,805	849,461	866,450	
<b>Operating Expenses</b>	<b>Per Unit</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	
Total Expenses	8,000	400,000	412,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909	
	-											
Net Operating Income	6,500	325,007	327,507	329,937	332,292	334,567	336,757	338,855	340,856	342,753	344,541	
Debt Service Payment	5,934	296,711	296,711	296,711	296,711	296,711	296,711	296,711	296,711	296,711	296,711	
Net Cash Flow	566	28,296	30,796	33,226	35,581	37,856	40,045	42,143	44,144	46,042	47,830	
DSCR		1.10	1.10	1.11	1.12	1.13	1.13	1.14	1.15	1.16	1.16	

# How would a residential building work (fiscally) on the site

- Area rents are currently aligned with the area median income
- So that an average salaried shipyard worker could afford a rental if available – but there is almost no rental housing supply
- As the area becomes more vibrant and attractive housing prices will continue to shift up and people will continue to buy outside of the economic impact region of job growth, increasing community and traffic. The number of service industry (moderate, lower income) jobs increases.
- The lack of diversity of housing types (starter homes, rentals, walkability, deed restricted) will further fuel the town and the region's problems.
- Role for restricted housing
  - Affordable housing TIF restricted at 100% (versus LIHTC 60%)
  - Consider letting the existing park & ride go to another developer that would do a deed restricted LIHTC to support housing necessary to support diversity of job types that continued job growth
  - Complementary – but different owner or partnership is needed



# Recommendations – Indoor Transit Hub

South Portland , Maine Transit Hub



Transit Hub and TriMet Bike Shelter, Portland, OR





# Kittery

## What did we hear?



## Assets and Opportunities - Kittery

- Political will/interest to increase affordable housing
- Large sites (Water District and Outlets at Kittery sites)
- Large area employer (Portsmouth Naval Shipyard)
- Highway access
- Regional Transit Authority (COAST)
- Rail line
- History/culture of sharing rides
- Connectivity to open space
- Walkable downtown (Foreside)
- Piscataqua River & Seacoast
- General locational advantages



## Challenges - Kittery

- Uncertainty of next steps by landowners
- Density/affordability mix
- Rural/scale discussions
- Cost of construction
- Available funding options
- Transit options/choices
- Timing
- Cross jurisdictional/agency collaboration
- Sidewalks/streetscape/bike lanes/pedestrian



# Kittery Recommendations

# Recommendations – Water District Site

- Mix of uses and scales
- Active streetscape on State Road
- Bus/ Transit stop on Walker Street
- State Road Frontage:
  - 4 story wrapped parking with ground floor retail commercial; residential above
  - +/- 140 residential apartments (34/floor)
  - 400 parking spaces (100/floor)
  - 9,000 SF for retail
- Park Avenue Frontage:
  - Homeownership 30-50 Townhomes – larger units
  - On street parallel parking





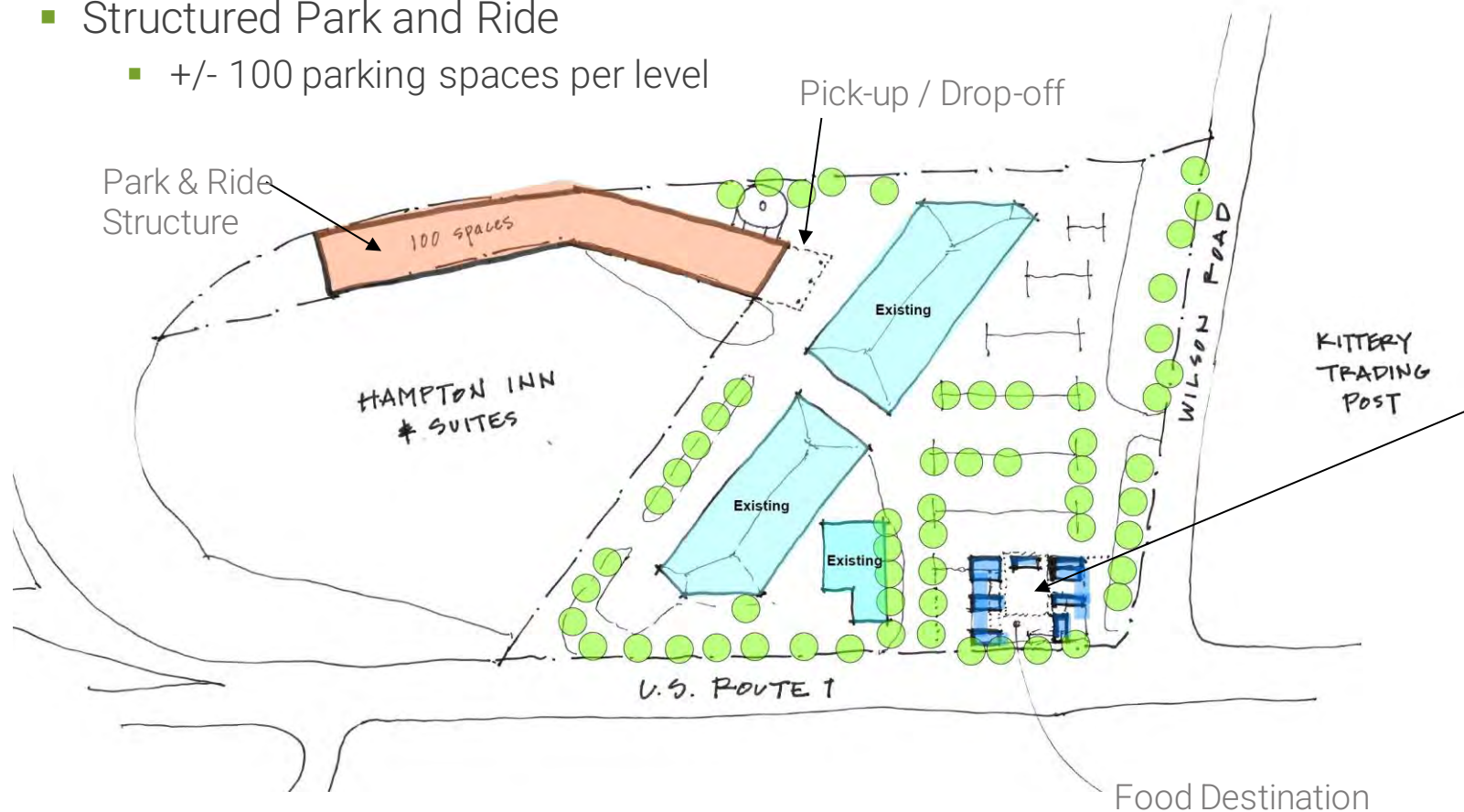
# Recommendations – Water District Site





# Recommendations – Outlets at Kittery, Phase 1

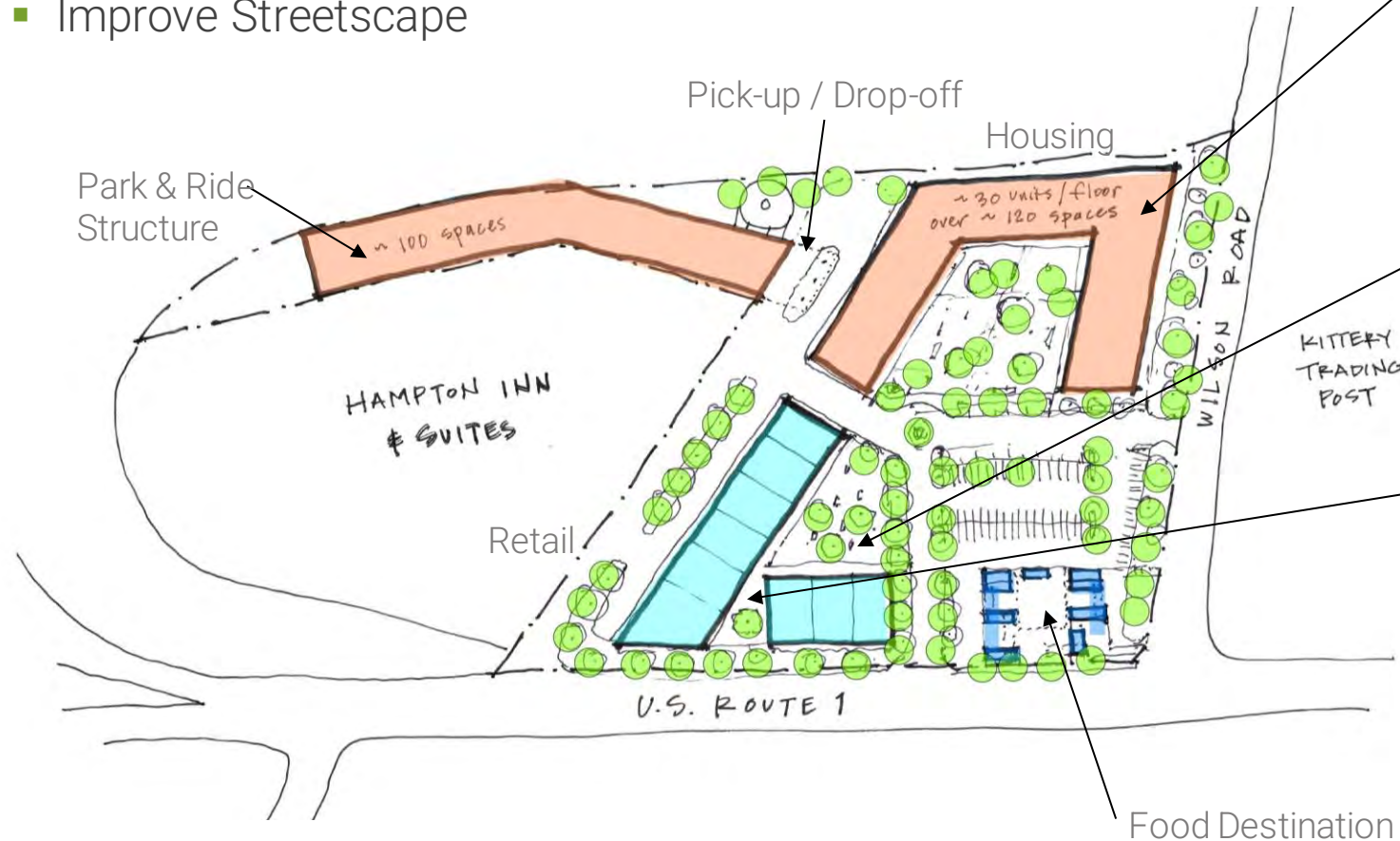
- Food Destination!
  - Start with Food trucks
  - Create outdoor food hall with shipping containers
- Structured Park and Ride
  - +/- 100 parking spaces per level





# Recommendations – Outlets at Kittery, Phase 2

- Mixed Use Opportunity – Live, Work, Play
  - 24,700 SF of retail
  - 90 new apartments (30/floor) over +/- 120 parking spaces
- Improve Streetscape





# Recommendations – Outlets at Kittery, Phase 3

- Mixed Use Opportunity – Live, Work, Play
  - Replace food destination with additional 15,600 SF of retail for a total of +/- 40,300 SF
- Continue Improving Streetscape



# Recommendations – Short Term

- Affordable Housing – Ensure residential zoning and funding options are identified
- Zoning – Create overlay districts at both sites for more dynamic zoning
- Water District Site – Identify new location and relocate operations
- Outlets at Kittery Site – Food destination starting with food trucks, plan for true mixed use on site
- Shipyard – Create priority for carpools, vans and buses past congestion
- Streetscape – Plan for improvements
- COAST – Engage stakeholders and employers for funding and route alignment
  - Explore TIPS funding from Shipyard employees

# Recommendations – Medium & Long Term

## Medium Term

- Water District Site – Create transit hub and redevelop eastern portion of site followed by western portion of the site
- Outlets at Kittery Site – Consider transportation hub, convert food trucks to food hall, revised retail concept with residential options, explore highway rest option
- Shipyard – Utilize new parking, mass transit options from park and ride locations
- Streetscape – Beautification of major roads, with bike and pedestrian accommodations

## Long Term

- Shipyard
  - Encourage more sustainable transportation options
  - Explore ferry service
  - Explore rail service from Portsmouth (could use underutilized new Foundry Garage)
  - Build structured parking on naval base





# Strategies and Resources



# Strategies and Resources

Brownfields Area Wide Assessment Grant

EDIC Grant

State Tax Increment Finance programs:

- Credit Enhancement
- Infrastructure
- Affordable Housing (provide operating subsidies for developers, as well as additional points for tax credit applications) federal programs bring long term deed restrictions
- Transit Oriented Development
- Can often be layered
- Have benefits for state revenue sharing



# Strategies and Resources

- Zoning
  - Intentionally align zoning that supports density with infrastructure support – existing or planned. Water, sewer, transportation (multi-modal).
  - Don't be afraid of kids! Healthy communities have children. Young people with disposable income sometimes have kids, old people (who may or may not have had kids) bring other expenses to communities related to health care and emergency services
  - Use FAR floor area ratio requirements to promote starter homes or reasonably sized homes
  - Density – inclusionary zoning; is this feasible? As the market changes it could become feasible and should be kept as an option

# Strategies and Resources

Creative Place Making – involves incorporating art and culture in the design of a real estate project from the very beginning

Plan, then zone for what challenges you want to address and goals you want your community to achieve.

Frame rural/density discussions as a community wide balance – to support and afford rural areas density in other areas of the same community are often needed and many historic downtowns (unlike Berwick) can't be meaningfully expanded



# Q&A

Kittery & Berwick TAP  
May 18, 2021