

## LUO 9.3.3 Age Restricted Housing

### **Definition:**

Age Restricted Housing (ARH) is a housing development type that excludes residency based on advanced age. In reality, it is an exception to the Federal Fair Housing Act of 1964 which prohibits discrimination in housing based on race, creed, religion, sexual orientation, and age. The Federal Government determined that elderly populations could be exempted from these non-discriminatory requirements under certain conditions. There are two classes of ARH:

**55 and Older ARH:** under this system, at least one resident/owner of a ARH unit has to be 55 or older in age. Permanent resident children usually are restricted to 18 years old+. These developments cater to empty-nesters who wish to downsize and pursue an active lifestyle with neighbors of similar age and interests. However, under HUD rules only 80% of the total households have to meet the 55+ year old restriction. As such 20% of the units can be owned/occupied by households with no residents that meet the 55yo threshold.

**62+ ARH:** All residents must be 62 years old or older. This is what is classically called “elderly housing”. There are developments that cater to higher income 62+ populations, but the availability of HUD funding in programs such as Section 202 and 231 targets lower income populations. The lac

### **Advantages of Age Restricted Housing:**

The 2016 Comprehensive Plan has identified *age restricted housing* (ARH) as a vital land uses to be encouraged in the future development of the residential and rural conservation zones for the following reasons:

***Age restricted housing developments are land-efficient.*** Such developments materialize as primarily condominium forms of ownership either in attached housing, multi-family, or “*housaminiums*” in which the dwelling unit and the land under or immediately surrounding the unit are owned by the resident while the remained of the surrounding land, infrastructure, amenities and open space are owned by the Homeowner or Condominium Association. Since there are no subdivision lots, the unit location is denser without compromising spaciousness and there is a greater preservation of open space that can be used for passive and/or recreational uses. As such, ARH is a superior housing paradigm for conserving larger tracts of open space and preserving the “rural character” of Arundel, that is so cherished by the residents.

***Age Restricted Housing generates a lesser fiscal impact on municipal service costs than traditional housing types:*** By definition, age restricted housing targets a demographic age group that generally does not have a concentration of school age children in residence. In fact, most Homeowner Association covenants prohibit the permanent residency of any person below the age of 18 years old. Public educational costs in Arundel constitute over 70% of the annual property tax bill in Arundel. Therefore, ARH developments remove a huge tax expenditure from the Town budget every year. In addition, ARH developments tend to produced reduced per capita solid waste streams and fewer fire suppression calls because of the new construction adherence to NFPA 101 and Arundel LUO 5.7 fire codes. The only service pressure comes from increased medical EMS calls for the demographic group. However, the costs are often offset by Medicare and medical insurance charges. As such the average ARH dwelling can yield a tax expensed reduction of at least 70-80% per unit over the typical 3-4 bedroom single family home.

***Age Restricted Housing developments are planned communities that create tax and property values assets for the municipality:*** ARH developments are usually planned communities providing clustered housing neighborhoods with support amenities such as a community centers, recreational facilities, walking

trails, coordinating landscaping and pedestrian connections. The better the project design and amenities, the more marketable the development is to the target demographic. The result is often a project that creates an aesthetic identity that translates into increased tax valuation. Cape Arundel Cottages may be a seasonal resort community, but its design concept is patterned after many existing ARH developments both here in Maine and elsewhere in New England.

**Age restricted housing can provide more economical housing opportunities and retain elderly residents within the community:** Obviously a ARH community provides long-time residents with an opportunity to stay within their hometown while reducing their homeowner maintenance costs and responsibilities. Obviously, the 62+ ARH serves a broader range of senior residents since most of these types of projects proceed with Federal funding targeted at lower income residents. While there are HUD and USDA programs that can assist qualifying low income elderly residents to repair and maintain their ancestral single-family homes, Arundel does not currently participate in or sponsor such programs.

### **Downsides of Age Restricted Housing:**

There are deficits to ARH that the Planning Board should be aware of, including the following:

1. ARH, especially the 55+ type does shift tax burdens onto the smaller single family and multi-family residents in the community. Smaller homes can result in smaller tax bills. This is only partially offset by the decrease in student population since there are other fixed costs in the RSU that are not impacted by the student populations.
2. Influx of 55+ residents sans school children can erode local support for school budgets and reprioritization of municipal services.
3. Influx of residents from other states or counties can shift political influences and result in service demands that are not characteristic of Arundel's culture.
4. Town will need to monitor reporting to HUD of the annual census of ARH developments and may have to enforce violations of the HOA rules.

### **Planning Board Decision Tree for Section 9.3.3**

In the formulation of performance standards for ARH developments in Arundel, the Board must first make a series of decisions and objectives to assist staff writing the appropriate standards:

1. Should the Town develop ARH standards for both 55+ and 62+ developments?
2. If both, two sets of standards will be required., requiring more investigation into 62+ developments.
3. If the Board starts with 55+ ARH as currently defined in the LUO, then:
4. Does the Board want to establish a minimum size of project/units?

5. If so, what should be the minimum? \_\_\_\_10 units/5 acres \_\_\_\_20 units /10acres \_\_\_\_30 units/15 acres \_\_\_\_other
6. Or should the lot size be based on the amount of open space remaining after development? (after all land conservation is the key in the RC district but less so in the DB-2 and R1 districts) \_\_\_\_%
7. The LUO currently offers ARH density bonuses twice the standard density for single family homes. Should that be maintained as an incentive of reduced based on design and performance?
8. Should a community center and or recreational facility be mandated for the project as a requirement or a density incentive?
9. What other amenities should be required to increase the attractiveness, marketability, and valuation of the ARH project? Should these requirements be incentive based or mandated by ordinance?
10. Should pedestrian-focused design and more economical street design standards be offered as a requirement/incentive?
11. Would the Board support an exemption or a partial relaxation of the Growth Control Ordinance for ARH projects, much like what we have for Seasonal Resorts?