HOUSING & COMMUNITY DEVELOPMENT COMMITTEE
DATE: September 30, 2015
TIME: 5:30 pm – 7:30 pm
LOCATION: Room 209, 2nd Floor, City Hall

1. Agenda For September 30, 2015 Meeting

   Documents: 09.30.2015 AGENDA.PDF

2. Review And Accept Minutes Of Previous Meeting Held On September 9, 2015

   Documents: MINUTES FROM 9-9-15 HCDC MEETING.PDF

3. Review And Recommendation To City Council Re: HUD 5-Year Consolidated Plan Goals And Priorities

   Documents: HUD 5-YEAR CONSOLIDATED PLAN PROPOSED GOALS AND PRIORITIES 2016.2020.PDF

4. Review Of Short Term Rental Ordinance Options For Regulating Short Term Lodging Sites Such As Airbnb, HomeAway, FlipKey, VRBO, Craigslist And Others

   Documents: SHORT TERM RENTALS HCDC MEMO 9.25.2015.PDF

5. Review Of Housing Replacement Ordinance

   Documents: HRO MEMO.PDF

6. 2015 HCDC Work Plan For Review And Discussion

   Documents: HCDC 2015 WORK PLAN FOR 09.30.15.PDF

Public Comment will be accepted on action items.
Councilor Kevin Donoghue, Chair
Next Meeting Date: October 14, 2015

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

DATE: **September 30, 2015 (Wednesday)**
TIME: **5:30 p.m. – 7:30 p.m.**
LOCATION: **Room 209, Second Floor**
Portland City Hall

A G E N D A

1. Review and accept Minutes of previous meetings held on September 9, 2015.

2. Review and Recommendation to City Council re: HUD 5-Year Consolidated Plan Goals and Priorities. – See enclosed Memorandum from Mary Davis and Kristin Styles.

3. Review of short term rental ordinance options for regulating short term lodging sites such as Airbnb, HomeAway, FlipKey, VRBO, Craigslist and others. – See enclosed Memorandum from Jeff Levine and Tyler Norod.

4. Review of Housing Replacement Ordinance. – See enclosed Memorandum from Jeff Levine.

5. 2015 HCDC Work Plan for Review and Discussion – See enclosed Work Plan from Jeff Levine, Greg Mitchell and Mary Davis.

Public Comment will be accepted on action items.

Councilor Kevin Donoghue, Chair

Next Meeting Date: October 14, 2015

Housing & Community Development Committee

Minutes of September 9, 2015 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, September 9, 2015 at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors David Brenerman, David Marshall, and Nick Mavodones. City staff present included Housing & Community Development Division Director Mary Davis, Housing Planner Tyler Norod, and Planning and Urban Development Director Jeff Levine.

Chair Donoghue opened the meeting introducing the Committee members, noting that due to the City Councils meeting later that evening that tonight's Committee members would need to conclude the meeting no later than 7:00 PM.

Item 1: Review and accept Minutes from previous meeting held on March 25, 2015.

July 8th spelling edit p. 6 Elise Scala approved 3-0

And July 22 minutes approved 3-0

On motion made and seconded, the Committee voted unanimously to accept the minutes as published. Councilor Marshall was running late and did not vote on the previous meeting minutes.

Item 2: Review of Draft Scope of Land Use Study of DPS sites in Bayside

Jeff Levine Director of the Planning and Urban Development Department as well as Christine Grimando, Senior Planner for the City introduced the item to the Committee. Director Levine told the Committee that staff assembled the basic framework of what a potential scope

for a limited land use study would entail. Ms. Grimando assembled the draft scope that includes significant existing background information on the neighborhood and previous studies that have been undertaken by the City. Staff received an email after the HCDC memo was distributed which mentioned the idea of including rezoning in the scope of any land use study. It was noted that Somerset Street realignment/extension could also be included in the scope of work.

Councilor Brenerman began the discussion by clarifying whether staffs envisioned a potential land use study making recommendations or rather simply say what is possible. Ms. Grimando responded that she would seek direction from the Committee for its preferences to guide the potential scope of any study. Councilor Brenerman acknowledged that he would be interested in recommendations identifying what uses would be good fits on each parcel. Housing, commercial, etc.

Councilor Donoghue mentioned that he would not discourage looking at what would happen if the B-7 zone were extended but we should look at timing and whether or not we should look at this parcel by parcel or as a package. Councilor Donoghue expressed concerns that packages can be boom or bust and more often bust which makes him prefer the individualized parcel approach. Councilor Donoghue continued by asking what the timing would look like for returning a more in depth planning study. Director Levine thought that a study could be undertaken by December or January. The Director continued that it is a workable project but there are a lot of projects on staffs' agenda at the moment. Councilor Donoghue conceded that it is not his preference at the moment but timing should be taken into consideration and how it affects for next steps 65 Hanover/52 Alder. Director Levine stated that the Department's goal is to have a site analysis done by October to compare with Hanover proposal but that may not be possible given current workloads.

Councilor Brenerman noted that he did not want staff to commit to a deadline that would not be realistic to meet. Director Levine responded that he thinks it would be challenging for one planner alone to achieve that timeline but depending on other staff workloads it may be possible. The Director offered to double check staff workloads and update the Committee within a week.

Since this was not an action item no vote was taken with the anticipation that after receiving Committee feedback staff would return with zoning site analysis for the DPS owned sites.

Item #3: Review and Update on the Proposal for the sale of the 65 Hanover/52 Alder Street site (DPS facility) to Avesta Housing.

Housing Planner Tyler Norod introduced this item. Mr. Norod revisited Committee's concern from the last time the item was discussed related to Avesta's proposal for the land being sold at no cost. Mr. Norod also noted that there was a typo in the HCDC memo regarding the total number of units in Phase I. The correct total number of units in Phase I is 45 units. Mr. Norod also relayed to the Committee staff's understanding that the priority from HCDC was to provide homeownership units in Phase II as soon as possible in an effort to help revitalize the neighborhood even if that meant relinquishing any long term income restrictions on the units. By incentivizing both Phases to occur sooner it could help increase the value of other nearby city owned properties while providing much needed homeownership on the peninsula that given the current market in the immediate area would likely be close to the workforce prices targeted elsewhere by the City.

Since the last meeting staff has worked with Avesta to address concerns related to the proposed sale price of the land. Avesta is now proposing to pay the City $400,000 for the cost of

land less any demo and remediation costs. According to Avesta, remediation and demo costs are estimated to be in the vicinity of $250,000. This would result in potentially $150,000 to city although its very early on to have an reliable estimate of actual remediation costs. As another means of creative revenue sharing from the project Avesta has agreed to pay the City 1-2% tied to sales prices of each unit returned to the city on a sliding scale as outlined in the memo to HCDC. This is anticipated to return to the city could be $50,000 to more than $140,000 depending on the actual average sale price of the units in Phase II. It was also noted that since the site is currently owned by the City that it does not generate any tax revenue. By returning the site to the tax rolls Phase II at the projected sale levels would generate approximately $100,000 annually in new tax revenue. Because the units in Phase II will not have income restrictions no TIF will be part of this Phase. However, as a LIHTC project Phase I would qualify for a TIF and may eventually be requested although not TIF has been requested at this time. Director Levine added that the City Manager is comfortable with where this proposal is going at the moment, but wants to be cautious about the value of the land and future TIF requests meeting the City's goals.

Councilor Donoghue opened the item to public comment:

Damian Trask 50 Alder Street, whose property abuts the City owned parcels in question brought to everyone's attention that his property may be available for purchase and that it should be considered by the City and Avesta if that would help improve the project

Mark of 10 Congress Square Plaza acknowledged that the neighborhood could use this type of investment as there are currently frequent issues related to homeless people on the street asking for money and drug users active in the area.

Drew Wing, from Avesta, said that they are excited about the project and looking forward to direction from the committee.

Steve Hirshon, of 18 Hanover Street expressed his concerns that there be an assurance that Phase II will get built. Mr. Hirshon acknowledged that TIF's and tax credits make projects easier to complete but with workforce or unrestricted unitsthe community needs assurances that Phase II actually gets done. Mr. Hirshon added that there needs to be a broader discussion of the use of TIF proceeds as needs in neighborhood not being met because hamstrung by limitations of tax credit projects. In particular the neighborhood could use more park space for kids particularly for those in middle school and above. Mr. Hirshon believes that the proposed parking ratios are reasonable for the neighborhood.

Mr. Norod responded to concerns about homeownership being developed. He indicated that the changes to the deal makes it a better deal for the city with an ability to share in the upside should remediation costs be lower than expected and the market to be stronger for homeownership than expected. No income restrictions helps to encourage the development of homeownership units by making financing and sales easier.

Seeing no other comments Councilor Donoghue closed the public comment period.

Councilor Donoghue asked for confirmation that Phase II has to follow Phase I and if it could all be done in one phase. Mr. Norod responded that two phases helps to stabilize the area. After talks with Avesta there is the possibility that Phase I does not have to be completed before Phase II starts, but that will depend on a variety of issues including the market, pre-sales, and remediation timeline. Councilor Donoghue asked if any changes to Phase I had occurred since the Committee last met. Mr. Norod said that there had been no significant changes since the last meeting.

Councilor Brenerman asked Mr. Hirson for clarification regarding his perception that projects are hamstrung by tax credits. Mr. Hirshon said that when Pearl Place II was built the

neighborhood wanted more play space but project did not have enough funding for it. The neighborhood sees a need for increased play areas, areas for older children, diversity of equipment, etc. By nature their tax credit projects are limited in their ability to provide certain amenities to the community.

Councilor Brenerman asks Avesta if they agree with Mr. Hirshon's statements. Seth Parker of Avesta indicated that they tried to focus at 409 Cumberland on amenities that brought a relevant community aspect to the development. In order to do so they had to pursue funds outside of tax credits from the federal home loan bank, but those funds are not always available.

Councilor Donoghue asked how this parcel and other land at the DPS site, meet some of the underserved recreational needs of the neighborhood. Director Levine responded that as buildout becomes clearer, the City can discuss opportunities for this site but can also discuss other DPS land, trail, etc. Councilor Donoghue followed up by asking if the scope for DPS analysis will allow for this question to be addressed. Director Levine said that staff can certainly look at it, but staff would need to look at all the potential options and limitations including concerns related to using contaminated sites for recreational areas and the need to examine the best use of city owned land. Mr. Parker added that the Adams School playground was a challenging community process. Basketball courts were controversial. Conversations gravitated towards younger children as some residents expressed concerns with recreation areas for older children.

Councilor Brenerman noted that the boys and girls club is an option for older children in the area. In general the Councilor is on board with changes in the latest proposal from Avesta. He likes the payment framework for the property and sliding scale of for-sale units. The Councilor acknowledged that it was an important point that a potential project will yield real

estate tax the sooner it is completed. The Councilor still had some reservations about the proposed number of parking spaces.

Councilor Donoghue asked what guidance staff needed at this time. Mr. Norod just asked for clarification if the Committee was satisfied with direction the project was heading. If so, staff could work with Avesta to tighten up the details. Then can tighten up details.

Mary Davis, Division Director, asked the Committee about the expected time frame for moving proposal forward. Councilor Donoghue expressed his desire to see the deal at the same time as the land use study.

Mr. Wing of Avesta asked if the Committee was looking for the level of detail contained in a draft P&S for their next meeting. Councilor Donoghue confirmed that the Committee would like to review a draft P&S during the 2nd HCDC meeting in October during an executive session with a possible hearing in November with the full Council.

Item 4: 2015 HCDC Work Plan for Review and Discussion.

Councilor Donoghue asks staff on suggestions for the work plan based on direction given at tonight's meeting. Councilor Donoghue continued by asking if housing definitions in the zoning ordinance have to be revised before talking about short term rental policy. Mr. Norod acknowledged that it would be helpful but not necessary. Regulating short term rentals is a complex and difficult issue. Staff would recommend bringing several options before the Committee to solicit further direction before getting too far into any policy details. Councilor Donoghue asked if the HRO issue update is pretty cut and dry. Director Levine says yes. Councilor Donoghue said that the Committee doesn't need to address the lodging house

issue at this time. He also does not think we will have time to engage in the Ocean House discussion this year.

Mr. Norod notes that the 157 Brackett actionable item will not be ready until November or December by the Committee and Council.

Councilor Brenerman asked when the City last looked at unaccepted streets and uniformed treatment of unaccepted streets. Director Levine indicated that this issue was on the City Manager's radar. Director Greg Mitchell responded that the Riverside Street parcel referenced is city owned real estate (near Lucas Tree). It is about 10 acres in size. There is the possible need of a TIF district to support future development. Currently there are challenges to access the property.

Councilor Donoghue notes that the next meeting has been moved to September 30th because of a holiday.

On motion made and seconded committee adjourned at 7:50 on a unanimous vote of 4-0.

Respectfully,

Tyler Norod

Portland, Maine Yes. Life's good here.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Division Director
Kristin Styles, HCD Program Manager
Housing and Community Development Division

DATE: September 25, 2015

SUBJECT: Review and Recommendation to City Council
Goals and Priorities for the 2016-2020 HUD 5-Year Consolidated Plan

SUMMARY OF ISSUE

The U.S. Department of Housing and Urban Development (HUD) requires that communities receiving HUD funding (CDBG, HOME, ESG) undertake a planning process every three to five years to review local affordable housing and community development needs. This process is designed to help communities develop priorities and multi-year goals in coordination with other community plans and resources to make a greater impact within the community.

REASON FOR SUBMISSION

The needs, goals and priorities outlined in the 5-Year Consolidated Plan require council approval.

INTENDED RESULT

Identifies needs within the community and establishes the goals and priorities the City will follow when making decisions regarding the investment of CDBG, HOME and ESG funding.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

(1) Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors; **(2)** Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking; **(3)** Promote economic development in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs; **(4)**

Advance an environmental program that safeguards our natural resources, promotes a healthy lifestyle and supports a sustainable economy; **(5)** Prevent and end homelessness by continuing to implement the recommendations of the Homelessness Task Force.

FINANCIAL IMPACT

The proposed goals and priorities would become the guiding document for the allocation of CDBG, HOME and ESG funding. In FY16, the City received $1,791,064 in CDBG funding, $820,832 in HOME funding and $161,834 in ESG funding.

STAFF ANALYSIS

Consolidated Planning Process – Determining Needs and Establishing Goals

The Acting City Manager explained in the 2016 budget recommendations that all resources, regardless of their source, should be used when making strategic decisions regarding the City's service priorities. For this reason, the City of Portland's HUD Consolidated Plan has identified needs and goals that align with the 2014 City Council Common Goals and Objectives. These Common Goals were designed to guide the City Council in their policy decisions and City Departments in their goals and operations. Eight goals were identified including: Promote Housing Availability, Increase Transportation Initiatives, Economic Development, Prevent and End Homelessness, Advance an Environmental Program, Improve City Services, Implement TIF Program, and Intergovernmental Collaboration. The priorities that will be incorporated in the HUD Consolidated Plan will address the first five of the Council Common Goals.

The Five Year HUD Consolidated Plan defines four areas of need with a corresponding goal. These goals are designed to address the funding priorities for the CDBG, HOME and ESG Programs for the next five years.

NEEDS and GOALS

Based on analysis of available data, reports, studies, including City Council goals, and after two community meetings to solicit feedback from residents and service providers, the staff created needs, goals, and priorities in four areas which are described below. Each goal includes two areas of priority for eligible activities: "High Priority" and "Priority". Examples of the types of activities that would be included under each priority are noted on the attached chart.

- **NEED**: Neighborhood Investment and Infrastructure

Description: Public infrastructure, safety and mobility are key components to improving the livelihood of Portland neighborhoods. There is significant need throughout the target neighborhoods to build sidewalks where none exist, improve accessibility through ADA compliance, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrates with the fabric of the neighborhood.

Basis for Relative priority: In 2014 the Portland City Council identified two goals that identified this need. 1) Develop a transportation system that advances healthy living, minimizes environmental impacts, and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking. 2) Advance environmental program that safeguards our natural resources, promotes a healthy lifestyle and supports a sustainable economy.

- GOAL: Create strong, safe, accessible and vibrant neighborhoods

Description: Invest in infrastructure to improve neighborhood assets and build strong, safe, accessible and vibrant neighborhoods. Improve accessibility through ADA compliance, build sidewalks and trails to improve connectivity, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrate with the fabric of the neighborhood. Support programs that increase safety in neighborhoods for residents and visitors.

This proposal includes a specific neighborhood focus for CDBG investment and prioritizes the Bayside Neighborhood as the first CDBG Targeted Neighborhood.

- **NEED**: Housing Availability

Description: In 2014 Portland contracted with the Greater Portland Council of Governments to complete a study entitled *2030 Workforce Housing Demand Study*. The report, released in January 2015, found that current housing production is not meeting the housing needs of Portland. The City Council has made a goal to promote housing availability in all segments of the housing market while insuring a suitable balance of housing opportunities among those sectors.

Basis for Relative priority: In 2014 the Portland City Council identified the following goal to address this need: provide increased availability in all segments of the housing market while insuring that there is suitable balance of housing opportunities among those sectors.

- GOAL: Increase housing availability & affordability

Description: Increase housing availability and affordability to all Portland residents regardless of income, race, ethnicity, and family size. Encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce housing in significant development projects.

- **NEED**: Economic Opportunity

Description: Portland has a well-developed employment support system with many established providers. However, the system is fragmented, providers work in silos, there is insufficient funding to cover needs of potential workers, and career planning and financial stability are often prioritized less than job placement. Employment retention support is scarce and turnover results in economic uncertainty for employees and higher costs for employers.

Basis for Relative priority: In 2014 the Portland City Council identified the following goal: Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors and high paying jobs. Specifically, as it relates to HUD programming and objectives the Council further identified the need to advance work on the "Minority and Women-owned Business Development Initiative" and secure City Council approval to invest CDBG funds in workforce development.

- GOAL: Create economic opportunities to transition out of poverty

Description: Invest in Portland businesses to enable them to expand to create jobs. Invest in persons wanting to create microenterprises. Engage job seekers in a continuum of services to increase their professional capacity, financial stability, and ability to maintain employment. Focus on difficult to employ populations including homeless, new Americans and single parent head of households. Combine resources and build partnerships between public and private entities to provide opportunities to transition Portland residents out of poverty to sustainable employment and financial stability.

- **NEED**: Address the Needs for Growing Homeless Population

Description: The shelter system in Portland is beyond capacity. Staff and local organizations struggle to deal with overflow strategies to meet increasing need. Data

suggests most persons who are homeless stay at the shelter less than three weeks. Homeless Prevention and Rapid Rehousing are key components to help reduce shelter usage and homelessness. Additionally increased case management is needed for those who have mental illness and substance abuse issues to help them navigate the service delivery system.

Additionally the State of Maine will be reducing funding support and increase documentation and requirements for those staying at the shelter, making it more difficult to serve those in the most need.

Basis for Relative priority: In 2014 the Portland City Council identified the goal to: Prevent and end homelessness in the city of Portland by continuing to implement the recommendations of the Homelessness Task Force, including retooling the emergency shelter system to create centralized intake process and evaluate steps to improve efficiency, prevent homelessness and rapidly rehouse those who become homeless to avoid long term stays in the shelters, and increase case management for persons with mental illness and substance abuse to help navigate the service delivery system.

- GOAL: Prevent and Reduce Homelessness

Description: Prevent individuals and families from becoming homeless and entering into the shelter system. Rapidly rehouse those who enter the shelter system. Provide necessary resources to assist vulnerable population's transition out of homelessness, including housing opportunities for chronically homeless or long-term stayers.

GEOGRAPHIC DISTRIBUTION OF FUNDS

The City of Portland's priority in allocating federal resources has always been to focus on the areas of the jurisdiction with the most need. The areas of the highest minority populations and lowest incomes include Census Tracts 5, 6 and 10, which represent the East Bayside, Bayside and Parkside neighborhoods respectively. The goal is to direct the majority of resources into these neighborhoods. The HCD office is also considering the benefits of creating a HUD Neighborhood Revitalization Strategy Area to help increase investment in these neighborhoods.

These areas have traditionally been known as "CDBG eligible areas". Staff would like to begin to use the term "CDBG targeted areas". The term "CDBG targeted areas" will identify areas in which CDBG investment would be focused or

targeted. This recommended approach would not eliminate projects in other areas of the City but would encourage the focus in the areas of Portland with the most need. Projects in other areas would have to be determined eligible, based on a review of the American Community Survey income data for the service area of the project.

As noted above, the Bayside Neighborhood is proposed as the first area of focus.

ALLOCATION PROCESS

Staff will review CDBG applications to determine if a program or activity qualifies as a "High Priority" or "Priority". Staff will then assign 11 points for "High Priority" activities and 7 points for "Priority" activities. This will give the "High Priority" activities a 4 point advantage in the allocation process. The CDBG application scoring matrix will be revised as noted below to allow for the assignment of points for "High Priority" or "Priority" activities in the Goal, Priorities & Community Need category.

SCORING MATRIX	POSSIBLE POINTS
Guiding Principles: measurable community impact, diversity and inclusiveness, priority to lower incomes, consistent with city goals, plans, or initiatives	30 points
Capacity to deliver, including financial need, leveraged funding, experience providing service, readiness to proceed, and financial stability	25 points
Goal, Priorities & Community Need	33 points
Partnership/Collaboration, points distributed based on highest submitted documentation (MOA, LOS or Outreach) • Memorandum of Agreement (MOA) • Letter of Support (LOS) • Demonstrated Outreach	MOA maximum of 12 points LOS maximum of 9 points Outreach maximum of 6 points

Mary Davis
Division Director, Housing & Community Development Division

ALLOCATION RESTRICTIONS

Currently, the CDBG allocation process includes the following funding restrictions:

Social Services

Minimum Grant Request: $10,000
Maximum Grant Request: $150,000
Maximum Cumulative City Request: 45% of funding available for Social Services can go to the City Programs
Social Services Set-aside: Community Policing $150,000

Development Activities

Minimum Grant Request: $10,000
Maximum Grant Request: No more than 30% of the previous year's allocation amount or $250,000, whichever is less.
Maximum Cumulative City Request: 85% of funding available for Development Activities can go to City Programs.

Within the maximum cumulative City requests in the Development Activity category, staff is proposing a set-aside that would allow for up to 60% of the funding available to City programs, be designated for public infrastructure improvements in targeted neighborhoods, beginning with the Bayside Neighborhood.

STAFF RECOMMENDATION

Staff is requesting Committee support and a recommendation of approval to the City Council of:

(1) Goals and priorities for the 2016-2020 HUD Five-Year Consolidated Plan.
(2) Allocation of points for "High Priority" and "Priority" activities
(3) Targeted neighborhood investment strategy beginning with the Bayside Neighborhood
(4) Public infrastructure set-aside of up to 60% of the funding available to City programs

Attachments:
Needs, Goals and Priorities Chart

NEED	GOAL	PRIORITY IMPACT LEVEL
Neighborhood Investment & Infrastructure: *Description:* Public safety and mobility are key components to improving the livelihood of Portland neighborhoods. There is a significant need throughout the targeted neighborhoods to build sidewalks where none exist, improve accessibility through ADA compliance, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrates with the fabric of the neighborhood. *Basis for Relative priority:* In 2014 the Portland City Council identified two goals that identified this need: 1) Develop a transportation system that advances healthy living, minimizes environmental impacts, and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking; and 2) Advance environmental programs that safeguard our natural resources, promote a healthy lifestyle and support a sustainable economy. Resource: City of Portland *Capital Improvement Plan Sustainable Portland Report*	**Create strong, safe, accessible and vibrant neighborhoods:** *Description:* Invest in infrastructure to improve neighborhood assets and build strong, safe, accessible and vibrant neighborhoods. Improve accessibility and livability through age-friendly designs and ADA compliance. Build sidewalks and trails to improve connectivity, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrate with the fabric of the neighborhood. Support programs that increase safety in neighborhoods for residents and visitors.	**Including but not limited to:** **HIGH PRIORITY** • Community Policing • Public infrastructure in targeted neighborhoods (CDBG targeted neighborhood beginning with the Bayside Neighborhood) • Accessibility/ADA compliance • Alternative modes of transportation **PRIORITY** • Park and recreation facilities • Tree Planting • Non-Profit Rehab • Community Centers • Historic Preservation

NEED	GOAL	PRIORITY IMPACT LEVEL
Housing Availability: *Description:* In 2014 Portland contracted with the Greater Portland Council of Governments to complete a study entitled *2030 Workforce Housing Demand Study.* The report, released in January 2015, found that current housing production is not meeting the housing needs of Portland. The City Council has made a goal to promote housing availability in all segments of the housing market while insuring a suitable balance of housing opportunities among those sectors. *Basis for Relative priority:* In 2014 the Portland City Council identified the following goal to address this need: provide increased availability in all segments of the housing market while insuring that there is suitable balance of housing opportunities among those sectors. Resources: *2030 Workforce Housing Demand Study* 2002 Housing Plan *Report of the Task Force to Develop a Strategic Plan to Prevent & End Homelessness in Portland, Nov. 2012*	**Increase housing availability & affordability:** *Description*: Increase housing availability and affordability to all Portland residents regardless of income, race, ethnicity, and family size. Encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce and age-friendly housing in significant development projects.	**Including but not limited to:** **HIGH PRIORITY** • Construction of new housing • Adaptive reuse for housing • Rehabilitation of existing housing **PRIORITY** • Rental assistance • Environmental testing and remediation • Energy efficiency/weatherization • Fair housing activities • Heating and fuel assistance • Tenant Landlord Counseling Services • Legal Services

NEED	GOAL	PRIORITY IMPACT LEVEL

Economic Opportunity:
 	
Description: Portland has a well-developed employment support system with many established providers. However, the system is fragmented, providers work in silos, there is insufficient funding to cover needs of potential workers, and career planning and financial stability are often prioritized less than job placement. Employment retention support is scarce and turnover results in economic uncertainty for employees and higher costs for employers.
 	
Basis for Relative priority: In 2014, the Portland City Council identified the following goal: Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors and high paying jobs. Specifically, as it relates to HUD programming and objectives, the Council further identified the need to advance work on the "Minority and Women-owned Business Development Initiative" and secure City Council approval to invest CDBG funds in workforce development.
 	
Resources:
Portland Economic Development Vision and Plan
Portland Community Chamber of Commerce*: Portland's Economic Scorecard 2014-2015*
Muskie School of Public Service: *The State of Infant Pre-K Childcare in Portland, Maine 2015*
GPCOG 2014-2018 Economic Development Action Plan
	Create economic opportunities to transition out of poverty:
	
	Description: Invest in Portland businesses to enable them to expand to create jobs. Invest in persons wanting to create microenterprises. Engage job seekers in a continuum of services to increase their professional capacity, financial stability, and ability to maintain employment. Focus on difficult to employ populations including homeless, new Americans and single parent head of households. Combine resources and build partnerships between public and private entities to provide opportunities to transition Portland residents out of poverty to sustainable employment and financial stability.
		Including but not limited to:
		
		HIGH PRIORITY
		• Job Creation
		• Microenterprise assistance
		• Career Advancement Services
		  • Education
		  • Job Training
		  • GED Attainment
		  • ESL
		• Job Retention Support Services
		  • Child Care Vouchers
		  • Housing Counseling
		  • Transportation Assistance
		
		PRIORITY
		• Façade Improvements
		• Financial Stability Services
		  • Budgeting
		  • Financial Planning
		  • Tax Preparation

NEED	GOAL	PRIORITY IMPACT LEVEL
Address the Needs for Growing Homeless Population: *Description:* The shelter system in Portland is beyond capacity. Staff and local organizations struggle to deal with overflow strategies to meet increasing need. Data suggests most persons who are homeless stay at the shelter less than three weeks. Homeless Prevention and Rapid Rehousing are key components to help reduce shelter usage and homelessness. Additionally increased case management is needed for those who have mental illness and substance abuse issues to help them navigate the service delivery system. Additionally, the State of Maine will be reducing funding support and increase documentation requirements for those staying at the shelter, making it more difficult to serve those most in need. *Basis for Relative priority:* In 2014 the Portland City Council identified the goal: Prevent and end homelessness in the city of Portland by continuing to implement the recommendations of the Homelessness Task Force, including retooling the emergency shelter system to create centralized intake process and evaluate steps to improve efficiency, prevent homelessness and rapidly rehouse those who become homeless to avoid long term stays in the shelters, and increase case management for persons with mental illness and substance abuse to help navigate the service delivery system. Resource: *Report of the Task Force to Develop a Strategic Plan to Prevent & End Homelessness in Portland, Nov. 2012.*	**Prevent and Reduce Homelessness**: *Description:* Prevent individuals and families from becoming homeless and entering into the shelter system. Rapidly rehouse those who enter the shelter system. Provide necessary resources to assist vulnerable population's transition out of homelessness, including housing opportunities for chronically homeless or long-term stayers at homeless shelters.	**Including but not limited to:** **HIGH PRIORITY** • Food assistance • Shelter services • Child care vouchers **PRIORITY** • Housing for long-term shelter consumers • Rental assistance • Mental health services • Substance abuse services • At risk youth services

Jeff Levine, AICP
Director, Planning & Urban Development Department

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Jeff Levine, Director
Planning and Urban Development
Tyler Norod, Housing Planner
Housing and Community Development Division

DATE: September 25, 2015

SUBJECT: Short term rental ordinance options for considering the potential for regulating short term lodging sites such as AirBnB, HomeAway, Flipkey, VRBO, Craigslist, and others.

I. SUMMARY OF ISSUE

Cities across the country have been struggling to adapt to new market forces brought about by the rise of the "sharing economy". Companies like Uber and Airbnb are often cited as being at the forefront of this web based movement revolutionizing commuting, shopping, and lodging. But these new models are also being scrutinized for their unintended consequences on existing businesses and communities. To date, governments have struggled to reign in these ever evolving markets to provide certainty, safety, and fairness. Given their quick ascension to prominence there has not been sufficient time for public entities to develop and evaluate best practices for how to effectively regulate these industries.

Short term rentals (STR's), such as AirBnB, have garnered significant attention in Portland and elsewhere for both their positive economic impact as well as concerns related to their effects on already tight local housing markets. Critics assert that STR's take apartments and homes out of the market limiting the supply of long term housing for local residents and in doing so increase the cost of housing. Unfortunately, it is a challenge to accurately substantiate these claims. It is difficult to understand how many units are actually being rented out and for how long. Recent surveys of online STR websites conducted during the peak tourist season such as have shown more than 250 STR's within Portland. These STR's offer an average price per night of about $150. Each website offers its own listings but many STR units are listed on multiple sites making an accurate total count problematic.

There is clear financial incentive for property owners to prefer STR's over traditional long term tenants or to even not sell a property as they move out of their owner occupied unit to another property. If each of these units were rented out 30 days a month the average unit would generate approximately $4,500 per month. This figure is greatly in excess of the average monthly rent for the surrounding residential market. It is unclear whether or not the limited number of STR's in Portland have a significant impact on the overall housing stock and market. According to the STR research firm AirDnA, Portland has approximately 32,700 housing units. Given the more than 250 STR's being advertised approximately less than 1% of the City's housing stock is being offered as a STR. However, most of the units offered as STR's are limited to the Peninsula which may have a disproportionate impact on those neighborhoods.

Review of STR market trends shows that the majority of hosts are likely using these units part time to generate additional income to support a variety of expenses ranging from home repair, student loans, medical bills, taxes, child expenses, or simply additional discretionary income. In Portland, these may be long term residents who utilize STR's to enable them to stay in their homes and further participate in the local economy.

Unfortunately, some STR hosts have taken advantage of the market to buy up existing housing stock for the soul purpose of using it as an STR. These units effectively operate as an unlicensed hotels or bed & breakfasts. Not only do these types of practices remove long term housing options from the City's supply but they also can increase the perceived value of real estate. Traditional buyers may now have to compete with individuals or companies who assume greater revenue capacity with STR's over long term rentals. Although difficult to confirm exact figures, recent reviews of online STR sites have shown at least four individuals or companies who have multiple properties apparently used exclusively as STR's.

II. REASON FOR SUBMISSION

The Committee requested that staff research STR's in Portland and examine best practices from other cities looking to regulate this fledgling market. Staff has since reviewed regulations from a variety of locales and has assembled several regulation options tailored to Portland's unique needs. Staff is looking for guidance from the Committee on the direction of how to proceed so that more time can be spent drafting the nuances of a STR policy for the City.

III. INTENDED RESULT

The intended result is to determine the best policy approach for Portland that balances the pros and cons of STR's with the housing and economic goals of the City. This is a complex issue that will require thoughtful measures on whether or not to regulate this industry and, if so, to what extent.

IV. COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

The potential regulation of STR's is in line with the Committee and Council's goals of providing additional housing options that are affordable to a variety of Portland residents. Potential regulation may also impact economic development goals of the City as they related to tourism. A thoughtful and balanced approach to this issue is advised.

V. FINANCIAL IMPACT

Depending on policy recommendations by the Council there is the possibility that STR regulation could result in additional registration and penalty fees to the City. Potential regulation could also result in additional lodging tax revenue for the State although that would be difficult to achieve and may not happen for a significant period after regulations are put in place. Cooperation from the various STR enabling websites would be necessary to effectively recover these tax revenues. Potential regulations may also effect tourism related revenue in the City. Potential regulation efforts could inhibit, support, or not have any effect on tourism depending on steps taken. It is difficult to assess the total economic effect of any regulations on this nimble and evolving market but economic development issues should be taken into consideration with any policy recommendations.

VI. STAFF ANALYSIS AND RECOMMENDATION

Staff researched how other states and cities were approaching the regulation of short term rental units. As mentioned above, this is a new and quickly evolving issue that makes evaluating time tested best practices difficult to come by. Staff has assembled three options for the Committee to consider including a variety of practical policy options that have been tailored to meet Portland's unique market and policy goals.

<u>Option 1: Maintain the Status Quo</u>

One option for the City is to simply not take any action at this time to directly regulate the STR market. As mentioned previously, approximately less than 1% of Portland's existing housing stock in use as STR's and many of these units are only temporarily being utilized as STR's. However, a larger portion of these STR's are being advertised on the Peninsula and may be have a stronger effect on the housing market within these neighborhoods.

Unfortunately, it is very difficult to garner a clear picture of how STR's are effecting the local housing market. Additionally, any regulation would likely be imperfect and be both costly and time intensive for staff to effectively enforce. The benefits and concerns related to maintaining the status quo and officially allowing STR's is broken out further in the chart below.

Option 2: Officially Ban STR's

STR's are not specifically addressed within the City's zoning ordinance. Some of the units being advertised full time may be violating the City's rules by essentially operating as an unlicensed hotel, bed & breakfast, hostel, or other similarly defined housing type. In order to send a clear message, the Committee could recommend that STR's not be allowed under any conditions not already outlined in the City's zoning ordinance. There could be fines associated with an individual or company that fails to comply. The fines could fund the Affordable Housing Trust Fund (AHTF) and be similar to those proposed below for Option 3. This option would likely face opposition from individual homeowners who sometimes use their primary dwelling as a means to generate additional income. An outright ban may also have unintended consequences on the local tourism related industries as STR's are estimated to bring in thousands of visitors a year. Enforcement of a ban would bring its own challenges and require significant staff time.

Listed below is a chart breaking down some of the associated pros and cons of simply allowing or banning STR's.

Basic Policy Options	Pros	Cons
Officially Ban STR's	▪ Prevent further potential loss of available housing stock for local citizens ▪ Uncomplicated ordinance – easier to enforce ▪ If successful in decreasing STR's, may	▪ Difficult and costly to enforce ▪ Hosts likely to continue to rent as STR's regardless of regulations ▪ Loss of potential income for owners of STR properties ▪ May affect Portland's reputation as a

	help protect existing residential communities.	tourist destination ▪ Potential loss of local tourism revenue if fewer people choose or can afford to visit ▪ Potential for legal challenges
Officially Allow STR's	▪ Potential to capture lodging tax revenue (at the state level) ▪ Portland maintains reputation as a tourist friendly locale ▪ Adds to tourism infrastructure in the City ▪ STR hosts have option for income generation ▪ Allows for tracking of STR properties through registration	▪ Requires significant staff time and resources for enforcement and tracking ▪ Potential negative effects on housing stock available for year round residents ▪ Potential negative effects for neighborhoods – noise, traffic, sense of community, etc. ▪ Unfair playing field and lower demand for hotels, B&B's, etc.

Option 3: Moderate Regulations Tailored to Portland's Goals

This option is aimed at encouraging individual hosts to comply with the City's safety and housing goals while discouraging the "professionalization" of STR's by individuals with more than one unit. This is the most flexible but also the most complicated of the three options. The regulations below are not the only potential tools or framework that the City could employ but after staff review these appear to be reasonable means to regulate the market while pursuing the City's housing and economic goals.

The intent of this policy approach would be to allow Portland residents to occasionally use STR's to supplement their income for a limited amount of time each year. These residents are likely to use this additional income for a variety of purposes such as student debt obligations, home repairs, child related expenses, medical bills, or simply additional discretionary income much of which may be spent locally. It would also provide additional lodging capacity for the City to attract more tourists who otherwise may not prefer or could not afford to stay in a more traditional lodging establishment. STR's are often less expensive than hotels which allow for more visitors and more money to be spent within the local economy.

The following list of regulations would specifically deny the "professionalization" of STR's. The "professionalization" of STR's is where units are bought or rented with the purpose of being primarily rented as STR's. This practice removes units from the housing market adding to the City's already limited

supply of housing and escalating costs. These operations also place an unfair burden on the costs of real estate as the higher revenue potential of operating as an STR can drive the cost to purchase a unit above what a traditional homebuyer could afford. These "professional" STR's also enjoy an unfair competitive advantage over traditional lodging options by not complying with standard regulations, fees, and taxes. There are also concerns related to safety, community continuity, and quality of life issues for neighbors.

The goal of the suggested policy framework below is to establish a discussion for the Committee to provide further guidance on how best to proceed. This assemblage of "best practices" have been designed to be reasonable and thoughtful guidelines for Portland to balance the benefits of STR's against the negative side effects on the local housing market.

1. All STR's must register with the City - $25 registration fee – the relatively low fee is intended to encourage compliance;
2. To discourage the removal of units from the local housing stock, all STR's must be the host's primary dwelling unit;
3. For clarity - No host can rent out more than one STR;
4. Limit the period a unit may be rented annually - 30, 60, or 90 days;
5. STR regulations would not apply to the Islands;
6. Regulation would not supersede condo bylaws or contracts with landlords specifically restricting STR's;
7. Escalating penalty for failing to register $500 for 1st offense; $1,000 for 2nd offense; $2,500 for 3rd offense; and $5,000 for four or more offenses;
8. Hosts must sign affidavit that STR unit is up to date on all city safety codes including having working smoke/CO detectors and access to fire extinguishers;
9. If requested by City officials, STR's must allow on-site inspections, as well as present their registration information, rental history and upcoming reservations;

10. STR's must identify and provide contact information for a point of contact who will be primarily responsible for resolving any issues or complaints as they arise. The point of contact must be available to respond in person if needed within 24 hours of any complaint/issue with the STR;
11. Three strike limit for any substantiated complaints within a three year period leading to a one year loss of registration. Substantiated complaints will be confirmed by Police, Code Enforcement Officers, Fire Department, of other city officials related to noise, trash, safety or other violations. Issuance of a strike may also include primary point of contact not adequately responding, in person if requested, within 24 hours of complaint/issue;
12. Operating or advertising STR's with a suspended license is automatic $5,000 fine.

As a reminder, any policy enacted will likely have its flaws. There is no silver bullet policy that will solve everyone's concerns. This is a complicated issue that many cities around the world are grappling with. Each of the three options have their strengths and weaknesses. Effective enforcement will be difficult no matter which option is pursued by the City. By coming to terms with what is practical, reasonable, and within the lines of the City's priorities will be key in determining the appropriate next steps. This is not intended to be an action item for this Committee meeting. Staff is looking to the Committee for guidance on how best to proceed.

Portland, Maine Yes. Life's good here.

Planning & Urban Development Department

TO: Councilor Donoghue, Chair
Members of the Housing and Community Development Committee

FROM: Jeff Levine, Director, Planning & Urban Development Department

DATE: **September 25, 2015**

SUBJECT: **Review of Housing Replace Ordination**

Staff is seeking clarification from the Committee regarding the intent and purpose of the Housing Replacement Ordinance (HRO).

The HRO was created to limit the net loss of housing units resulting from the demolition of residential property, conversion to non-residential uses and the reduction or consolidation of dwelling units. The ordinance applies to the loss of three or more dwelling units and requires that the unit(s) be replaced or a deposit be made to the City's Housing Trust Fund for each unit lost.

There are certain instances when exemptions are allowed. This is one of the areas for which staff is seeking clarification. Possible future action may include (1) the creation of enabling regulations that would clarify how the ordinance is applied; (2) a re-write of the ordinance to clarify certain provisions; or (3) take no action.

A copy of the Housing Replacement Ordinance (City Code Section 14-483) is attached.

29 (Preservation and Replacement of Housing Units) was repealed in its entirety and replaced with a new Division 29 (Housing Preservation and Replacement).

DIVISION 29. HOUSING PRESERVATION AND REPLACEMENT

Sec. 14-483. Housing preservation and replacement.

(a) *Purpose*. The purpose of these regulations is:

1. To promote and facilitate an adequate supply of housing, particularly affordable housing for all economic groups;

2. To limit the net loss of housing units in the city;

3. To preserve housing in zones where housing is permitted for in the city for all residents in order to promote the health, safety and welfare of its citizens.

(b) *Definitions*.

Dwelling unit. A dwelling unit is one (1) or more rooms with private bath and kitchen facilities comprising an independent self-contained dwelling unit. For purposes of this section only it also includes single family, two-family and multi-family dwellings and any dwelling units in those dwellings, or dwelling units, or rooms that people rent or sleep in within lodging houses, dormitories, shelters and sheltered care group homes.

Loss of dwelling or dwelling unit for purposes of this section means the elimination or conversion to nonresidential use of a dwelling or dwelling units; elimination includes dwelling units lost due to demolition unless the demolition resulted from accidents outside of the owner’s control, fire, natural disasters, or acts of war.

Original site means the location where the demolition or conversion to non-residential use of dwellings and dwelling units will take place.

(c) *Applicability*. Except as otherwise provided in this section, this section shall apply to the loss of three or more dwelling units in a five year period, provided that such dwelling

units were a legally registered residential use as of July 1, 2002.

Except as otherwise provided in this section, this section shall also apply to proposals that (a) result in the loss of fewer than three (3) dwelling units which were legally registered residential use as of July 1, 2002, and (b) creates surface parking.

Determination of number of the dwelling units within a structure or structures and the number of units lost will be based on records in the Department of Planning and Urban Development indicating the legal, registered use of the property since July 1, 2002 through the time of application. The actual use of the property for purposes of applicability of this section may be rebutted by the owner by proof of documentary evidence including but not limited to photographs, letters, and sworn affidavits. The Planning Authority may conduct its own investigation of the actual use and shall determine the applicability of this section based on the totality of the evidence.

(d) *Exemptions.*

This section does not apply to:

1. Consolidation, elimination or reconfiguration of one (1) or more dwelling units within an existing structure, as long as all the resulting units remain as dwelling units after such consolidation, elimination or reconfiguration, except as provided by subsection 5 below. Conversion of a dwelling unit to a hotel or motel room shall not qualify for the exemption provided by the paragraph.

   The amendments to paragraph (d)(1) approved by the City Council on June 6, 2011 shall have an effective date of April 25, 2011 but not apply to any final determination regarding the applicability of this section made by the Planning Authority prior to April 25, 2011.

2. Proposals that result in a number of units equal to or greater than the number of units lost as determined by the Planning Authority; or

3. Grandfathered dwelling units existing in zones which no longer permit residential uses.

4. Property which has been ordered demolished by the City, pursuant to 17 M.R.S.A. §2851, et seq., as amended, except where it is determined by the Building Authority that the deterioration was caused by neglect or lack of maintenance.

5. Subparagraph 1, above notwithstanding, the conversion to a non-residential use of any dwelling units located on the ground floor of a building within a business zone.

(e) *Site plan administrative authorization or approval required.* Notwithstanding any other provision of this section, a person who proposes to demolish or to convert to a nonresidential use three or more dwellings or dwelling units in the City, in a zone where such use is otherwise permitted, must first obtain administrative authorization or site plan approval from the City's Planning Authority or Planning Board pursuant to Sec. 14-521, et. seq.

In addition the requirements of 14-521, et. seq., where this section is applicable, the applicant must also submit a statement certifying the number of dwelling units to be demolished or converted to nonresidential use, as well as a description of the characteristics of each of those units.

(f) *Tenant Notification Requirements*. Prior to elimination as a result of demolition or conversion to non-residential use, the owner shall:

1. Provide the Planning Authority a list containing the name of each tenant currently residing in the dwelling units to be demolished or converted to non-residential use, as well as verification of compliance with tenant notice requirements of this section.

2. Deliver to each tenant who occupies such a dwelling unit a written notice to vacate the unit. The notice shall either be sent by certified mail, return receipt requested, or served in-hand. The notice will grant the tenant not less than ninety (90) days from the date of receipt of the notice to vacate the unit; and

3. File proof of service of the notice with the Planning Authority.

(g) *Housing Replacement Requirements.* In addition to the requirements of 14-521, et. seq, the Planning Authority shall

require, as a condition of approval, that an owner shall replace any dwelling units that are demolished or converted to non residential use.

This section may be satisfied in any one of the following ways:

1. Construction of Units. The construction of housing units within a new structure or a new addition either on site or off-site;

2. Residential Conversion. The conversion of a nonresidential building to residential use; or

The applicant may use either of the two methods or a combination of the two to fulfill their replacement requirement.

(h) *Replacement Unit Requirement*. In addition to the foregoing, all replacement units built pursuant to sub-section (g)(1) or (2) above shall:

1. Be located within the City of Portland.

2. Not previously have been on the market as of the date of application.

3. Be situated within a development which has not been a candidate for site plan approval as of the date of the application.

4. Be comparable in size to the units replaced; for the purpose of this section, "comparable in size" means that the aggregate size of the replacement units will be no less than 80% of the size of the aggregate of the original units.

(i) *Contribution to the Housing Trust Fund*.

1. The applicant may meet the requirements of this section by depositing $50,000 for each dwelling unit into the City's Housing Trust Fund in section 14-489.

2. Beginning on January 1, 2004 and annually thereafter, the amount of the contribution shall be adjusted by multiplying this amount originally deposited for each unit by a fraction, the denominator of which shall be the "Consumer Price Index for Urban Wage Earners and

Clerical Workers ("CPI-W")," U.S. City Average, "All Items Index," as published by the United States Bureau of Labor Statistics ("the Index") for January 1, 2003 Year, and the numerator of which shall be the Index for the same month in each subsequent year. In the event that the Index is not then in existence, the parties shall use such equivalent price index as is published by any successor governmental agency then in existence; or, if none, then by such nongovernmental agency as may then be publishing an equivalent price index, in lieu of and adjusted to the Index. If the Index shall cease to use 1982-84 equals 100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the Index, the Base Index shall be adjusted to conform to such change, using such computation thereof, if available, as shall be employed by the United States Department of Labor in computing same. Notwithstanding anything herein to the contrary, contributions made after January 1, 2004 shall not be less than the amount originally required to be deposited pursuant to sub-section (i)(1) for each rooming or dwelling unit.

(j) *Performance Guaranty/Letter of Credit.* Owners or affiliates must post a performance guaranty in the form of a letter of credit, or other security acceptable to the city attorney in amount equivalent to the amount the applicant would have been required to contribute to the City's Housing Trust Fund if the applicant had chosen that option pursuant to sub-section g.

(k) *Partial waiver of replacement requirements*. Any owner who has applied for site plan review for elimination or conversion to non-residential use of dwelling units may apply to the Zoning Board of Appeals for a partial waiver from the housing replacement requirements of this section. Such waiver may be a downward adjustment of up to fifty percent (50%) of the owner's housing replacement obligation if the owner establishes to the board's satisfaction that:

1. The proposed development is consistent with the comprehensive plan;

2. The proposed development provides significant value and benefit to the immediate and surrounding neighborhood, including, but not limited to, community enhancement, social benefits or job creation;

3. The applicant demonstrates with objective evidence that the imposition of the requirements of this section would impose such an economic burden upon the project relative to its scope that it renders the project impossible to develop; and

4. The requested relief does not constitute a grant of a special privilege inconsistent with the limitations upon similar properties.

The Zoning Board of Appeals must make positive findings on each of the four (4) criteria above in order for any such adjustment to be valid. An applicant aggrieved of a decision of the Zoning Board of Appeals may appeal a decision under this sub-section pursuant to Sec. 14-553 of the City Code.

(l) *Effect of Other City Ordinances*.

1. *Historic Preservation*. Nothing in this division shall permit the demolition or conversion to non-residential use, of dwelling units in residential property protected by the Historic Preservation Ordinance (Sections 14-601, et seq.), except as permitted by that ordinance.

2. *Conditional Zone*. A conditional zone may not be used to circumvent the application of this section. The terms of this section shall apply to any conditional zone which involves dwelling units affected by this section. Notwithstanding the foregoing, nothing herein shall be deemed to prevent the City and the applicant from agreeing to terms which exceed those imposed by this section by means of a conditional zone.

(m) *Appeals*. Any applicant aggrieved by a decision of the Planning Authority under this section may appeal to the Zoning Board of Appeals within 30 days of that decision.
(Ord. No. 27-02/03, 10-7-02; Ord. No. 280-09/10, 7-19-10; Ord. No. 241-10/11, 6-6-11)

DIVISION 30. INCENTIVES FOR AFFORDABLE HOUSING

Sec.14-484. Purpose.

The city believes that it is in the public interest to promote an adequate supply of affordable housing for its residents. The purpose of this division therefore is to offer incentives to developers to include units of affordable housing

DRAFT 2015 HOUSING & COMMUNITY DEVELOPMENT COMMITTEE MEETING CALENDAR

Meetings: 2nd & 4th Wednesday of each month

As of September 25, 2015

September	**September 9** Proposal for Scope of Planning Study of DPS site in Bayside Review and Update on the Proposal for the sale of the 65 Hanover/52 Alder Street DPS site to Avesta Housing
	September 30 HUD 5-Year Consolidated Plan – CDBG Goals and Priorities Short Term Rentals - Air bnb. Housing Replacement Ordinance Clarifications
October	**October 14** Review of RFP Response for 157 Brackett Street Reed School Next Steps
	October 28 Short Term Rentals - Air bnb. Housing Zoning Definitions Housing Replacement Ordinance Clarifications 2015 Calendar Year HCDC Accomplishments Report Proposed 2016 HCDC Work Plan Communication: Portland Economic Development Plan Implementation Update Communication: FYE2015 Annual TIF District Report Tentative Executive Session for possible TIF District for city owned Riverside Street site. Tentative Executive session for Wilmot Street matter resolution.
November	Note: November 11 is Veteran's Day and November 25 is the day before Thanksgiving
	November 11 – Canceled
	November 25 - Canceled
December	**December 9 – Canceled**
	December 23 - Canceled
Items for 2016 Work Plan	Update on City-owned lot at 98 High Street. - 2016 Police Parking lot (corner of Middle and Franklin). – 2016 Additional publicly owned land for housing development – 2016 Linking housing subsidies to other public goals TIF Policy Waterfront TIF District geography amendment discussions, including consideration of Portland Company as TOD TIF Discussion. Tentative: Vote and recommendation to the City Council on the Assignment of the Riverwalk TIF District. Lodging house as an alternative to emergency shelter