

HOUSING & COMMITTEE

DATE: February 10, 2016

TIME: 5:30 pm – 7:30 pm

LOCATION: Council Chambers, 2nd Floor, City Hall

1. February 10, 2016 Housing Committee Agenda

Documents: [02.10.2016 AGENDA \(REVISED\).PDF](#)

2. Review And Accept Minutes Of Previous Meeting Held On January 27, 2016

Documents: [DRAFT MINUTES HOUSING COMMITTEE 1.27.2016.PDF](#)

3. Brief Overview Of Meeting Agenda

Documents: [HOUSING COMMITTEE MEMO 2.10.2016 \(2\).PDF](#)

4. Brief Presentation By The Following Stakeholders Presenting On The Issue Of Housing In Portland

- a) John Gallagher, Director, Maine State Housing Authority
Peter Merrill, Deputy Director, Maine State Housing Authority
- b) Aaron Shapiro, Director of Cumberland County Community Development
- c) Larry Gross, Executive Director, Southern Maine Agency on Aging
- d) Don Tusk, President, Maine College of Art (MECA)
- e) Tom MacMillan, Portland Tenants Union

5. Public Comment On Housing Issues

There will be an opportunity for the Committee Members to hear public comment on housing issues.

6. Housing Committee Discussion And Next Steps

Councilor Jill Duson, Chair

Next Meeting Date: February 24, 2016



HOUSING COMMITTEE

DATE: February 10, 2016 (Wednesday)
TIME: 5:30 p.m. – 7:30 p.m.
LOCATION: City Council Chambers, Second Floor
Portland City Hall

A G E N D A

1. Review and accept Minutes of previous meeting held on January 27, 2016.
2. Brief overview of meeting agenda– See enclosed Memorandum from Jeff Levine, Mary Davis and Tyler Norod.
3. Brief presentations by the following stakeholders presenting on the issue of housing in Portland:
 - a) John Gallagher, Director, Maine State Housing Authority
Peter Merrill, Deputy Director, Maine State Housing Authority
 - b) Aaron Shapiro, Director of Cumberland County Community Development
 - c) Larry Gross, Executive Director, Southern Maine Agency on Aging
 - d) Don Tusk, President, Maine College of Art (MECA)
 - e) Tom MacMillan, Portland Tenants Union
 - f) Katie McGovern, Pine Tree Legal Assistance
4. Opportunity for public comment on housing issues
5. Housing Committee member discussion and next steps.

Councilor Jill Duson, Chair

Next Meeting Date: February 24, 2016



Housing Committee

Minutes of January 27, 2016 Meeting

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, January 27, 2016 at 5:30 p.m. in Council Chambers on the second floor of Portland City Hall. Present from the HC was its Chair Councilor Jill Duson, Vice Chair Councilor David Brenerman, and members Councilor Belinda Ray, Councilor Spencer Thibodeau, and Councilor Nick Mavodones. Other elected officials present included Mayor Ethan Strimling and Councilor Justin Costa. City staff present included Planning and Urban Development Director Jeff Levine, Housing & Community Development Division Director Mary Davis, Housing Planner Tyler Norod and HCD Program Manager Kristin Styles.

Item 1: Welcomes and Introductions

At 5:30, Chair Duson called the meeting to order. Councilor Duson welcomes and thanks everyone for coming. Councilor Duson asked members of the Council and City Staff to introduce themselves and provides an overview of the evening's agenda.

Item 2: Overview of current City tools and funding resources for addressing affordable housing issues in Portland

Jeff Levine, using a PowerPoint presentation, provides an overview for the committee and public of the City's housing tools and funding resources as outlined in the memo submitted as part of the Committee's packet.

Following Mr. Levine's presentation the Committee asked several questions noted below:

Councilor Ray inquired about implementation dates for these policies described. The Council also pointed out that a summary of the Housing Investment Policy was missing from Attachment A in the Committee's packet.

Councilor Brennerman asked that a copy of the presentation slides be uploaded to the City website. The Councilor also asked for additional information on how effective the various tools mentioned have been.

Councilor Duson requested that the materials for each meeting be added online under the committee meeting along with any answers to questions asked during the meeting. The Councilor noted her interest in having all of the resources in one place for the new committee members and the public.

Item 3: Brief presentations by stakeholders on the issue of housing in Portland

Dr. Christopher Herbert, Director of the Joint Center for Housing Studies (JCHS) of Harvard University was the first to present. Dr. Herbert provided the Committee with a snapshot of national housing trends and the implications for Portland's market. JCHS recently released a nation housing report available at www.JCHS.harvard.edu. He noted that the issues facing Portland are similar to many other urban communities across the nation. Rents have been rising, incomes stagnating, and the number of households that are considered cost burdened are increasing to worrisome levels. Dr. Herbert also noted that Portland is doing well in its response compared to other municipalities and is already employing many best practices available.

Dr. Herbert emphasized that the City needs to be patient and take a long term focus. He noted Montgomery County in Maryland which has one of the oldest inclusionary zoning policies in the nation. It started small but has built its affordable housing stock slowly over the years and

now has approximately 15,000 units of affordable housing. Portland's approach should be comprehensive as there are no silver bullets to solve the issue. The City should also support more home ownership as a means to reduce demand on the rental stock.

Councilor Thibodeau asked if Dr. Herbert was aware of any good examples of communities effectively streamlining their permitting process. Dr. Herbert did not have any specific examples to give.

Councilor Ray if he knew of ways to keep construction costs down? Dr. Herbert responded that prevailing wages must be paid or else you risk creating issues for households that work in related sectors. He suggested looking at modular construction technologies in order to keep down costs.

Mayor Strimling asked about rent control. Dr. Herbert acknowledged that cities can structure rent control in ways such as NYC. Or you can consider property tax abatement.

Councilor Brenerman asked what Cambridge or other surrounding areas are doing. Dr. Herbert noted that Cambridge has an inclusionary zoning policy. Somerville has a transfer tax. They are not necessarily doing anything new. The housing trust fund that Portland has is a great way to start. There are always more things to do. The nature of the problem is so large, a changing process is important. The housing market goes up and it goes down, it is important to not look at the short term solutions.

The next presenters were Dana Totman of Avesta Housing Inc. (Avesta) and Mark Adelson of the Portland Housing Authority (PHA). Mark Adelson began by noting that the PHA owns or manages 20% of Portland's housing market. The need cuts across all types of people and families in Portland, from very low income to moderate income. PHA's waiting list is currently 1,428 households, the voucher program has 4000 applicants, the section 8 waiting list

is a minimum of 3 years. The highest number of people on the waitlist are persons with disabilities and elderly households looking for apartments. 100% of applicants are below 50% area median income.

Dana Totman of Avesta was next to speak. Mr. Totman noted that the median income on Avesta's waiting list is \$14,000 a year. Homelessness is a big problem in Portland. The biggest barrier is the lack of federal and state resources to help with housing. MaineHousing can only fund 8-10 housing projects a year. Portland is lucky to get two of those. Avesta's projects take a long time to complete due to multiple complex funding sources, all with their own requirements. More money is needed not only to build housing but also to support housing services.

Mr. Adelson added that the lack of housing supply is a big part of the problem with over 50% of the new households with vouchers have difficulty finding housing to use their voucher on. Lack of available land is an issue. It also doesn't help that the state has pulled general assistance funds. Mr. Adelson offered several recommendations while acknowledging that the City is already doing a lot to help: Sell more land for housing development. Continue with the distribution of federal funds. Tax increment tools, continue to do that. Continue with the rehab the public housing stock. We need to add units to the Public housing land that we already have. Redesigning the use of the land more efficiently. A lot of great work has been done in zoning, but we need to do more. The City should avoid one story buildings and parking.

Mr. Totman followed up by saying that the City should regulate short term rentals such as AirBnB and use any resulting fees to help capitalize the Housing Trust Fund. Get the state to release the \$50 million senior housing bond. Get state increase our HOME funds. We hope the city will stand with us when it comes to neighborhoods and home development projects. Create more housing first projects. We need funds for the land, building and services.

Chris Hall of the Portland Regional Chamber of Commerce was next to speak. Mr. Hall said that the City has an economic development problem. He asserted that we have an eroding middle class in our community. If we look at the school system we see the middle class disappearing as well. We see that there are no silos in our community. That said, Mr. Hall doesn't want the City to overregulate. The market changes quickly. It is important to be regional, bring Westbrook and Scarborough in this conversation.

The next speaker was Brit Vitalius of the Sourthern Maine Landlord Association. He noted that Zillow said that Portland's rental prices were up 17%. His data shows increases closer to 8-9%. A year ago he worked with someone using section 8 rents because those were above market so the market is still not as bad as other communities. Mr. Vitalius supported density in the R6. – With the rental increase, the composition of our city is changing, not just the housing stock. There is a new demographic that is able to pay more for rent, and happy to do so for the right place. There are illegal units in the city, they will be discovered by the housing safety office, the City should be utilizing this by getting more out of legalizing these units.

Next to speak was Joe Malone of Malone Commercial Brokers. Mr. Malone believes that the new form based code in India will help in Portland. He believes that something should be done to regulate short term rentals like AirBnB as we are losing housing stock because of them. There are lots of great models to solve this problem. Looking online today there were over 300 whole house or whole units available in Portland. This is a housing issue, not a hotel issue. With inspections, we can tackle these issues. I think we should start TIF-ing all of the housing projects. The city owns great pieces of land, let's get immediate impact by building housing on these. In the R5A zone, projects on Stevens and Ocean are both in jeopardy because of lawsuits

from neighbors. Mr. Malone also noted that the City has already done many of the things within their power to effect the housing market.

The next speaker was Jonathan Culley from Redfern Properties. Mr. Culley says his firm builds mostly market rate housing. His latest projects are targeting the lowest end of the market we can target at a market rent and still make the projects financially feasible. If market rate units were easy to build here there would be national companies building here, but there aren't, it is very difficult to build these here. If the interest rate goes up to 5%, we wouldn't be able to build new projects in Portland. There isn't the market here to support higher rents, we are hopeful, but isn't certain. Mr. Culley cautioned that if policies change too much, it makes it very difficult for developers to move forward. He encourages the City to get rid of the parking requirements here in Portland, and minimum height requirements in areas within walking distance to downtown Portland. Mr. Culley urged the Committee to be very careful with AirBnB regulations and other regulations for the sharing economy.

Mark Swann of Preble Street was next to speak. Mr. Swann said that the Homeless shelters are full. In Portland each shelter houses between 400-500 people a night. They are safe and warm, but they are sleeping on the floor, no one is being coddled. Most people who stay are shelters are only there a very short period of time. A lot of people are there for health, or family issues. People are very motivated to get out of shelters, they do not want to be there any longer than they have to. The chronically homeless are the ones that frame stereotypes of homeless people. This is a problem due to lack of mental health services. Without MaineCare you cannot get the services you need. Housing alone is not the answer for chronically homeless, the after care services are just as important. The Housing First initiative is great, we need to increase these services. Housing first is a proven model that is working in Portland and working around

the country. Half of Maine's homeless population is in Portland. We know how to solve the homelessness issue, we need to increase Housing First. We need five more Logan places in this community, the challenge is finding the resources. Developing the projects is incredibly difficult. We need the city and the community to champion this. We have many successfully Housing First stories to share.

Item 4: Committee discussion on next steps and subsequent meeting agendas

Councilor Duson thanked everyone for their input. She reiterated that this meeting has been an opportunity to set the stage for future discussions. Councilor Duson continued by proposing frameworks for future Housing Committee agendas as outlined below:

Meeting 2- first two meetings go together. The second meeting for more input. Invite others to speak to the committee and provide time for the general public to speak.

Meeting 3- start looking at current zoning/land use issues as they relate to housing.

Councilor Mavodones noted that he would like to hear from other communities, South Portland, Westbrook, etc. Maybe there are things we can do regionally. The Councilor added that over the past few years, there has been a lot of good information put together by staff that would be good for Committee members to look at before moving forward.

Councilor Brenerman suggested inviting the planning director or elected officials from neighboring communities to talk about their housing issues. Councilor Brenerman also suggested examining best practices from around the country.

Councilor Duson suggested that staff could prepare an overview of past work at the 4th meeting and provide examples of best practices from other places around the country. The Councilor suggested the creation of an indexed binder of information that could be updated periodically. I would like us to invite neighboring communities to come to the 3rd meeting, the

second meeting is too soon. – Or can we travel to them to find a meeting room. I will work with the staff to design a meeting plan that would include a suggestion of invitees. Mr. Levine suggested working with GPCOG to coordinate the regional discussion.

Councilor Ray expressed a desire to have more time at subsequent meetings to ask more questions about the information provided to the Committee.

Councilor Duson noted that there is no action items this evening which are typically when public comment is allowed. There will be time specifically set aside for public comment at the next meeting. The Committee will hold at least a half hour of public comment at the Feb. 10th meeting.

On a motion made and seconded the meeting was adjourned at 7:38 PM.

Respectfully,

Kristin Styles



TO: Councilor Jill C. Duson, Chair
Members of the Housing Committee

FROM: Jeff Levine, Planning & Urban Development Director
Mary Davis, Division Director, Housing & Community Development
Tyler Norod, Housing Planner

DATE: February 5, 2016

SUBJECT: Second Housing Committee Meeting Overview and Background Information

Portland convened its first Housing Committee meeting on January 27th, 2016. The meeting consisted of an overview of housing tools and financial resources currently being employed by the City. In addition, presentations were made by stakeholders representing a variety of perspectives on the housing market in Portland.

Staff has assembled additional voices to lend their unique viewpoints to the conversation including those from State, County, local universities, and non-profit sectors. In addition, this meeting is designed to provide an opportunity for the public at large to weigh in with their thoughts and concerns on the local housing market. The goal is to assemble a strong foundation of understanding of our current tools, challenges, and opportunities so that the Committee may strategically guide Portland's housing policies forward to best serve the need of current and future City residents.

It is recommended that anyone interested in Portland's housing issues sign up on the City's "Notify Me" tool available on the City's website through the following link: <http://www.portlandmaine.gov/list.aspx>. Those interested should sign up for the Housing & Community Development "News Flashes", as well as the Housing Committee options under the "Calendar" and "Agenda Center" sections. By signing up, residents will be sent an email notifying them of news and agendas for future Housing Committee related events.

At the previous meeting, Councilor Ray notified staff that a summary of the City's Housing Investment Policy was unintentionally omitted from the Housing Committee packet.



The Housing Investment Policy was adopted in 2012 as a means of clarifying the City's strategy for allocating its limited funding sources to best leverage their use in local development projects. At the time of its adoption the Policy recommended five key goals. First, the City should adopt an annual RFP process for the allocation of HOME funds designated for housing development. The RFP process should be conducted so that developers can meet the annual deadlines of the Low Income Housing Tax Credits QAP process managed by MaineHousing. Second, the City should periodically review its development priorities – type of housing, location, etc. Third, emphasis should be given to developments (both homeownership and rental housing) which include both market rate and affordable units. Fourth, encourage the use of the Housing Trust Fund for the development of affordable housing targeting households that other resources don't reach. And fifth, seek out partnerships to discuss the possibility of a housing market study to determine local housing needs.

Staff heard from Committee Members that it would be helpful to have collection of background information assembled that provides greater detail about existing housing tools employed by the City. Staff has begun to piece together the appropriate documents and anticipates having the information ready in an accessible and indexed format at a subsequent meeting. Staff is also working on providing feedback on how well the various housing tools are working and again hopes to have more information available in the near future.

It should also be noted that on January 25, 2016, the City Council met to establish priorities and goals for the various Council subcommittees over the next one to five years. The Council agreed on the highest priority goals for each committee in 2016 with the following items for the Housing Committee receiving majority support from the Council:

- Assess the housing problem; look regionally; develop agreement on specific market goals and the kinds of housing that needs the most attention.



- Look at current the City's zoning ordinance as it relates to housing; do a complete review; perform an expedited review of land use policies; examine zoning along Portland's corridors.
- Identify City owned property that may be suitable for housing development.
- Plan for five new "Housing First" development projects.