1. 02.24.2016 Agenda (Revised 2.0)

   Documents: 02.24.2016 AGENDA (REVISED 2.0).PDF

2. Review And Accept Minutes Of Previous Meeting Held On February 10, 2016

   Documents: MINUTES - HOUSING COMMITTEE 2.10.2016.PDF

3. Review And Recommendation To The City Council Of The 2016-2017 Housing Program Budget

   Documents: 02.17.16 HOUSING PROGRAM BUDGET.PDF

4. Review Of The Annual Affordable Housing Development HOME Funds Application

   Documents: 02.17.16 AHD HOME FUNDS APPLICATION MEMO.PDF

5. Review And Recommendation To The City Council Of The 2016-2017 Housing Trust Fund Annual Plan

   Documents: 02.19.16 HOUSING TRUST FUND ANNUAL PLAN FINAL.PDF

6. Brief Presentation By Staff On Recent Land Use And Zoning Ordinance Amendments As They Relate To Housing

   Documents: HC MEMO - LAND USE AND ZONING OVERVIEW 2.19.2016.PDF

7. Guest Speaker - Koral Mitchell, Advocate Leader, Homeless Voices For Justice

8. Opportunity For Public Comment

9. Opportunity For Committee Members To Ask Questions Regarding Existing City Housing Tools And Financial Resources

10. Housing Committee Member Discussion And Next Steps

HOUSING COMMITTEE

DATE: **February 24, 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 February 10, 2016.

2. Review and recommendation to the City Council of the 2016-2017 Housing Program Budget – See enclosed Memorandum from Mary Davis.

3. Review of the annual Affordable Housing Development HOME Funds Application – See enclosed Memorandum from Mary Davis.

4. Review and recommendation to the City Council of the 2016-2017 Housing Trust Fund Annual Plan – See enclosed Memorandum from Mary Davis.

5. Brief presentation by staff on recent land use and zoning ordinance amendments as they relate to housing – See enclosed Memorandum from Jeff Levine, Mary Davis, and Tyler Norod

6. Guest Speaker – Koral Mitchell, Advocate Leader, Homeless Voices for Justice

7. Discussion of recent housing concerns - 61-69 Grant Street – City Staff

8. Opportunity for public comment on housing issues

9. Opportunity for Committee members to ask questions regarding existing City housing tools and financial resources.

10. Housing Committee member discussion and next steps.

Councilor Jill Duson, Chair

Next Meeting Date: March 9, 2016

Housing Committee

Minutes of February 10, 2016 Meeting

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, February 10, 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: Review and accept Minutes of previous meeting held on January 27, 2016.

Motion to accept the minutes by Councilor Brenerman, motion seconded by Councilor Ray, minutes accepted unanimously.

Item 2: Brief Overview of the meeting agenda – See attached Memorandum from Jeff Levine, Mary Davis and Tyler Norod.

Jeff Levine gives a brief overview of the meeting and describes that staff is putting together information on existing housing tools and resources in an indexed and accessible format.

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

a) Maine State Housing Authority

John Gallagher, Director of the Maine State Housing Authority provides an overview of the programs provided by the Maine State Housing Authority, for example it acts as a finance agency and provides programs such as heating assistance and Section 8 rental vouchers. He introduces Peter Merrill, Deputy Director. Mr. Merrill discusses three topics, statewide trends, State Affordable Housing Working Group, statewide trends and what's in the pipeline. Statewide trends- Portland is not alone in these trends. Nationally there is a major shift toward renting. Mr. Merrill references materials handed to the Councilors.

People are waiting longer to buy. Issue of finding affordable housing is occurring across the state. The MaineHousing website contains a lot of data and information about what is going on state-wide (www.mainehousing.org).

The Affordable House Working Group, this committee at MaineHousing recommended restoring the State Home funds. These are funds generated through a transfer tax paid when property is transferred in the State of Maine (this is not the Federal HUD HOME Program). The Working Group proposed a navigator to help people with section 8 vouchers find housing faster and easier. There are 27 Housing Authorities, all with separate applications, there should be a way to do this together, all on one form.

Mr. Gallagher wraps up MaineHousing's presentation by talking about the importance of the partnership with the local community in providing affordable housing, for example the Affordable Housing Tax Increment Financing program which assists developers with the operational cost of properties which is extremely expensive. Mr. Gallagher urges the City to help projects move forwarded more quickly through the approval process.

b) Aaron Shapiro, Director of Cumberland County Community Development

Mr. Shapiro started off by quoting a housing report from February 1977, "low income families are priced out of the market. It is not unusual for families in the West End to spend 50% of their income on housing." He indicates his overarching theme is that we need to think of this as a regional problem. We need to change the mindset of what's happening on a regional scale. Every report since 1977 has said we need to look at the housing issue on a regional scale. There is a lot of multifamily housing being built outside of Portland.

c) Larry Gross, Executive Director, Southern Maine Agency on Aging

Maine is the oldest state in the nation. We need to address the challenges older Mainers have with aging in place. "Status of seniors in Maine" report is very beneficial. The report identified that the prevalence of poverty in elder households was greater in Portland, South Portland and Westbrook than anywhere else in the state. We think progress is being made, but in fact, a significant portion of our population are elderly persons living in poverty. Many of these people, about 60%, live in their own home, and are somewhat trapped. They would like to live somewhere else, but there are not enough options. On average, they are paying 47% of their income on housing, which is a housing burden.

We should be thinking about how we could create ways for people to age in place in Portland, and stay in their own home, as well as alternative housing options for older people; such as accessory dwelling units, co-housing options. Targeting CDBG funds to low income families on the peninsula is not helping older people who live out in Deering. The CDBG funds should be used for home loans or home modifications. We should get an aging in place specialist to help people navigate the complex zoning and home modifications requirements of the city.

d) Don Tusk, President, Maine College of Art (MECA)

Mr. Tusk states that MECA has seven building and three residents' halls in the City and are looking to do another residence hall. MECA is in need of 50 beds for next fall. The College is essentially open 24 hours a day and students want to live close to the main building on Congress Street. Most of the students do not have a car. 35% of the students are from Maine, the other 65% want to stay in Maine after they graduate. MECA would like to see more housing for students and graduates.

e) Tom MacMillan, Portland Tenants Union

Mr. MacMillan helped to start the Portland Tenants Union three or four years ago. This is a nationwide crisis of housing, what Portland has faced is rapid gentrification. We believe building more housing is not going fix the affordable housing problem. The market is not going to fix itself. The Tenants Union suggests three 3 solutions (1) establish a task force to explore the issue of rent control; (2) the City should create a tenant ombudsman position to help with tenant disputes, and help people moving to

Portland; and (3) easy access to information about landlords, such as how many units they own and what type of landlord they are.

f) *Katie McGovern, Pine Tree Legal Assistance (PTLA)*

Ms. McGovern is an attorney, at Pine Tree Legal. She provides Committee members with written comments. PTLA handled 1200 hearings in eviction court last year. PTLA urges the City to look at safety of the units, policies and ordinances to help people stay in their homes, and increase the supply of affordable housing. (Ms. McGovern's written comments are attached).

<u>Item 4: Opportunity for public comment on housing issues</u>

Beth Angle – Real estate broker in Portland. Cost of multi-unit housing in Portland (taxes, mortgages, water and sewer, etc) makes it difficult for landlords to break even. If taxes keep going up, it makes it difficult for landlords to continue to own properties. Suggests looking at accessory dwelling units for aging people to assist elderly people in Portland to stay in Portland. She has a lot of tenants that rent out their apartments on Air bnb during the summer to help with rent payments

Len Freeman- A Portland resident. He speaks about the number of people over 65 in Portland which is increasing at an unprecedented rate. Is it possible to stay in our own homes as we age? There aren't enough affordable senior living facilities. There is movement that started about 15 years ago called Villages. Three Portland neighborhoods are exploring the Village concept - Munjoy Hill, West End and Back Cove. The Committee should support a Portland wide Village. This would not cost the city any money and would require no policy changes. The committee should support and encourage the creation of a volunteer based Village.

Keith Costello- Moved to Portland from Philadelphia 10 years ago. Moved to a great place in Westbrook in 2006, had an absentee landlord. Started a business and upgraded are living conditions and rented a house in Stroudwater. Evicted by landlord with 30 day notice, had nowhere to live, no place to store belongings and had to throw everything out. When looking for a new place to rent, has to provide so much information before can rent a place, along with paying an application fee. Worries about being evicted if he complains about issues in his new place.

Jim Devine- Appreciates everything the city does to make it better for people who live here. Believes the City should make it illegal for landlords to not accept section 8 vouchers.

Jackie Deveno, a State Street, Portland resident is concerned about the aging baby boomer generation. There hasn't been anything done nationally to address what cities are going to do the baby boomer generation. Suggests a strategy for women to have other elderly women come live in their homes. There are parts of the city that people are buying homes, remodeling them and renting them at a higher rate which is forcing immigrants out of their house and community because of these higher rates. Thinks the City should address the rent control. Indicates she is a part of the tenants union that wants to work with the City not against the City. A lot of the housing that is being built is called affordable but it is not affordable.

Elise Scala- District 5- speaks about the former Reid school; indicates she was a member of the reuse task force. The City needs to sell the school. Hopes the neighborhood can keep working with the City to meet common goals on this project that protect the feel of the community, and address concerns about parking and greenspace.

Jeremy Doxy- Indicates concern about the type of housing units that are being developed and the idea of creating 5000 new housing units by 2020. Suggests a need to know more about the transportation and quality of life that go along with the additional housing units. Would like to see permanent affordable housing units. If we don't deal with all of these issues, in 10 years we will be having the same conversation, just in a more crowded denser city.

Lewis Silvado – Suggests homelessness is the biggest problem in the City and needs to be addressed before the City can fix other issues. Need to come up with real time solutions for housing the homeless and look into where all of the homeless people are coming from. Suggests a private business impact fee. Supports a regional approach.

Leigh Raposo- Serves on Portland's Age Friendly Community Steering Committee with Len Freeman. Supports what Mr. Freeman's comments. City needs to address the aging population.

Ken Junden- Works with several successful ministries for the incarcerated and those recently released from incarceration. Need to help introduce incarcerated men and women back into society. The program has a 2% recidivism rate in Maine.

Alex Landry – Thanks the Press Herald for the panel discussion they had at the library. One idea was to create village centers off peninsula. Requests that the City look at public transit to increase housing, increase density along the metro lines, which would promote village centers and help to create more housing.

James Fitz rents a 1 bedroom apartment for $750 a month in District 2. Has experienced many of the same landlord issues that others have talked about. Suggests requiring landlords to provide tenants with information on tenants' rights.

In addition to verbal comments given, several members of the public and guest speakers provided written comments to supplement their verbal input. These written comments are attached to these minutes.

Item 5: Housing Committee member discussion and next steps.

Councilor Duson discusses the scheduling for the next several meetings and suggests the Committee not meet on March 9th as several members are not available. Councilor Ray requests information on policies that are already in place, implementation dates, success rates, etc.

On a motion made and seconded the meeting was adjourned at 7:29 PM.

Respectfully,

Kristin Styles

PINE TREE LEGAL ASSISTANCE, INC.

Katherine McGovern ◆ *Portland Area Office*
88 Federal Street
P. O. Box 547
Portland, Maine 04112-0547
(207) 774-8211 ext. 400-3216 ◆ V/TTY: 711 ◆ 828-2300 FAX
www.ptla.org ◆ *kmcgovern@ptla.org*

Comments of Katherine McGovern, Esq.
For Pine Tree Legal Assistance
Before the Portland City Council Housing Committee
February 10, 2016

Good evening Council Members Jill Duson, David Brenerman, Nicholas Mavodones, Belinda Ray and Spencer Thibodeau. My name is Katherine McGovern and I work for Pine Tree Legal Assistance. I am grateful for the opportunity to share with you my comments related to rental housing issues in Portland with members of the Committee.

I have been asked to share the expertise of Pine Tree Legal Assistance on these issues and I am speaking today on behalf of Pine Tree Legal Assistance. Since 1967, Pine Tree has provided free legal services to low-income people throughout the State of Maine. In 2015, Pine Tree provided legal services to Maine families and individuals in 7,550 cases, 3,868 of which involved to landlord/tenant issues, including 1,396 rental housing cases handled by the Portland Area Office.

We cannot lobby, but Pine Tree Legal is routinely asked to testify before the Maine Legislature on issues involving rental housing. We have also been asked to address the City Council on housing matters many times in the past, and I served on last year's Housing Safety Task Force.

For the last eleven years I have represented low-income tenants in the Greater Portland area. Every two weeks I represent tenants in eviction cases at Portland District Court. I want to spend a minute describing what I see at eviction court and then tell you what we think the City could do to ease the housing crisis in Portland.

As you heard at the last meeting, rents have increased 40% in the last two years in Portland, incomes of renters have declined[1], the waiting list for section 8 vouchers is at least three years long[2], the "cost burden" of housing has been moving up the income spectrum, and most of the housing being built is high end[3]. Eviction court is a place where these forces collide with devastating results for low-income families.

As a recent New Yorker article titled "The Eviction Epidemic" put it, "For decades, social scientists, journalists, and policymakers have focused on jobs, public assistance, parenting, and

---

[1] "No Vacancy" *Portland Press Herald*
[2] Testimony of Mark Adelson of Portland Housing Authority 1/27/16
[3] Testimony of Christopher Herbert of the Joint Center for Housing Studies of Harvard University 1/27/16

mass incarceration as the central problems faced by the American poor, overlooking just how deeply housing is implicated in the creation of poverty."[4]

Last year, there were 1,200 eviction cases in Portland District Court. Every two weeks, Courtroom Two is filled with families nine days away from losing their homes.

Evictions have both immediate and long term consequences.

There is the immediate practical issue of where a family can move in a short time frame. As documented in the Press Herald series, rents are up, landlords have enough tenants vying for apartments that they can schedule group showings and tenants compete for the unit. Few low-income families have savings and to move into a new unit they need first month's rent and a security deposit. Landlord are increasingly using credit checks and tenant screening services and may pass those costs onto tenants. Tenants may pay multiple application fees without getting a single unit. Families may find themselves forced to leave school districts, proximity to medical services, and access to public transportation. Families trying to move in a hurry may not be able to bring all of their property with them. They may become homeless. Their landlords may keep their security deposits. Data mining companies sell landlord tenant screening reports that list evictions and court filings and they may be denied housing. Each time a family loses an apartment, they may find themselves with fewer landlords willing to accept them, with no choice but to rent apartments in terrible condition from unscrupulous landlords.

RECOMMENDATIONS

Given the lack of decent, safe and affordable housing in Portland it is critical that the City adopt policies and ordinances that maximize the number of rental units available to low-income residents.

In our view, the City of Portland needs to take a three pronged approach to this problem. First, the City needs to adopt policies and ordinances that help low-income tenants stay in their existing rental units. Second, the City has to ensure the safety and quality of existing housing units available to low-income tenants. Third, the City has to adopt policies that will increase the supply of affordable housing units in the City of Portland.

HELPING TENANTS STAY IN THEIR HOMES

1. Adopt an ordinance that eliminates no cause evictions of tenants and that limits evictions arising in the City of Portland to cases in which a tenant has violated a substantial lease provision, failed to pay rent, cause a nuisance to the rental property or caused substantial damage to the rental property.

2. Adopt an ordinance that makes clear that tenants who reside in rental units in which the building is being foreclosed continue to have rights as tenants as set forth in the rental agreement most recently entered into by the tenant prior to the foreclosure action.

[4] "The Eviction Epidemic," *New Yorker*, Matthew Desmond

3. Many low-income tenants occupy rooming houses or hotels as long-term housing. The City needs to adopt an ordinance that provides all residents who occupy a unit as a long-term residence with the protections of Maine's eviction statute regardless of the designation of the entity to whom rent is paid.

4. Adopt a rent control ordinance that would limit rent increases to an amount tied to the consumer price index for the Portland area.

5. Increase funding for the TBRA program. This can be accomplished by allocating a greater portion of the HOME Fund received by the City to this program.

6. Increase general assistance maximums for housing so that the housing maximum is sufficient to cover the cost of Portland rental housing. This can be funded by the imposition of AirBnB fees in the City of Portland.

SAFETY AND QUALITY OF EXISITNG HOUSING UNITS

1. Enforce health and safety laws so that tenants are not placed in unsafe living situations. This committee should continue the work begun last year by the Housing Safety Taskforce to insure accountability and transparency of the City's inspection program. The City should insure that all rental units are inspected on a regular schedule, develop a protocol to respond to emergency complaints from tenants and other community members, and insure that all rental units in buildings that are in the foreclosure process are inspected on at least a monthly basis.

2. In buildings that include residential rental units that are in foreclosure adopt an ordinance that makes both the building owner and the party bringing the foreclosure complaint jointly liable for maintaining the building according to the City's Health and Safety requirements.

INCREASING THE SUPPLY OF AFFORDABLE HOUSING UNITS

1. Adopt an ordinance that prohibits landlords from refusing to rent to Section 8 voucher holders.

2. Increase inclusionary zoning requirements so that 20% of units in new developments be made affordable to low-income residents.

3. In financing the development of new affordable housing units, the City should adopt policies that prohibit housing providers who receive City financing from denying a tenant admission to a housing unit designated for occupancy by a low-income tenant due to a poor credit history if the tenant demonstrates sufficient income to pay the rent for the unit.

Tyler Norod - Fwd: Residential Housing needs in Portland

From: Jeff Levine
To: Tyler Norod
Date: 2/12/2016 11:25 AM
Subject: Fwd: Residential Housing needs in Portland

For the record.

>>> <donna.williams@maine.rr.com> 2/11/2016 4:30 PM >>>
Dear Chair Duson and other Council Members of the Housing Committee of the Portland City Council,

I am writing to you regarding your discussion of the housing needs here in the city of Portland. I will admit that the specific nature of the problem eludes me somewhat, so it has been difficult to respond. Obviously, it is more than troublesome that there are people who would choose to live here who cannot afford to do so, whether they be potential renters or homeowners.

I think the real question is what do we want Portland to be twenty five years from now and how can we help shape our own future? As it happens, I just happened to read about inclusionary zoning in the metropolitan D.C. area where it was very successful in one county and failed in another right next door, enough so that they repealed the law. The lesson is a good one: whatever you decide to do, try to identify your objectives and evaluate it within a reasonable amount of time. (It might be a good idea to "sunset" a number of initiatives so bad ones don't live on forever.)

I am writing to urge you not to rezone our corridors to allow for more dense housing structures. Our corridors currently provide some of the most affordable and decent housing units in the city of Portland. When I was on the Planning Board we received a number of requests to alter houses on the corridors so they could be adapted to more commercial uses. While I understand the motives of the property owners who want to maximize their return, in many cases, it would have removed affordable residential housing from the market. I can tell you, with some certainty, any replacement residential housing will be much more expensive as well. A small cape on Brighton Avenue, outer Forest Avenue or Washington Avenue is likely to be well built and be affordable because of the busy road. Many of these properties provide a good home for working families. Any replacement building likely will have one or at most a two bedroom small apartment, transients who come and go and are not integrated into the neighborhood life.

Marjorie Shaw spoke to me about this issue when I was on the Planning Board. Her mother, still lived in the family home on Hastings Street, right off Brighton Avenue. Her neighbor, on Brighton Avenue, sold the house and a lawyer bought it and had his professional offices in the home. Across the street, psychologists bought the house and opened up professional offices. Every night, while living alone, she was almost completely surrounded by empty buildings. Please don't begin a process that removes decent residential and affordable housing from the existing stock and begin a commercial intrusion into residential neighborhoods. Having neighborhood commercial centers within walking distance of our neighborhoods is the right way to go--not long commercial strips that are ugly and intrusive to neighborhood cohesion.

I urge you to follow the recommendations of one of the earlier reports and look for community partners to join with you to do a market study to determine the real housing needs in the Portland area. As a growing social service center for the entire state of Maine, it is not surprising that there is a growing "gap" in income levels relative to housing costs. If the housing needs of the low income are being met with the development of the

1000 units (or more?) developed over the last 15 years, perhaps it makes sense to study the incomes and costs of the market rate population, renters and homeowners? It is hard to tell from the data provided where the greatest needs are and how best to meet them. I find it troubling that so little has been developed for families. While I know there is sensitivity to the costs of education, the solution is for the state to pick up its fair share. Having children in the community is a real testament to our confidence in our future. Thank you for your consideration.

Donna Williams 85 Machigonne St Portland Maine

Tyler Norod - Re: housing

From: Tyler Norod
To: Watman, Will
Subject: Re: housing

I didn't get a chance to speak last night so I am going to throw these thoughts over the transom and hope one or more of you might use them.

Ground work: You are swimming with sharks, the people that brought you the end of the world as we know it, the real estate industry, and they are doing it again. They must build, sell property, develop or they die. So do paper mills. WE don't subsidize them. Well we did, with disastrous consequences. You have to appreciate that this is a class of business-people who feel entitled to maximize their profits and the fact that other people's money include us, is a caution you have to take seriously. We have already transferred 200 million in tax revenues to them and the argument was made again last night that they couldn't do without them. TIFs are bad business. You have to understand how they work or we are doomed. Your city manager who is a TIF recipient can produce a budget with more bond revenue and suggest that it won't increase our tax burden. Good luck with that.

The reason I mention this is that we (the world) are still unwinding the last fiscal fiasco and the hammer is dropping again. Bank stocks are crashing and you have to understand the possible impact on our city.

Money is going to dry up and we are going to go into another recession. There will be no growth. No jobs, and disposable income is going to be impinged again. Don't write any debt guarantees that underwrite housing development.

The principle topic of conversation at DAVOS this round was the impact of robotization. It is a reality that players are utilizing robotics and it is reported by the Chamber of Commerce that by 2050 50% of all jobs will be robotized. WE are going to find ourselves in a situation where we have have lots of housing and no tenants if we don't plan for this eventuality. There is lots of affordable housing in Detroit or Spain or Florida, pick one. Despite predictions to the contrary there is no empirical evidence that there is going to be job growth in Portland or Maine.

Speakers who spoke to regionality have it right. There but for a zoning change in Westbrook does the bankrupt commercial mill become an affordable housing alternative. What we, the citizens need is a smart transport system, not more built environment. We have no enclosures for bus patrons on Forest Ave for example and can't jump over berms of snow pact. Get smart transport to serve the region. There is a fabulous photo at the Liberty ship memorial in S Portland. Thousands of ship builders are gathered around for the photo op and in the center are busses that read Biddeford. There are tens of thousands of built warehouse space being developed as I write this and you know it. This is an affordable option for people who are in real need of housing. It is not on the peninsula. And coffee doesn't 4 dollars a cup in Biddeford.

Survey the amount of built space that is convertible before you rush to raise new buildings.

It is absolutely true that new housing prices are rising. That is called gentrification. It isn't. Gentrification, the pejorative, implies displacement. Infill lots that are developed are a good thing and we should support as much of it as we can. If landlords chose to pass through costs of increased taxes due to property values rising that's on you. We could implement programs like
https://www.cga.ct.gov/2006/rpt/2006-R-0143.htm

We could implement rent stabilization but the sharks have already screamed, and because they see the development of NEW senior housing as a profit center are opposed to the thinking you heard last night from advocates for Maine seniors. The set of proposals he outlined were all practical and within your scope IF, your client is the citizens of the city and not the developers. Change the code now to allow ancillary building, redefine heads of household, and implement house sharing.

Sponsor a small house design competition and unleash the creative energy that we have here. Let the architects take on container housing options. Ironically one of our prominent citizens son is building container housing in Seattle.

I beg you to listen to the options that are available to you other than reinforcing the convention, dated, unworkable models brought to you by the sharks.

Read of and study the work of this years Pritzker Prize winner
http://www.pritzkerprize.com/2016/works

There is nothing new about sweat equity as a way to get people into affordable shelter. We simply have to do it.

Good luck with all you do, keep an open mind and don't rely on academics for cover. They were part of the gang that brought you the end of the world.

Sincerely

Will Watman

To: City of Portland ~~Housing Authority~~ / Housing Committee / Planning Committee
City Hall, Congress St.
Portland, ME 04101

Tu 2.09.2016

From: Ken Joondeph, Re-Entry Specialist
Cell-to-Street Outreach Ministry
273 Cumberland Ave. Rm #2-11
Portland, ME 04101

Committee Members:

My name is Ken Joondeph and I was released from the ME Prison System this past January 16th after a (8) year, (10) month, (3) day bid – (Mon 3.13.2006 – Fri 1.16.2015). I am also on the Sex Offender Registry for the rest of my life. *(Bel SC CR 06-084 & Bel DC PC 06-004).*

I work/volunteer for a few ministries:

1. *MSP Kairos Prison Ministry of Maine* PO Box 578 Auburn, ME 04212-0578
2. *Cell-to-Street Ministry* PO Box 631 Lewiston, ME 04243-0631
3. *Disciples of Hope*, 1047 Congress St. Portland, ME 04101

Kairos Prison Ministry International is an organization that introduces, or re-introduces prison inmates to Christianity in maximum / medium prisons in dozens of countries around the world. We put on (2) 4-day retreats a year for the men in Maine State Prison-Warren (#1was in 1997, #31 will be this May [2016]), and #4 for the women in MCC-Windham just ended at the end of January (2016). Mine was in May, 2009 - #20. I am now the Ad Council's Secretary, as well as the Council's Sponsorship and Outreach Coordinators.

Cell-to-Street is a re-entry ministry comprised out of a loosely-knit network of volunteers based out of Lewiston for the last (20) years; *Disciples of Hope* is just starting out as a support group here in Portland. ***BOTH*** of these ministries have a vested interest in felon re-entry issues: societal re-integration, housing, employment, etc. and particularly of sex offenders – I've coined the term "Brothers of the Scarlet Letters" as it sounds better and to the point.

I was fortunate, as I had a room in a rooming house waiting for me upon my release from the Maine Correctional Center - Windham. *Others aren't so lucky*. "We" are protected from discrimination, hate crimes, etc – yet housing for felons, let alone "Brothers", is **extremely** hard to obtain in Portland where most of the "just-released" land after incarceration. True, we "Brothers" have certain conditions as to proximity of certain locales, and "we" understand and accept that.

We "Brothers" have one of the nation's lowest recidivism rates of crimes – *just (3.8%)*. Most often, in Maine, "Brothers" that are released back into society have been incarcerated for (at least) (5) years; are on probation for at least that long; are in a "treatment group" for (2 1/2 – 4) years; have to report to "our" probation officer initially weekly, then after a time bi-weekly; and have to report to Portland PD & the State Registry quarterly.

In countries across the world they re-integrate "Brothers" back into their respective societies upon release – *they've done their time, have accepted it and rarely to re-offend*, as do us "Brothers" here in the U.S. True, a very small percentage of "Brothers" **do** have psychological issues and are incarcerated for long sentences, and even more time if one's state is a "Civil Commitment" state. But more often than not, we "Brothers" just made a poor choice when we committed our crime(s) and ***won't*** re-offend. That can't be said for criminals that have substance abuse issues, armed robbery to support those issues, domestic violence, assault, & the list goes on and on.

You know how full our County and State incarceration facilities are. We "Brothers" suffer with the stigma of our crimes for the rest of our lives, experience assault (verbal &/or physical) moreso than other ex-inmates and are traumatized for life compared to other felons. We often lose our families, houses, possessions, reputations, professional licenses / certifications and professions during our pre-trial phase, and more during incarceration.

We don't need more discrimination upon our release; we just want to start our lives over again in a low-key manner without all the roadblocks in our way of doing so. Access to proper housing & housing availability is one of our top roadblocks. With all of the conditions we live under, it is rare that one of us re-offends… We are quite a "safe" demographic.

If you'd like to communicate on this issue further, please contact me at the address above or call me at 207.347.9111 – I don't have internet access, nor email as part of my (10) year probation period. ***I thank you for allowing me to speak tonight.***

Ken Joondeph

Romans 5:1-8; 2 Thessalonians 2:16

February 10, 2016

Dear Councilors,

My name is Tom MacMillan and I am a resident of lifelong Portland, currently residing on North Street. I've been a re-founding officer in the Portland Tenants Union since January 2015, though previous incarnations of the PTU have existed off and on since the 1970s. Thank you for inviting the us to speak this evening.

Tenants rights organizations like the PTU have grown across the country in recent years because of rapid gentrification. Working class people and people of color, especially immigrants and refugees, are being pushed to the margins of our society by the influx of wealthy residents and the corresponding housing boom. Obviously, you agree that this issue is of huge importance to the future of our city, otherwise this special committee would not have been formed. So then we must consider what are some solutions to this crisis.

First and foremost, the PTU wants to convey that the free market is not going to ensure that Portland maintains its unique characteristics and charm or provide enough affordable housing for everyone. We cannot simply build thousands of more units of housing, as some propose, and expect to make housing affordable. We've heard from many tenants across the city who live in fear that, if they are in an affordable rental situation at the moment, that their landlord will join in and raise rents to an unaffordable level or that their landlord will sell the property to someone who will do so. More housing will do nothing to negate this common occurrence.

We call for solutions which are both short and long term in nature.

1) The City of Portland should establish a task force to specifically consider implementing rent control. This policy, which limits the amount that rental housing can increase, was mentioned by the Greater Portland Council of Government's 2030 Workforce Housing Demand as being able to give a "temporary breather" on housing costs. As we all know, Zillow reported in 2015 that Portland's rentan housing costs increased 17% in one year, which was the second highest percentage of any city in the country. A "temporary breather" is exactly what we need to allow incomes to increase and match the unprecedented increase in rental housing costs.
2) The Portland Tenants Union proposes that the City of Portland hire a "tenant ombudsman" to work fulltime on tenant issues and to serve as a resource for the nearly 60% of Portland residents who rent their housing. One of the greatest

concerns for tenants is the issue of tenant-landlord relations, specifically around safety deposits. Many tenants, especially low income and New Mainers, report that their deposits are often taken without cause. Lacking the ability and confidence to go to small claims court to return this deposit, many people simply write it off as a loss. Some landlords act as predators, offering low quality housing to desperate people. A tenant ombudsman would help tenants navigate the complicated legal system and resolve often difficult tenant-landlord issues before they clog the courts.

3) We need more transparency around housing, including the rights and responsibilities of both tenants and landlords. We are very pleased that the City will soon or has already started enforcing the registration requirement of landlords. Giving greater access to this information will allow the community to make better decisions. However, we believe that simply registering as a landlord is not enough information. We support a policy in which landlords would not only register their existence with the City but also information regarding pricing, amenities, bedrooms and other vital information. Tenants often report that they had no idea that their landlord had previous safety code violations, tax liens or was otherwise a known "problem landlord" before moving in. We want the City to centralize this information and put it online to allow for better decisions to take place.

Lastly, I want to emphasize that we see ourselves as a partner to the City in alleviating this housing crisis. We recognize that Portland has limited resources, but we understand that, left unchecked, the current combination of rapidly rising rents and an exponential increase in luxury housing of all kinds is having a seriously negative impact on both Portland today and in the longer term.

Thank you for having me here tonight.

MaineHousing
Maine State Housing Authority

Housing Facts for Maine - 2014

Homeownership Affordability

Maine	Year	Index	Median Home Price[1]	Median Income[2]	Income Needed to Afford Median Home Price	Home Price Affordable to Median Income
	2010	0.88	$165,000	$48,405	$55,282	$144,474
	2011	0.97	$162,000	$45,695	$47,321	$156,432
	2012	0.96	$165,000	$45,530	$47,305	$158,811
	2013	0.97	$169,900	$47,728	$49,034	$165,374
	2014	1.04	$170,000	$49,747	$47,981	$176,259
Androscoggin County		1.26	$125,000	$45,443	$35,987	$157,845
Aroostook County		1.41	$85,000	$35,321	$25,041	$119,895
Cumberland County		0.87	$237,000	$58,423	$66,935	$206,862
Franklin County		1.32	$125,000	$45,564	$34,643	$164,404
Hancock County		0.95	$189,100	$48,084	$50,814	$178,942
Kennebec County		1.27	$132,000	$47,195	$37,275	$167,129
Knox County		1.01	$181,000	$50,401	$50,043	$182,297
Lincoln County		1.03	$178,000	$50,666	$49,255	$183,100
Oxford County		1.19	$121,000	$40,473	$33,967	$144,176
Penobscot County		1.17	$122,500	$41,848	$35,822	$143,106
Piscataquis County		1.51	$94,000	$39,723	$26,240	$142,298
Sagadahoc County		1.32	$167,950	$60,870	$46,060	$221,953
Somerset County		1.69	$82,500	$40,491	$23,978	$139,316
Waldo County		1.09	$132,000	$41,619	$38,314	$143,385
Washington County		1.68	$77,000	$37,167	$22,169	$129,093
York County		1.07	$204,100	$61,083	$57,045	$218,544

The Homeownership Affordability Index is the ratio of Home Price Affordable at Median Income to Median Home Price. An index of less than 1 means the area is generally unaffordable - i.e., a household earning area median income could not cover the payment on a median priced home (30 year mortgage, taxes and insurance) using no more than 28% of gross income.

Households Unable to Afford Median Home

Maine	Year	Households Unable to Afford Median Home: Percent	Households Unable to Afford Median Home: Number	Total Household	Median Home Price[1]	Income Needed to Afford Median Home: Annual	Income Needed to Afford Median Home: Hourly
	2010	57.5%	318,194	553,486	$165,000	$55,282	$26.58
	2011	53.0%	297,458	561,667	$162,000	$47,321	$22.75
	2012	53.1%	301,417	567,261	$165,000	$47,305	$22.74
	2013	52.4%	293,174	560,006	$169,900	$49,034	$23.57
	2014	49.5%	278,382	561,961	$170,000	$47,981	$23.07
Androscoggin County		41.1%	18,228	44,361	$125,000	$35,987	$17.30
Aroostook County		37.8%	11,538	30,529	$85,000	$25,041	$12.04
Cumberland County		56.5%	67,689	119,703	$237,000	$66,935	$32.18
Franklin County		37.9%	4,939	13,044	$125,000	$34,643	$16.66
Hancock County		53.1%	13,074	24,603	$189,100	$50,814	$24.43
Kennebec County		40.8%	20,928	51,246	$132,000	$37,275	$17.92
Knox County		50.4%	8,739	17,356	$181,000	$50,043	$24.06
Lincoln County		49.6%	7,502	15,130	$178,000	$49,255	$23.68
Oxford County		42.1%	10,178	24,184	$121,000	$33,967	$16.33
Penobscot County		44.7%	28,195	63,140	$122,500	$35,822	$17.22
Piscataquis County		32.6%	2,532	7,758	$94,000	$26,240	$12.62
Sagadahoc County		37.2%	5,682	15,288	$167,950	$46,060	$22.14
Somerset County		30.0%	6,590	21,946	$82,500	$23,978	$11.53
Waldo County		46.6%	7,752	16,628	$132,000	$38,314	$18.42
Washington County		30.1%	4,261	14,143	$77,000	$22,169	$10.66
York County		47.2%	39,118	82,902	$204,100	$57,045	$27.43

Rental Affordability Index

Maine	Year	Index	Average 2 BR Rent (with utilities)[3]	Renter Household Median Income[2]	Income Needed to Afford Average 2 BR Rent	2 BR Rent Affordable to Median Income
	2010	0.94	$814	$30,571	$32,560	$764
	2011	0.90	$810	$29,168	$32,390	$729
	2012	0.92	$800	$29,554	$31,986	$739
	2013	0.90	$826	$29,841	$33,028	$746
	2014	0.84	$872	$29,143	$34,865	$729
Androscoggin County		0.80	$785	$25,054	$31,399	$626
Aroostook County		0.78	$717	$22,249	$28,660	$556
Cumberland County		0.75	$1,124	$33,886	$44,948	$847
Franklin County		0.98	$724	$28,399	$28,957	$710
Hancock County		0.72	$955	$27,600	$38,212	$690
Kennebec County		0.85	$828	$27,989	$33,106	$700
Knox County		0.76	$1,003	$30,474	$40,124	$762
Lincoln County		0.84	$964	$32,295	$38,567	$807
Oxford County		0.89	$663	$23,654	$26,528	$591
Penobscot County		0.72	$897	$25,868	$35,863	$647
Piscataquis County		0.84	$706	$23,831	$28,234	$596
Sagadahoc County		0.93	$933	$34,694	$37,334	$867
Somerset County		0.81	$719	$23,180	$28,750	$580
Waldo County		0.63	$932	$23,593	$37,294	$590
Washington County		0.66	$861	$22,811	$34,444	$570
York County		0.87	$1,063	$37,067	$42,531	$927

The Rental Affordability Index is the ratio of 2-Bedroom Rent Affordable at Median Renter Income to Average 2-Bedroom Rent. An index of less than 1 means the area is generally unaffordable – i.e., a renter household earning area median renter income could not cover the cost of an average 2-bedroom apartment (including utilities) using no more than 30% of gross income.

Renter Households Unable to Afford Average 2 Bedroom Rent

Maine	Year	Households Unable to Afford Average 2 BR Rent: Percent	Households Unable to Afford Average 2 BR Rent: Number	Total Renter Household	Average 2 BR Rent (with utilities)[3]	Income Needed to Afford Average 2 BR Rent: Annual	Income Needed to Afford Average 2 BR Rent: Hourly
	2010	53.0%	80,629	152,195	$814	$32,560	$15.65
	2011	54.9%	83,922	152,860	$810	$32,390	$15.57
	2012	53.7%	82,993	154,519	$800	$31,986	$15.38
	2013	54.5%	87,379	160,458	$826	$33,028	$15.88
	2014	57.8%	92,844	160,766	$872	$34,865	$16.76
Androscoggin County		58.0%	9,130	15,728	$785	$31,399	$15.10
Aroostook County		61.1%	5,366	8,779	$717	$28,660	$13.78
Cumberland County		60.9%	24,011	39,444	$1,124	$44,948	$21.61
Franklin County		50.9%	1,630	3,204	$724	$28,957	$13.92
Hancock County		62.6%	3,930	6,277	$955	$38,212	$18.37
Kennebec County		57.3%	8,388	14,650	$828	$33,106	$15.92
Knox County		62.1%	2,783	4,481	$1,003	$40,124	$19.29
Lincoln County		59.5%	1,710	2,873	$964	$38,567	$18.54
Oxford County		54.8%	3,076	5,612	$663	$26,528	$12.75
Penobscot County		64.9%	12,990	20,029	$897	$35,863	$17.24
Piscataquis County		56.9%	1,008	1,772	$706	$28,234	$13.57
Sagadahoc County		52.6%	2,004	3,808	$933	$37,334	$17.95
Somerset County		59.5%	3,048	5,119	$719	$28,750	$13.82
Waldo County		68.9%	2,454	3,562	$932	$37,294	$17.93
Washington County		67.5%	2,339	3,465	$861	$34,444	$16.56
York County		56.0%	12,309	21,963	$1,063	$42,531	$20.45

Endnotes

1 This data is derived from Maine Real Estate Information System ("MREIS") and MREIS reserves all rights including all proprietary rights in the data set forth herein and any use or publication of this data or any portion thereof without the express written consent of MREIS is prohibited. Any reproduction, sale or exchange of this data, in whole or in part, is likewise prohibited. All rights to the data remain the exclusive property of MREIS to the extent owned by MREIS.

2 Source: Claritas

3 Source: MaineHousing Quarterly Rent Survey. All rent data reported adjusted to include the cost of utilities (heat, hot water, and electricity).

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: February 19, 2016

SUBJECT: 2016-2017 Housing Program Budget

SUMMARY OF ISSUE – Review and recommendation to the City Council of the 2016-2017 Housing Program Budget.

REASON FOR SUBMISSION - The Housing Committee recommends the Housing Program Budget to the City Council for final approval.

INTENDED RESULT - HOME Program: The Home Investments Partnerships Program (HOME) was established by Congress in 1992. Since 1992, the City of Portland and the Cumberland County HOME Consortium have received almost $18.1 million dollars in HOME funding. In 2009 the City became the lead entity in the Cumberland County HOME Consortium (CCHC). The Consortium is a partnership of the communities in Cumberland County that administers HOME Program funds in Cumberland County. The creation of the consortium expanded the financial resources for affordable housing activities in the region. The City retains independent operation of its HOME program. Because the City serves as the "Lead Entity" and City staff administers the County portion of the funding, all administrative funds are retained by the City. The County's Municipal Oversight Committee controls the allocation of County's portion of the HOME funds.

When the Consortium was formed in 2009, it included a "hold harmless" clause to ensure that the City, as an existing HOME grantee, would continue to receive funding equal to its allocation prior to the formation of the consortium. The "hold harmless" formula was based on a comparison ratio to the HOME funding for the Lewiston/Auburn (L/A) Consortium. The formula identified Portland's "hold harmless" amount at 118% of the HOME allocation for the L/A Consortium. The Cumberland County HOME Agreement did allow for adjustments to be made if the current level of funding to the L/A HOME Consortium varied from historic levels. Over the years the L/A allocation has decreased which has resulted in the Portland "hold harmless" amount to decrease. Even though the CCHC HOME allocation went up this year, the City portion of the funding actually went down because of a decrease in the L/A allocation. Staff raised this issue with the other members of the CCHC which resulted in an agreement to divide the funding with 57% of allocation, after the administrative set-aside, to the City and 43% of the funding to the County.

The 2016-2017 HUD HOME allocation is $828,140, of which $320,490 is reserved for County projects. The budget proposal was developed after a historical review of HOME funding allocations, previous year's budget allocations, program expenditures and program income (loan repayments) received. Currently, the City's HOME Program is divided into four funding categories:

1. Administration
2. Housing Rehabilitation
3. Tenant Based Rental Assistance (TBRA)
4. Affordable Housing Development [including the required Community Housing Development Organization (CHDO) set-aside mandated by HUD]

CDBG/Housing Development Fund: Housing and Community Development Division did not request funding in the FY 15/16 CDBG process. Staff and housing program costs normally funded through CDBG, are being funded through the Housing Development Fund (HDF). HDF is the program income account funded by CDBG housing loan repayments. Currently, the HDF fund is divided into two funding categories, administration and housing rehabilitation.

FINANCIAL IMPACT - This budget is based on CDBG and HOME Program allocations from the U.S. Department of Housing and Urban Development along with HDF Program Income Account.

STAFF ANALYSIS AND RECOMMENDATION – The proposed Housing Program Budget can be adjusted as necessary throughout the year with appropriate analysis and public notice as required by our HUD Consolidated Plan. This budget, as may be amended by the Housing Committee, will be forwarded to the full City Council for two Public Hearings, as part of the overall HCD budget. The final budget allocations and Annual Action Plan are submitted to HUD on May 15 for the fiscal year beginning July 1, 2016.

At this time staff is requesting Committee approval and recommendation to the City Council of the FY 16/17 Housing Program Budget as outlined in the attachment.

FY 16/17 Housing Program Budget - Attached

2016-2017 HOUSING PROGRAM BUDGET **HUD Final Allocation February 16, 2016**

Recommended by HC (add date)
Approved by Council (add date)

Total HUD HOME Entitlement Allocation	828,140
Portland Portion	507,650
County Portion	320,490

REVENUES- Housing Programs	*HOME*	*CDBG*	*HDF***	*LEAD Safe Housing***	*Housing Trust Fund****	***TOTAL BUDGET***
2016-17 HOME Consortium Admin (10% of allocation)	82,814					*82,814*
2016-17 HOME Consortium Programming	424,836					*424,836*
2015-16 HOME Program Income	200,000					*200,000*
Re-Allocated HOME Funds (funding from previous years)						*0*
2016-17 CDBG Administration						*0*
2016-17 CDBG Programming						*0*
2016-2017 Housing Trust Fund					468,551	*468,551*
2015-16 HDF Program Income			353,458			*353,458*
2015-16 Lead Safe Housing Program Income				269,774		*269,774*
REVENUE TOTALS (Portland)	707,650	0	353,458	269,774	468,551	***1,799,433***

2016-17 HOUSING Budget by Activity (Portland)	*HOME*	*CDBG*	*HDF***	*LEAD Safe Housing***	*Housing Trust Fund****	***TOTAL BUDGET***
Administration (10% allocation + 10% PI) PL1701/QS1701	102,814		49,280			*152,094*
Housing Rehabilitation (30 Units @ $15,000/unit) QM1700/QB1700	150,000		304,178			*454,178*
Homeownership Assistance QJ1700	0					*0*
Tenant-Based Rental Assistance QT1701	130,000					*130,000*
Affordable Housing Development QK1700/IN1114	254,030				468,551	*722,581*
CHDO QL1700	70,806					*70,806*
Lead Safe Housing PLL036	0			269,774		*269,774*
	707,650	0	353,458	269,774	468,551	***1,799,433***

** Balance of Previously Budgeted Amounts + New Revenue

*** Balance of Previously Budgeted Amount

2016-17 HOME Consortium COUNTY - approved by MOC on (add date) ***ESTIMATE***

The estimated County HOME Program budget is provided for reference only;

Allocation of County funds is done by the County's Municipal Oversight Committee

REVENUES- Housing Programs	*HOME Consortium*
2016-17 HOME Consortium Non-Portland Programming	320,490
2015-16 HOME County Program Income	5,000
	325,490

2016-17 HOUSING Budget by Activity	*HOME County*
Housing Rehabilitation (13 projects @ $15,000/project) QP1700	200,490
Home Ownership QQ1700	
Affordable Housing Development	71,585
CHDO QR1700	53,415
	325,490

Portland, Maine Yes. Life's good here.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: February 19, 2016

SUBJECT: Annual Affordable Housing Development HOME Funds Application

A Housing Investment Policy was approved by the City Council in November 2012. The policy calls for an annual RFP process for the allocation of city resources for the development of affordable housing. On advice from the City's Purchasing Office, it was determined that an application process would work best in awarding funds for affordable housing development.

Application Criteria

Eligible developments include new construction of rental housing, the conversion of non-residential property to housing and the rehabilitation of existing rental units that creates or maintains affordable units. "Housing First" developments will be identified as a priority.

Developments should promote the efficient use of land, a location proximate to shopping, work places and community facilities and incorporate high standards of energy efficiency, "green" design criteria and should not require a contract or conditional zone.

Affordability restrictions for rental housing include units affordable to households at or below 60% of the area median income for a minimum period of 90 years.

Recommendations, along with all proposals and scoring information, will be forwarded to the Housing Committee for review and funding recommendation to the full City Council for final funding approval.

Council Goal Addressed – 2014: Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors; **2015**: Plan for five new "Housing First" projects.

Financial Impact - At this time, the proposed FY 2016-2017 Housing Program Budget includes HUD HOME funds for affordable housing and CHDO development.

Staff Recommendation - Staff is seeking Committee approval of the application criteria for the Affordable Housing Development HOME Funds Application.

Mary Davis
Division Director, Housing & Community Development Division

TO:	Councilor Duson, Chair Members of the Housing Committee
FROM:	Mary Davis, Division Director Housing and Community Development Division
DATE:	February 19, 2016
SUBJECT:	2016-2017 Housing Trust Fund Annual Plan

SUMMARY OF ISSUE

Review and recommendation to the City Council of the 2016-2017 Housing Trust Fund Annual Plan.

REASON FOR SUBMISSION

The Housing Trust fund is established by Section 14-489 of the City's Code of Ordinances. Section 14-489 (e) states that "the city council shall adopt a housing trust fund annual plan" and that the "housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action."

INTENDED RESULT

The Annual Plan will establish the priorities in which the current balance of the Housing Trust Fund will be allocated.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED

2014: Promote Housing Availability – Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors. **2015**: Plan for five new "Housing First" projects.

FINANCIAL IMPACT

This budget is based on the current balance in the Housing Trust Fund which is primarily a result of fees generated by the Housing Replacement Ordinance. As of February 16, 2016, the balance of the Housing Trust Fund is $468,551. While staff anticipates increases in revenue in the Housing Trust Fund as a result of the Inclusionary Zoning Ordinance and other sources being considered by the City Council, those anticipated resources are not included in the 2016 Annual Plan.

STAFF ANALYSIS AND RECOMMENDATION

City Ordinance requires that the Housing Trust Fund Annual Plan include a description of the programs to be funded, a budget for each program and identify how the funds will be distributed among very-low (at or below 50% of the area median income), low (at or below 80% of the area median income) and moderate income (at or below 120% of the area median income) households.

Mary Davis
Division Director, Housing & Community Development Division

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope. The proposed Housing Program budget for FY 2016-2017 includes \$324,836 in HOME funding for affordable housing development, \$150,000 for housing rehabilitation and \$304,178 in CDBG housing program income for housing rehabilitation. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home ownership assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income. City Ordinance allows the Housing Trust Fund to assist households at or below 120% of area median income.

The purpose of the Housing Trust Fund is the "…promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City." and "To serve as a vehicle for addressing very low, low and median income housing needs…". Currently, the Housing Trust Fund revenue is generated by the Housing Preservation and Replacement Ordinance. However, the recently approved Inclusionary Zoning Ordinance, along with other funding resources under Council consideration, will provide additional revenue for the Housing Trust Fund.

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years. Homeownership units must include resale restrictions that maintain an "equitable balance" between the interests of the owner and the City. These restrictions must be documented and recorded in the Cumberland County Registry of Deeds.

Recommendation

Housing Trust Fund resources should be focused on opportunities where other funding sources do not work or are not effective. Housing Trust Fund investment should be focused on projects designed to create workforce housing targeted to households earning 80% to 120% of the area median income and rental housing projects targeted to very-low income households (at or below 50% of the area median income). As always, the City should act prudently when deciding to invest these funds.

The Housing Trust Fund resources are also intended to promote the retention of affordable housing. Staff recommends that Housing Trust Fund resources be made available, if necessary, to exercise the City's right of first refusal it may have in connection with potential foreclosure issues with affordable homeownership units. This is unlikely to occur in the near future but may come up as more workforce homeownership units are created through Portland's new inclusionary zoning ordinance. Similarly, Housing Trust Funds resources

Mary Davis
Division Director, Housing & Community Development Division

should also be considered for aiding households that own affordable units to pay special assessments from their condominium or homeowners association in order to help maintain the unit's affordability and reduce any risk of foreclosure. It is important to allow for the consideration of using funds in these manners as foreclosure of a unit can jeopardize any affordability restrictions associated with the property.

Staff is requesting committee approval and recommendation to the City Council of the proposed 2016-2017 Housing Trust Fund Annual Plan for the balance of $468,551 currently existing in the Housing Trust Fund. Any revenue generated above and beyond the existing balance will not be allocated without an amendment to the Annual Plan.

Attachments: Copy of Chapter 14, Division 31, Sec. 14-489, City Code of Ordinances.

any bonus received pursuant to this subsection, may not exceed the maximum height recommended for the location of the project pursuant to a height study that has been adopted as part of the city's comprehensive plan.

(Ord. No. 98-06/07, 12-4-06; Ord No. 240-09/10, 6-21-10)

DIVISION 31. HOUSING TRUST FUND

Sec. 14-489. Housing trust fund.

(a) *Purpose.* The purpose of enacting this section is:

1. To establish a City of Portland housing trust fund for the promotion, retention and cration of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City.

2. To serve as a vehicle for addressing very low, low, and median income housing needs through a combination of funds as set out in section 14-483 of this chapter.

(b) *Definitions.*

Very low income household. A household having an income not exceeding fifty (50%) percent of median income for area of residence as set forth in regulations promulgaged from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. section 1437 et seq.

Low income household. A household having an income not exceeding eighty (80%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

Moderate income household. A household having an income not exceeding one hundred twenty (120%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United Sates Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

(c) *Establishment of the housing trust fund.* The city council shall establish a special revenue account under the name

"City of Portland Housing Trust Fund." Deposits into the fund shall include:

1. Contributions from the city's housing replacement ordinance under 14-483(i);

2. Funds appropriated to be deposited into the fund by vote of the city council;

3. Voluntary contributions of money or other liquid assets to the fund;

4. Any federal, state or private grant or loan funds provided to the fund:

5. Interest from fund deposits and investments; and

6. Repayments of loans made from the fund.

(d) *Management of the trust fund.* The city manager, or his or her designee, shall serve as the manager of the housing trust fund. The responsibilities of the manager, subject to the orders of the city council, shall include:

1. Maintaining the financial and other records of the housing trust fund;

2. Disbursing and collecting housing trust fund monies in accordance with the housing trust fund annual plan; and

3. Monitoring the use of monies distributed to successful applicants for housing trust fund support to assure on-going compliance with the purposes of the fund and the conditions under which these monies were granted or loaned.

(e) *Housing trust fund annual plan.* Each fiscal year, the city council shall adopt a housing trust fund annual plan. The city manager shall submit to the city council a recommended housing trust fund annual plan, utilizing the revenues of the housing trust fund as well as any other funds the manager may propose as appropriate. The housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.

The housing trust fund annual plan shall include:

1. A description of all programs to be funded in part or in full by the housing trust fund;

2. A description of how funds from the housing trust fund will be distributed among very-low-income, low-income and moderate income households; and

3. The amount of funds budgeted for programs funded in part or in full from the housing trust fund.

Priority for the expenditure of funds collected pursuant to the housing replacement ordinance (see Sec. 14-483) shall be given to the creation of new housing stock, through either new construction or conversion of non-residential buildings to residential use.

(f) *Distribution and use of the housing trust fund's assets.*

1. All distribution of principal, interest or other assets of the housing trust fund shall be made in furtherance of the public purposes set out in section 14-483.

2. During each year, the housing trust fund shall disburse as grants or loans so much of the housing trust fund's assets as the city council in its discretion has approved in the housing trust fund annual plan.

3. Funds shall not be used for city administrative expenses.

4. Funds shall not be used for property operating expenses or supporting services.

5. No grants or loans shall be awarded by the housing trust fund to corporations, partnerships or individuals who are delinquent, at the time of application in the payment of property taxes or other fees to the city of Portland, who Have been convicted of arson, who have been convicted of discrimination in the sale or lease

of housing under the fair housing laws of the State of Maine, or who have pending violations of current city electrical, plumbing building or housing codes or zoning ordinances.

(g) *Term of affordability.*

1. Whenever funds from the housing trust fund are used for the acquisition, construction or substantial rehabilitation of an affordable rental or cooperative unit, the City of Portland shall impose enforceable requirements on the owner of the housing unit that the unit remain affordable for the remaining life of the housing unit, assuming good faith efforts by the owner to maintain the housing unit and rehabilitate it as necessary. The remaining life of the housing unit shall be presumed to be a minimum of thirty (30) years.

2. Whenever funs from the housing trust fund are used for the acquisition, construction or substantial rehabilitation of ownership housing, the city of Portland shall impose enforceable resale restrictions on the owner to keep the housing unit affordable for the longest feasible time, while maintaining and equitable balance between the interests of the owner and the interests of the city of Portland.

3. The affordability restriction requirements described in this section shall run with the land and the city of Portland shall develop appropriate procedures and documentation to enforce these requirements and shall record such documentation in the Cumberland County Registry of Deeds.

(Ord. No. 281-09/10, 7-19-10)

Sec. 14-490. Reserved.

ARTICLE IV. SUBDIVISIONS*

***Cross reference(s)**--Ordinances dedicating or accepting any plat or subdivision in the city saved from repeal, § 1-4(h).

State law reference(s)--Land subdivisions, 30-A M.R.S.A. § 4403.

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 19, 2016**

SUBJECT: **Recent Land Use & Zoning Amendments**

At the direction of Housing Committee members, staff assembled an overview of recent zoning ordinance amendments related to the development of housing in Portland. The City has been active in recent years revising its zoning ordinance to better reflect Portland's housing needs. The following zones and land use ordinances have been amended since 2013 to encourage the development of housing:

- India Street Neighborhood – Form Based Code
- Division 30 – Inclusionary Zoning
- Housing Replacement Ordinance Amendments
- Downtown Height Overlay Map Amendment
- IR-1 & IR-2 – Accessory Dwelling Unit Amendments for Peaks Island
- R-3 – Accessory Dwelling Unit Amendment
- R-5 – Accessory Dwelling Unit Amendment
- R-6
- R-7
- B-1 and B-1B Neighborhood Business Zones
- B-2, B-2B, and B-2C

India Street Neighborhood – Form Based Code

Approved by the Planning Board in September of 2015, the India Street Form-based Code is different than traditional zoning, placing the primary emphasis on a building's physical form and its relationship to the street, and de-emphasizing land use. The intent of the India Street Form-based Code is to establish a zoning district that encourages a vibrant, walkable, mixed-use, urban district, preserves and values the existing historic neighborhood fabric, and fosters and supports local businesses and residential areas. The components of a Form-Based Code include the Guiding Principles, Regulating Plan, Subdistricts, General Development Standards, Dimensional Requirements, Building Design Standards, Diagrams, and Definitions. The goal of the India Street Form-Based Code is the creation and preservation of an active and human-scale public realm and the reinforcement of existing neighborhood character through good street space design.

In addition to encouraging best urban design practices for the India Street Neighborhood, the Form-Based Code will help provide more assurances for residents and developers alike. With reduced uncertainty it is anticipated that future housing development proposals in the neighborhood may enjoy a quicker and smoother permitting process while encouraging a better end product for the neighborhood. The Planning Department is beginning its review of the first development project within this new zone which is proposing the creation of approximately 26 condominium units and 2 off-site Workforce Housing units that will be in compliance with the new inclusionary zoning ordinance.

Division 30 – Inclusionary Zoning

In October of 2015, the City Council approved amendments to Division 30 of Portland's zoning ordinance expanding density bonuses for affordable housing and implementing a new inclusionary zoning requirement for all residential development projects of 10 or more units. Inclusionary zoning requires that these projects reserve 10% of their units to be affordable to "Workforce" households earning near the median income levels for the Portland Metro Area as defined by HUD. Although inclusionary zoning is in its nascent stages, staff has already identified several projects coming down the development pipeline that will be providing affordable units through this new ordinance. Implementation regulations detailing how inclusionary zoning will be implemented will be before the Planning Board for a public hearing on February 23rd.

Housing Replacement Ordinance Amendment

The Housing Preservation and Replacement Ordinance was originally adopted in 2002. The ordinance requires that anyone demolishing or otherwise removing housing units, with limited exceptions, replace the units or make a payment into the City's Housing Trust Fund. That payment is adjusted annually based on the cost of living and is currently approximately $62,400 per unit. Since its implementation in 2002, the Housing Replacement Ordinance has generated more than $1 million for the City's Housing Trust Fund with approximately $450,000 remaining for future use.

The Housing Trust Fund contributions are a valuable way to produce replacement housing. The Trust is far more flexible than federal funding sources, providing the City with a tool to support the creation of workforce and affordable housing at no direct cost to the City's General Fund. Most recently, the Housing Trust Fund was utilized to fund the proposed project located at 65 Munjoy Street. 65 Munjoy Street is an eight unit affordable homeownership project located on Munjoy Hill. To date, the money generated from the ordinance has supported development projects consisting of approximately 45 units of housing.

In November of 2015, the Planning Board approved revisions to the City's Housing Preservation and Replacement Ordinance. The revisions served to strengthen and clarify the ordinance. Amendments were made clarifying timeline expectations for performance guarantees or payments to the Trust. Other changes outlined how the ordinance affects vacant properties and restricted any replacement units to within the same census block group or within 1,500 square feet of the original site.

Downtown Height Overlay Map Amendment

In October of 2015, the City Council approved amendments to the Downtown Height Overlay map to increase allowed heights in some areas from 45' to 65' for additional housing development. The amendment focused on underutilized land between Danforth, York, and High Streets.

IR-1 & IR-2 – Accessory Dwelling Unit Amendments for Peaks Island

On September 29, 2015, the Planning Board approved amendments to the IR-1 and IR-2 allowing for revisions to the language regulating accessory dwelling units (ADUs) on Peaks Island. The revisions called for allowing ADUs on undersized lots within or as additions to existing dwellings provided certain conditions are met. These units would only be allowed if they are rented year round to households earning no more than 100% AMI. The intent to provide affordable year round housing to Peak Island residents who face pressure from seasonal rental markets.

R-3 and R-5 - Accessory Dwelling Unit Amendment

In April of 2014, the City Council passed an order allowing existing structures within the R-3 and R-5 zones to be converted to ADUs without meeting front, side, or rear yard setbacks. The intent of the order was to allow for the creation of additional housing in a context sensitive manner by limiting the development of ADUs to within existing structures.

R-5 - Affordable Accessory Dwelling Unit Amendment

Brought forward with the IR-1 and IR-2 amendments, the R-5 ADU amendment language targets non-conforming lots allowing for the creation of affordable ADUs within existing structures. Compared to what was already allowed, the revised R-5 language permits for the development of additional ADU's on non-conforming lots so long as they are made affordable as rental units to households earning up to 80% of AMI. Since its adoption, staff has met with two parties interested in the possibility of utilizing the revised language but it is yet to be seen whether or not any new units will be created.

R-6

The majority of the R-6 zone is located within the boundaries of the Peninsula with a few small pockets along the Forest Avenue Corridor and abutting Back Cove. The R-6 is amongst the densest residential zones in the City. In the spring of 2014 the Planning Board proposed an extent of East Bayside to be rezoned from R-6 to R-7 in response to feedback that the R-6, as currently written, was not conducive to most new construction proposals. Staff responded in part by reexamining the R-6 zone to make housing development more feasible.

Amendments to the R-6 residential zone were approved by the Planning Board on March 10, 2015 followed by the City Council's approval in May. The revisions allowed for greater flexibility and higher densities than the existing zoning. The objective of these changes is to allow for a pattern of development that provides for greater housing opportunities, enables infill opportunities on smaller parcels, and to have standards in place that make it possible for new construction to be consistent with the historic pattern of development on the peninsula. Since the zone was amended, approximately 120 units of new housing have been permitted or built in the R-6 zone.

R-6A

In October of 2014, the City Council passed an order creating a new R-6A zone. The purpose of the zone is to encourage neighborhood livability with higher density multi-family housing on large parcels located off the peninsula. The zone was designated appropriate for areas that are along major transportation routes, near service areas, and in redevelopment (underutilized) or infill areas. Residential uses in the R-6A require a minimum of four (4) acres and may have a height up to sixty-five (65) feet on off-peninsula parcels. Further revisions to the R-6A regarding parking requirements and allowable density were approved by the Council in May of 2014. The revisions to the zones parking requirements were intended to increase the potential for housing development by limiting development costs and the inefficient use of land for parking. Since the zone was amended, approximately 58 units of new elderly housing have been permitted or built in the R-6A zone.

R-7

In May of 2014, the City Council passed an order amending the zoning map in the vicinity of Boyd, Oxford, and Mayo Streets in East Bayside from R-6 to R-7 to allow for greater density to allow for future housing development. These changes helped allow for 45 units of new housing which are currently under construction as part of the Bayside Anchor development project.

B-1 and B-1B Neighborhood Business Zones

The B-1 zone plays a critical role in governing the form and function of much of the commercial and mixed-use development in the city. The Neighborhood Business B-1 applies to many of Portland's most successful small-scale, local commercial and mixed-use nodes, from Congress Street in Munjoy Hill and Pine Street in the West End to Rosemont and Stevens Avenue in Deering Center. In the fall of 2014, city staff conducted a review of the existing B-1 zone. The review found that the existing language contained street frontage, setback and other restrictions which effectively precluded it from successfully encouraging the traditional small-scale commercial and mixed-use form so prized in the city's existing neighborhood retail nodes. The purpose of the B-1 zone, as stated in the code, is to:

> "provide limited areas for the location of small-scale commercial establishments intended to serve a local market. As a result, uses shall be complementary, quiet and generally do not disturb the comfort and enjoyment of the adjoining neighborhood environment. Uses shall be designed for the pedestrian scale and will provide convenient access for nearby residents and workers to walk in to purchase goods and services. Buildings and uses shall be designed with attractive storefronts or similar features, with windows and doors convenient to a public sidewalk" (14-161).

Similar to the B-2 discussed below, the existing B-1 had failed to encourage the type of development the zone exists to promote; there has been very little new retail or mixed-use development in the B-1 zone. The analysis resulted in several proposed text amendments, including changes to the dimensional requirements and use tables. The amendments were targeted to encourage a pedestrian-friendly neighborhood scale environment with greater feasibility for residential and mixed-use development. Since the zones were amended, approximately 65 units of new housing have been permitted or built in the B-1 and B-1B zones.

B-2, B-2B, and B-2C

Like the B-1, the B-2 zones provide the framework for shaping much of the mixed-use and commercial corridors of the City. The B-2 zones offer opportunities for larger scale commercial and residential development along the city's major arterials, such as Washington Avenue, Forest Avenue, and outer Congress Street. Many of the city's existing shopping centers, including Northgate, Westgate, and Hannaford's, lie in the B-2 zone.

In the summer of 2014, city staff reviewed the B-2 zone in an effort to address concerns regarding the zone's efficacy in encouraging higher-density housing. The zone was explicitly designed to encourage "moderate to high density housing in urban neighborhoods along arterials" (14-181), and the city had made prior revisions in an effort to stimulate housing development, but that development had not occurred. The review resulted in a set of text amendments, adopted in June of 2014, which increased the permitted housing density, clarified the setback requirements, and provided for lively, urban ground floor uses. One of the key components of the revised language now allows for a minimum lot area per unit of 435 square feet down from a previous minimum lot area of 1,500 square feet. Since the zones were amended, approximately 169 units of new housing have been permitted or built in the B-2 zones.