



City of Portland, Maine

Remote Racial Equity Steering Committee

March 25, 2021

Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403A, that authorizes cities and towns to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day.

For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

I. ZOOM INFORMATION:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83062619858?pwd=Qk1jemhUbnlwNEtUWFhQT0dxZ3ZlQT09>

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II. Approval of Meeting Minutes

- a. March 18, 2021 Meeting Minutes
- III. Presentation by Homeless Voices for Justice and Pine Tree Legal
- IV. Discussion of proposal for equitable housing
 - a. Housing Proposal
- V. Planning future meetings & adjourn

Date: March 18, 2021

Attending: Ali Abdul, Suheir Alaskari, Kate Knox, Lado Ladoka, Merita McKenzie, Peter O'Donnell, Louis Pickens, Jonathan Sahrbeck, Pious Ali (Co Chair), Lelia DeAndrade (Co-Chair); Samaa Abdurraqib (Facilitator)

Minutes from March 11 approved

Meeting Overview

- Update on Mid-Atlantic Consulting Group
- Review Proposal from Ali and Alaskari
- Homeless Voices for Justice will attend next week

Discussion: Review of Alaskari's proposals

1. Recommendation- Work with the zoning administration to change and adapt Portland street names to represent Portland's diverse communities and be racially sensitive. Committee noted that it is important to remove racist historical monuments because those representations in public spaces are re-injuring. Unanimous approval
2. Engage local artists in creating a wall with all racist crime victims in modern history. Friendly amendment offered to specify that Creative Portland and Portland Arts Commission should collaborate with local BIPOC artists. Note that these need not be representations of a single person, but something symbolic. Unanimous approval
3. Recommend that the city collect data about BIPOC owned businesses. Develop a partnership with the Office of Economic Opportunity, community banks and the local chamber to develop intensive training, and how to survive in COVID. Agree to amend the proposals to evaluate the challenges that BIPOC businesses owners face and develop policies, strategies and support, including access to capital and other resources, to help address these challenges, as well as thrive and survive. Unanimous approval
4. Recommendation that the city adapts a Cahoots-like model, with an overall goal of reducing arrests. Create a 'third option', other than hospitals and jails, to provide care for people in crisis. This should be a nonprofit owned or administered facility. Sahrbeck noted that the Portland Police have added a community response staff and the city is developing an emergency facility that is a similar model. Unanimous approval

Discussion of Ali's proposal

Knox and Ali explained that this document is meant to be bold and visionary. Committee discussed the vision and possible interpretations of various aspects of the recommendation. We agreed that Ali and Knox will review and we will continue conversation next week.

Adjourned 6:25

Maine Housing: Rental Housing Facts and Affordability Index 2020

2Bedroom In Portland including utility \$1881 per month Income needed to afford \$75,223

In 2000, 57.5% of Portland residents own their own home currently 43%

47.6% of renters in Cumberland County live in Portland

Rent increased by 70% compared to a decade earlier.

How much residents of Portland are earning has been on decline as well from 1990, when 48.5% of Portland residents earned 80% or less of AMI compared to currently where 62% of the population earn less. The income decline in Portland includes 38% homeowners. If recent construction trends hold, the market, without compulsion, will build affordable units to meet 29% of demand. This leaves a gap between supply and demand of 33%.

While the median price of new construction is beyond the reach of the middle class, some proportion of new homes is affordable. From 2010-2014, 384 new condominiums and single-family homes were permitted in Portland. The percentage of units sold or marketed for sale at an affordable price was 7%. During the same period, 746 new rental units were permitted. The percentage of units marketed for rent at an affordable price was 41%. Overall, 29% of new housing units permitted from 2010-2014 were offered to the market at a price affordable to a household earning 100% of median income.

Housing Comprehensive Plan City of Portland 2002 establish goal of subsidized housing at 20% of housing stock

The City of Portland has been on the decline since 1950 when the population was 77,634 to the current population of 67,000. At the time City of Portland represented 40% of the county population currently Portland represented 24% of Cumberland county. Portland daytime population is around 100,000 which means Portland residents who moved to other municipalities spend most of their time in Portland rather than their new communities. Given the option to live and work in the city affordability, families will return to save on commuting costs

Public and subsidized housing in Portland (GPCG 2017)

Public Housing 1051 units

Subsidized Housing 2772

Homeless Shelters 568 beds

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Housing 33,836

Rented 17,601 Owner Occupied 13,134

8.19% of the housing stock is affordable

Comparative revenue generated to the City from three properties owned by different developers with and without public subsidies.

	Private AH Private Developer PHA
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Land revenue	\$1,500,000
Lease revenue	\$20,000
Property Tax revenue	\$20,000 \$528,000
Number of homes/units	44 44 44
Subsidies home/units	44 0 44
Economic Dev Value	3 9 4
Future Value Opportunity	N N Y
City retain ownership	N Y/N Y
City subsidy	\$500,000 0 \$500,000
Permitting fees	\$300,000 \$400,000 \$300,000

	Private AH Private Developer PHA
1 year	\$200,000 \$1,900,000 \$180,000
10 years	\$20,000 \$6,652,000 \$0.000
20 years	\$180,000 \$11,932,000 \$200,000
	\$380,000 \$17,212,000 \$400,000
	\$580,000 \$22,492,000 \$600,000
	\$780,000 \$22,772,000 \$800,000

2020 INCOME LIMITS- PORTLAND HUD METRO AREA

- HUD describes households in the 30% AMI bracket as extremely low-income
- 80% AMI households are described as low-income households
- 100% AMI represents Portland's Workforce Housing rental households • 120%

AMI represents Portland's Workforce Housing home ownership households
Maximum Income Levels

Maximum Income Level						
			Household Size			
AMI	1	2	3	4 5	6	7
30%	\$21,100	\$24,100	\$27,100	\$30,100 \$32,550	\$35,160	\$39,650
50%	\$35,150	\$40,150	\$45,150	\$50,150 \$54,200	\$58,200	\$62,200
60%	\$42,378	\$448,422	\$54,486	\$60,540 \$65,383	\$70,226	\$75,070
80%	\$54,950	\$62,800	\$70,650	\$78,500 \$84,800	\$91,100	\$97,350
100%	\$70,650	\$80,720	\$90,810	\$100,900 \$108,972	\$177,044	\$125,116
110%	\$77,693	\$88,792	\$99,891	\$110,990 \$119,870	\$128,748	\$137,628
120%	\$84,756	\$96,864	\$108,972	\$121,080 \$130,767	\$140,453	\$150,139

Household Size

Source: HUD, 2020 Income limits – Portland HUD Metro FMR Area

The U.S. Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI). At least 11 HUD programs and 14 other federal programs use some variation of HUD's income limits. Portland applies HUD's income limits to determine and monitor household eligibility with the City's Inclusionary Zoning and Low-Income Housing programs, and for residential housing federally funded through HOME and Community Development Block Grants (CDBG).

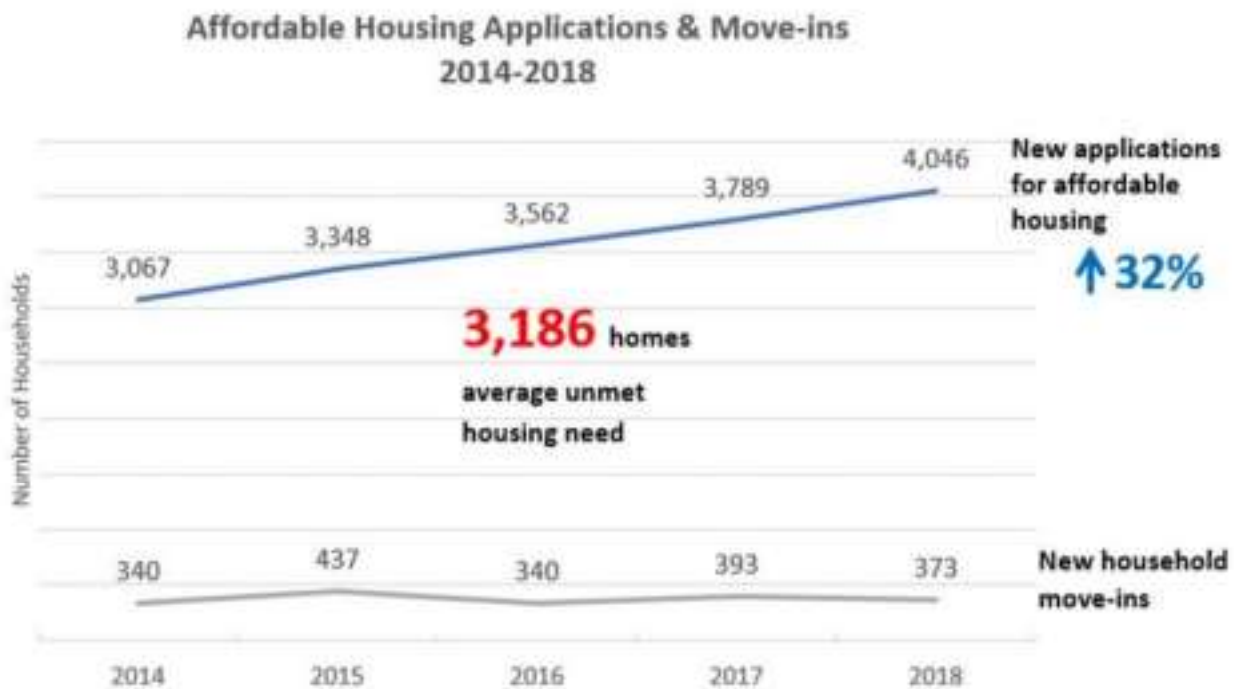
MAXIMUM MONTHLY RENT – PORTLAND HUD METRO AREA

- HUD's measure of housing affordability is spending 30% or less of gross monthly income towards housing expenses.
- An affordable two-bedroom rental unit for a Workforce household of two to four people is \$2,018.

Overwhelming Unmet Need

Providers of affordable homes report staggering demand statewide, and an increasing inability to keep up: the aggregate waiting list for affordable housing managed by members of the Maine Real Estate Managers Association, the state's largest apartment association, has risen to more than 32,000 households; the Maine Association of Public Housing

Directors reports that over 17,500 Maine households are now on their waiting lists for federal rental assistance, often for 5-10 or more years; and Avesta Housing, the state's largest nonprofit housing agency, reports that over 4,000 households applied for one of their affordable homes in 2018, but only 373 received help:



Additionally, recently released American Community Survey data reveals that more than 35,000 renter households, spread throughout all areas of Maine, are severely rent burdened – that is, paying more than half of their incomes for rent and utilities.

While Maine is experiencing this widespread, unmet need for affordable homes, the annual rate of production of new affordable housing units is only about 250 statewide.

Affordable Housing Financing



- POPULATION PROJECTIONS AND HOUSING CAPACITY

The City of Portland's estimated population in 2015 was 66,681. This is significantly less than the City's historic high of 77,634, but represents an increase over prior years. For the period from 2000 to 2010, for example, census data shows that the City experienced a 3% increase in population. Data indicates that the daytime population of the City, approximately 96,000, is significantly higher than the current population estimate .

This plan supports the concept that those who work in Portland should be able to live here as well,

and that, over the next decade, the City should aspire to accommodate 75% of the current daytime

population, or approximately 72,000 people. Assuming an average household size of 2.08, this

translates into a total of 2,557 new housing units over the next ten years. Pg 206

- There continues to be a sharp contrast between Portland's average household size and that of Cumberland County and the State of Maine. Portland's average household size is consistently smaller. Typically, smaller household size means more and different housing units are needed to accommodate the unique needs of non-family households pg . 96

-While employment in sectors that do pay a livable wage for individuals or families with two income earners, such as education and health services or professional and business services, have increased over the past decade, the majority of jobs that have been created over the past ten years do not pay an average wage that is adequate to support a family with only one income earner.

Furthermore, **jobs that do pay a livable wage, such as manufacturing, information, or financial**

services, have declined substantially. 188

- The percentage of individuals and families living below the poverty level has increased significantly since the 2008 recession, with **Portland seeing a more significant increase in poverty status than**

Cumberland County or Maine as a whole. According to data from the US Census Bureau, 15.7% of

Portland families lived below poverty level in 2014. 190

-For housing to be affordable, it should consume no more than 30% of a household's gross income, including rent or mortgage payments, utilities, and other housing related costs. According to the 2014 American Community Survey, 51% of renters in Portland and 34% of owners pay more than 30% of their income for rent. **In fact, almost 30% of renters pay more than 50% of their income for housing. 196**

-A large affordability gap exists for Portland's rental households. Portland's middle income rental households, whose median income is \$33,081, can afford a rent of no more than \$827. **The median rent, however, has**

reached \$1,426, representing a gap of \$599. 200

of people on voucher waiting list and chronically homeless:

-There are currently over 5,000 applicants on the central waiting list. Of those, 64% have identified Portland as their preferred place of residence should a voucher become available. Families qualified for a voucher typically wait a year or longer for an available voucher. It should also be noted that at times the waiting lists are closed due to the high demand, indicating that the number of families on the waiting list is not reflective of all the families in need of rental assistance. 202

In 2015, Portland sheltered an average of 454 homeless individuals per night. Even when counting overflow and satellite locations, this number exceeds bed capacity among all shelters by over 100 individuals . . . **About one third (37.6%) of these individuals are classified as chronically homeless. 203**

-Permanent housing cuts costs:

Providing permanent housing to homeless individuals has been shown to reduce the overall costs of services. The City's Cost of Homelessness study conducted in 2007 underscores the benefit of providing permanent, safe housing to homeless individuals and families. "Permanent supportive housing" is housing coupled with supportive services for homeless individuals having a disability. Disability includes any diagnosed, long-term disability such as mental illness, substance abuse, physical disability, or combination thereof. Ninety-nine formerly homeless individuals participated

in the study. 87% of those who participated resided in the City of Portland prior to placement in permanent supportive housing (the remaining 13% resided outside of Portland, but within Cumberland County). Although providing housing with support services comes at a cost, the study found that **providing permanent supportive housing to people who are homeless cuts the average costs of services they consume in half. The average cost savings across all services was found to be \$944 per person per year, or \$93,436 for all 99 participants.** 204

Proposals:

Eligible low income tenants should request and be granted release from lease obligations when income based affordable housing apartments become available for them to occupy within 30 days upon confirmation with the property management company.

Portland needs to develop specialized supportive permanent housing to address the increasing need for the unhouse population. Unhouse people face diverse challenges such as substance abuse, chronic medical conditions, mental health, behavior health and temporary unemployment. Specialized supportive transitional homes will help address the underlying conditions which lead to homelessness and present the best opportunity for self sufficiency and dignity.

The city should stop disposing of public owned parcels/plots and land and develop such parcels/plots as mixed income property to address insufficiency in the market. Most of the rental housing stock affordable to 100% of Area Median Income in Portland are singal rental occupancy(SOR), and One bedroom which are not suitable for young families. Priority of housing development should be given to three and four bedrooms to encourage families to live and work in Portland. It also reduces the burden on taxpayers because the income from these properties can support and sustain specialize supportive housing.

The properties developed and owned by the city of Portland ought to be based on the Vienna Austria Social Housing Model with first grade architecture and maximum energy efficiency to preserve affordability to perpetuity and house mixed income residents.

City of Portland should increase development of garage capacity to free up more percel/plots for residential development for supportive living for disable and senior citizens.