



## CITY OF SOUTH PORTLAND

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James H. Gailey  
City Manager

### MINUTES

#### Affordable Housing Committee

Wednesday, May 11, 2016  
7:00 PM  
City Hall - Council Chambers

Attendees:

Tiffanie Bentley	Mike Duvernay	Tex Haeuser, Planning Director
Richard Berman	Mike Hulsey	Joshua Reny, Asst. City Manager
Kathy Bouchard	Chris Kessler	Mary Jo Elliot, Research Analyst
Adrian Dowling		

Absent: Kim Coit, Isaac Misiuk

1. Committee Chair Isaac Misiuk was unable to attend the meeting due to a family emergency. An Interim Chair was not elected and Tex Haeuser volunteered to facilitate the meeting. He called the meeting to order at 7:00 p.m.
2. Pledge of Allegiance
3. Motion by Elliot second by Kessler to approve the minutes of the April 28<sup>th</sup> meeting. All in favor.
4. Tex welcomed guest speakers.

Katie McGovern from Pine Tree Legal (PTL) spoke about tenant law and some of the issues that her office has worked on in South Portland. PTL was created in 1967 to provide free legal services to low-income people. In 2015 there were 7,550 cases handled and approximately half of those were tenant-landlord issues. The Portland area office handled 1,396 housing issues in 2015. PTL routinely testifies before Maine legislature on housing issues, and occasionally before municipal legislative bodies. Rents in South Portland have increased significantly during past few years and there is concern about the gentrification of neighborhoods and the displacement of low-to-moderate income households.

Ms. McGovern spoke about the experiences of some of her clients, including one who had lived in an apartment for 18 years was evicted when a new owner bought the property to improve and charge higher rents. Another client recently learned that their building had gone to foreclosure and would result in eviction. She recommended the committee look closely at evictions, as they are closely tied to sustained poverty. Furthermore, the hot housing market is creating situations where multiple people may be competing for apartments and landlords may charge various non-reimbursable application fees. There is concern about data mining companies that sell landlords reports that list evictions and court filings, which could result in housing denials. The problems become compounded.

PTL is recommending a three-pronged approach; 1. Help tenants stay in their existing rental units, 2. Ensure the safety and quality of existing housing, and 3. Increase the supply of affordable housing units in South Portland. Policies to help tenants stay in their rental units may include; 1. Prohibiting no cause evictions, 2. Protecting tenants in buildings that are foreclosed, 3. Adopt rent control ordinance, 4. Amend GA Ordinance to increase maximum funding and notice to quite constitutes an emergency. Policies to ensure safety and quality of existing housing may include; 1. Rental unit inspection program for health, safety, and code violations, 2. Adopt ordinance making the building owner and party bringing a foreclosure complaint jointly liable for property maintenance. Policies to increase the supply of affordable housing may include; 1. Prohibit landlords from denying Section 8 vouchers, 2. Create an affordable housing fund to prevent evictions and create new affordable housing, 3. Adopt inclusionary zoning requiring 20% of new units be affordable to low-income residents or developer may elect to pay into affordable housing fund, 4. Prohibit denial of housing due to poor credit history in housing developments that have been financially assisted by the city so long as tenant demonstrates sufficient income.

Chris Gorman from Opportunity Alliance spoke about some of the problems he is witnessing due to the hot real estate market, including unit turnover and people being displaced from their homes and neighborhoods. There is a lot of concern in the region about rent inflation and macro effect it is having on whole neighborhoods as units turn over and people are forced to move to other neighborhoods. Long term tenants are being evicted as new owners seek to redevelop properties and look for higher rents to return those investments. Short of new housing units popping up in the market, Mr. Gorman not sure what clear solution is. People who have been evicted are searching out affordable housing, but the low bar for rent has been lifted everywhere; least expensive rent is now commonly \$1200-1300, and those units commonly have deficiencies. Part of the problem is the value of Housing Choice Vouchers is not keeping up with rent inflation. Not only are Section 8 recipients finding it hard to find housing, but the waiting list for Section 8 is huge. Housing availability is severely

limited and addressing supply needs to be a core part of any solution for affordable housing.

It is important for the committee to understand that the housing problem is directly tied to other problems such as food insecurity. If people are forced to pay 50% of their income for housing, then there is greater chance someone is going hungry. One idea that may be worth researching is Housing Co-ops, such as a recent project in Lewiston called Raise Op. There are more units coming available in Biddeford, but there is an issue with moving people across county lines to a new region. They would essentially be starting a whole new life. Even if the Committee were not able to solve the problem completely, but could move the rent dial slightly downward, even if just a couple hundred dollars a month, that in itself would provide tremendous relief for many families.

5. The committee agreed to take public comments out of order and asked the audience to approach the microphone to speak. Four people from the audience spoke, including three renters concerned about the high cost of rent and no cause evictions, and one landlord concerned about the impact rent control would have on small-time local landlords. One of the gentlemen who spoke expressed concern about the cost of living in South Portland, as either a renter or homeowner, and the change that has taken place from one or two generations ago.
  
6. The Committee discussed the challenge of addressing some of these problems when there are significant differences in the size and ownership of rental properties. Tex explained the currently proposed energy benchmarking ordinance and that it will be required only of residential properties that have ten units or more. Perhaps there is a scalable approach with some of these issues. Richard reiterated his belief that rent control should be accomplished through incentives. Mike D. explained that the biggest issue is the City needs more rental units, and how will rent control promote development of new units? The landlords association promotes proper land lording, a culture of responsible management. There are essentially two separate issues here; the treatment of tenants and the supply of housing. The whole problem with high rents is a supply issue. Chris stated that the City has a role to play in preventing mass dislocation and protecting its residents. Mike D. said that he has seen at least three boom and bust housing cycles in this market and it will inevitably correct. Richard suggested the Committee think about it from two perspectives; as a business issue (money exchanged for housing) and as a humanity issue (people's homes and lives), and the Committee needs to think about where these two meet and craft some recommendations that bridge those two perspectives. Chris acknowledged that a lot of the concerns expressed by some Committee members are legitimate, but he believes there is a compromise to be had that can sufficiently address all concerns. Tex expressed his concern that some people with Housing Choice Vouchers cannot find

housing because some landlords do not accept them. Richard spoke about some of the areas he believes there is some consensus, areas where the Committee can focus. He proposed future discussion on Registration of Housing Units and an Anti-Discrimination Policy for people with Housing Vouchers. Should the group take a look at no cause evictions? Chris reiterated his believe that the group can find a compromise on this issue. Mike D. brought up summer and seasonal rentals, and stated that the group needs to be mindful of unintended consequences of the policies it might recommend.

Tex asked the Committee to go around the room so that each member could express their opinion on rent control and any other proposed ideas. Tex led off and expressed opposition to rent control and forming a rent control board. Mike H. doesn't support rent control. Also, if a \$35 per year registration fee were to apply to the Housing Authority it would cost that organization approximately \$25,000 per year. He could support a local policy prohibiting no cause evictions for a certain time after the property had been sold to new owner. Tiffanie doesn't support rent control, but believes there needs to be a policy that provides some relief. Kathleen said that she had changed her position and cannot support rent control. She is concerned about unintended consequences that could work against tenant interests. She would like the committee to include recommendations that may contribute to higher wages and income. She appreciates the differences between small local landlords and out-of-state corporate investment funds. Chris believes there can be policies well crafted to help people who happen to have bad landlords, and not affect the many positive tenant/landlord relationships. There has to be a sweet spot. If people were displaced by fire or natural disaster, the City would be helping those people. This is an issue that also should be treated like an emergency. Adrian stated he is very interested in discussing an ordinance that prohibits housing discrimination against people with vouchers. Richard explained that tax credit housing is a form of rent control; because through an incentive the landlord is required to keep rent a certain level. This is an issue that must be addressed through incentives. Registration of units could be done, and perhaps the fees are waived or discounted for affordable units. Mary Jo expressed no opinion, one way or another, on rental control at this time. She believes that housing supply is the solution to most problems the Committee has discussed. Josh stated his belief that all of these issues are essentially related to housing supply. He would prefer to policy recommendations that focus on incentives and not restrictions, some of which may require significant resources. Mike D. doesn't support rent control. He explained that demand is booming with baby boomers. It is because South Portland is a great city, a great location. This heightened demand, and many of the issues coming with it, can only be addressed by boosting housing supply.

7. The committee discussed next steps, and whether to invite additional guest speakers. Ms. McGovern mentioned that Portland's housing meetings often conflict with this

committee, but they have completed a master list of policy ideas that the Committee could reference. It was proposed to create two action teams that will dive a little deeper into some of the policy ideas embraced by most committee members and prepare for an in depth discussion at the next two meetings. The next meeting will focus on land use regulations, zoning, and other financial incentives the City could provide. The meeting after that will focus on consumer protection and tenant issues.

8. The next meeting will be on May 25<sup>th</sup> at 7:00pm in City Council Chambers.
9. Following a motion and second the meeting adjourned at 9:48 p.m.