



EXECUTIVE
DEPARTMENT

CITY OF SOUTH PORTLAND

P. O. Box 9422
25 Cottage Road
South Portland, ME 04116-9422

James H. Gailey
City Manager

MINUTES

Affordable Housing Committee

Wednesday, April 13, 2016

7:00 PM

City Hall - Council Chambers

Attendees:

Isaac Misiuk
Adrian Dowling
Tiffanie Bentley
Richard Berman

Chris Kessler
Mike Duvernay
Kathy Bouchard

Joshua Reny, Asst. City Manager
Tex Haeuser, Planning Director
Mary Jo Elliot, Research Analyst

Absent: Kim Coit, Mike Hulsey

1. Committee Chair Isaac Misiuk called the meeting to order at 7:06 p.m.
2. Pledge of Allegiance
3. Motion by Elliot second by Berman to approve the minutes of the March 30 meeting. All in favor.
4. Josh provided a brief overview of the definition of affordable housing and local data that had been compiled and prepared by Mike Hulsey, Tex Haeuser, and Joshua Reny. For South Portland, the data suggests that renter households at 75-80% of median income or less are the population most affected when it comes to housing affordability. Renter households most cost-burdened by housing are those considered Very Low Income, which is 50% or less of median household income. More than 20% of Very Low Income households pay more than 30% of their income for housing. For home owners, the issue of affordability is more balanced across the income spectrum, affecting both Low Income and Moderate Income households alike. For example, the most cost-burdened segment owner households earn between \$50k and \$75k and nearly 10% of those households pay more than 30% of their income for housing. The data also suggests that high rent and home prices may be contributing to demographic and socio-economic changes in the community. The nature of housing demand may also be changing as younger generations demand smaller units in walkable areas close to services and amenities. For example, there may be growing demand for residential

condominiums near mixed use development. U.S. HUD completed a comprehensive regional housing study last year that clearly shows the region is experiencing a shortage of housing supply. The report estimates the region will require 4,000 new sale units and 2,000 new rental units in the next three years. An important question is, “what is South Portland’s share of that demand?” The committee may consider setting Housing Goals, for example the creation of certain number of units or a certain share of new units designated affordable. The committee may also consider various metrics to track progress on these goals from year to year.

5. Group Discussion on Housing Strategies

Richard began the conversation, expressing support for a “carrot and stick” approach that links voluntary rent control with a variety of incentives. The incentive package could be scaled to the number of units a developer is willing to set aside as affordable units. The City should more aggressively use the Affordable Housing Tax Increment Financing (AH-TIF) program. Perhaps the City might consider bonding to create a Housing Development Fund for low interest financing or affordable housing projects. The City may also consider investing in certain properties, acquiring sites for redevelopment and then re-selling the lot or entering a long-term land lease under attractive terms to a developer. The City may consider a Housing Replacement Fund that would be capitalized through fees paid by developers in lieu of creating affordable units or when housing units are eliminated. Inclusionary zoning is something the group should discuss and learn more about. Perhaps there are incentives such as density bonuses or reduced parking standards for residential developments that include affordable units in proximity to transit, etc. Is there a way the City could pre-approve or fast track affordable housing projects, or waive permit fees? And finally, how could the City assist with increasing the competitiveness of local applications for the State’s Affordable Housing Tax Credit Program?

Chris would like to see an effective Inclusionary Zoning Policy. The Committee should also create a list of potential financial incentives the committee could review and discuss.

Kathy explained a program in the City of Bath that allows people receiving General Assistance benefits to work for the City. Many people are homeless, but an even larger number of people are living on the edge. It is a significant problem.

Chris will email the group a list of strategies related to consumer protections, including a proposal for rent control. The ordinance would have to be applied uniformly; we can’t discriminate between large corporations owning rental properties and small multi-unit buildings that may be owner-occupied. The committee should discuss the merits of requiring rental units to be annually registered with the City. This would

provide another modest revenue stream for affordable housing issues, but would also allow the City to track rental housing data. Perhaps the annual fee would be \$10/unit. Richard suggested that if units are required to register, perhaps the fee is reduced or waived for units priced "affordable".

Richard asked the group if we should explore a model lease agreement. Chris believes landlords should have the ability to write their own lease, but perhaps the City would require certain categories or clauses in order to protect tenants and landlords.

Tex suggested that the Committee invite a legal professional to a future meeting to explain tenant law and whether the City has the ability to impose more stringent regulations. Chris volunteered to contact Pine Tree Legal and request them to come to a meeting. Mike explained that although they typically represent tenants against landlords, they do know the law and the Landlord Association regularly invites Pine Tree Legal to give a presentation to education landlords. There was consensus that an invitation should be extended.

Mike pointed out that there is already a lot of regulation when it comes to housing. The industry is tightly regulated and managed. There are both Federal and State regulations, and discrimination issues can find their way to the Maine Human Rights Commission. Southern Maine Landlord Association does a "landlord boot camp" where they learn all of the tenant law. Bad landlords are the exception not the rule.

Chris volunteered to create a matrix that compares current laws and regulations with those proposed by the South Portland Tenants Association.

The meeting was going a bit longer than scheduled and the group discussed postponing the land use and zoning discussion to the next meeting. Tex will be given 10-15 minutes at the next meeting to present the work he has done.

6. The committee discussed the remainder of its meeting scheduled and agreed to meet on the following dates: April 28, May 12, May 25, June 9, and June 21. Meetings will be at 7:00 p.m. in the Council Chambers unless that space is unavailable.
7. Richard explained that he is part owner of a housing project in South Portland, the final phase of which is in the approval process, and asked the committee if they felt there was any conflict of interest. He is in the process of selling his stake in that project. There was unanimous agreement that no conflict exists because project approval would precede any recommendation that might come from this committee, and his perspective as a developer of affordable housing is important to the group.
8. Following a motion and second the meeting adjourned at 9:25 p.m.