

**MEMORANDUM**

**To:** City Council

**From:** Affordable Housing Committee  
Patrick Hess, Chairperson  
Eli Rubin, Community Planner  
Milan Nevajda, Planning Director

**CC:** Scott Morelli, City Manager  
Josh Reny, Assistant City Manager

**Date:** February 6, 2025

**Re:** **2024 Annual Report for the Affordable Housing Committee**

The purpose of the Affordable Housing Committee is to review key issues affecting the quantity, accessibility, and affordability of housing in the city. The Committee may work jointly with other South Portland boards and committees to maintain and encourage the growth of a balanced and diverse supply of affordable housing throughout the city. The purpose of the Committee is to create thoughtful city-wide policy recommendations that promote a balanced long-term supply of housing options affordable to each demographic, spanning all incomes and age groups.

**HOUSING PRODUCTION REPORT**

The following units of housing were produced in South Portland in 2024, as measured by Building Permits issued.

Building Type	2023		2024	
	Permits Issued (# of units)	Number of units dedicated to below market rate	Permits Issued (# of units)	Number of units dedicated to below market rate
Accessory Dwelling Unit	10		9	-
One-unit	10		17	6
Two-unit	6		8	-
Three-unit	6	3	3	-
Multi-unit	70	52	43	43
<b>Total</b>	<b>102</b>	<b>55</b>	<b>80</b>	<b>49</b>

**HOUSING ASSESSMENT & STRATEGY REPORT IMPLEMENTATION**

At the end of 2022, the City Council adopted an 8-year Housing Production Goal based off the Housing Assessment and Strategy Report with recommendations from the Affordable Housing Committee and Planning Division. These goals outline the four distinct targets shown below:

8-Year Goals	Income Level	Production Goals
Owner Households	Up to 60% AMI	50
	61%-120% AMI	100
Renter Households	Up to 60% AMI	400
	61%-120% AMI	760

In addition, Council gave staff direction to pursue [4 strategies](#) aimed at achieving these goals.

1. Reviving Village Densities: Reducing lot sizes minimums and increasing density to 4 units per lot in certain areas near transit corridors.
2. Augmented Density Bonus: Incentivizing the development of new Affordable Housing units by providing additional density and other augmented land use standards to lower the cost of development.
3. Efficient Cluster Subdivisions: Modifications to the city’s existing Cluster Subdivision ordinance to increase land use efficiency, reduce development cost, and preserve natural resources without increasing overall lot density.
4. Streamlining Review: Streamlining the permitting process for residential structures of up to 4 units.

Of these four goals, the Committee has helped review, provided input, and supported materials during initial drafting of the Augmented Density Bonus and Efficient Cluster Subdivision. In 2024 the City was awarded a Maine DECD grant through the Housing Opportunity Office to develop the *Reviving Village Densities* goal; however, the status of the award is currently unknown as the funds originated from a federal HUD program.

### **Affordable Housing Trust Fund**

The committee has been researching fund development strategies to make a recommendation to council for fund capitalization prior to establishing new programs. In 2023 the first program was established as a competitive low-interest loan program for the creation or preservation of affordable housing and awarded to the South Portland Housing Authority. Over the next 30 years, the \$400,000 loan re-payments, with 4% interest, will return to the AHTF to finance future programs.

### **Anticipated Committee Work**

In 2025 the committee anticipates continued work on affordable housing including:

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- Assisting with the completion of the four strategies from the Housing Assessment and Strategies Report
  - Assisting with regional collaboration in the creation and preservation of affordable housing. The first recommendation of the Housing Assessment and Strategies Report emphasized the need for regional collaboration to address the affordable housing shortage. In 2023, the State established statewide housing production goals in the [State of Maine Housing Production Needs Study](#). In January of 2025 a follow up [Roadmap for the Future of Housing Production](#) was [presented](#) to the state legislature's Committee on Housing and Economic Development.
  - Facilitate one or more public events on affordable housing.

### ***Other Committee Business***

In the fall of 2024, the committee elected to change its meeting time to 3:30 on the first Thursday of every other month. The committee also provided a recommendation to council regarding the use of Mahoney middle school, or subsequent vacated city property, to be used as affordable housing.

Overall, the committee provides a valuable resource for generating and reviewing ideas and provides a space for public discussion about affordable housing.