



**Affordable Housing Committee**

**Report to City Council**

**July 8, 2016**

**25 Cottage Road  
South Portland, ME 04106  
Phone: (207) 767-7606  
[www.southportland.org](http://www.southportland.org)**

## **Purpose of the Committee**

The Affordable Housing Ad Hoc Committee was created by the City Council on March 21, 2016 and tasked with reviewing key issues affecting the quantity, accessibility, and affordability of housing in the City of South Portland, specifically in the rental market. The Committee was empowered to work with various agencies, developers, and neighboring municipalities in recognition that housing affordability is a regional issue. The Committee was asked to perform its work over the next three months, to research and consider city-level policies and actions that would promote a balanced and adequate supply of affordable housing, and then report its final recommendations to the City Council for consideration.

## **Members of the Committee**

Tiffanie Bentley (Student Housing)	Richard Berman (Housing Developer)
Kathleen Bouchard (Renter)	Charles “Kim” Coit (Realtor)
Adrian Dowling (Renter)	Michel Duvernay (Landlords Assoc.)
Mike Hulse (Housing Authority)	Chris Kessler (Tenants Assoc.)
Isaac Misiuk, Chair (Planning Board)	Mary Jo Elliot (Intern/Research Analyst)
Tex Haeuser (City Staff)	Joshua Reny (City Staff)

## **Committee Meetings and Process**

The Committee held its first meeting on March 30, 2016 and elected Isaac Misiuk as Chairman. The Committee agreed to meet twice monthly through the duration of its work. The process began with framing the issue of affordable housing, defining what is “affordable”, and compiling data specific to South Portland, including income and demographics, percent of population renting vs. owning, median rental prices and trends, etc. The primary sources of this data include U.S. Census, U.S. HUD, Maine Dept. of Labor, and Maine State Housing Authority.

The meetings that followed provided an opportunity for Committee members to fully explore and gain an understanding of the key issues relating to housing affordability. These issues can be organized into two general categories of issues in the current housing market: 1. a shortage of housing supply, both rental and owner housing, and 2. landlord/tenant issues that commonly occur in a market that is out of equilibrium, i.e. rent inflation, dislocation, etc. Much time was devoted to carefully reviewing policy proposals that intend to address the following questions: “What policies would be most effective at increasing the supply of affordable housing? And, “What policies would be most effective at creating fair and reasonable renter protections given the current market imbalance?”

Several meetings were devoted to discussing the current environment and the greatest challenges, and exploring potential changes in policy. The first of these meetings focused on financial incentives and tax credit programs that act to catalyze the development of new affordable housing. Tom MacDonald of the Northern New England Housing Investment Fund (NNEHIF) spoke to the Committee about the Low-Income Housing Tax Credit (LIHTC) Program, Voucher Programs, the Municipal Affordable Housing Tax

Increment Financing (AH-TIF) Program, and the concept of creating a housing development fund, to name a few. A subsequent meeting was devoted solely to land use regulations, zoning, parking standards, and the housing-related recommendations in the City's Comprehensive Plan. Planning Director Tex Haeuser gave a detailed presentation and the Committee discussed many potential policies that would encourage smartly planned transit-oriented development of new affordable housing. The final meeting topic during this exploratory phase was tenant law and consumer protection issues. During this meeting, the Committee heard from representatives from Pine Tree Legal and the Opportunity Alliance, who described the real struggles faced by tenants in the current housing market, from high rents contributing to food insecurity, to dislocation and the erosion of small neighborhood communities that were formerly cohesive. Pine Tree Legal also provided a list of recommended policies for the Committee's consideration.

During the next phase of the process, Committee members decided that additional research and a more focused conversation were needed to fully investigate many of the proposed strategies that had been heard to date. Two small focus groups were organized; one to take a closer look at "supply" policies, and the other to look closely at "consumer protection" policies. The first group held a meeting with Dana Totman of Avesta Housing, Mike Hulsey of SPHA, and Richard Berman of Developers Collaborative, to discuss high-impact policies to entice developers to pursue more affordable housing projects in South Portland. The second group held a meeting with Chris Kessler of SP Tenants Assoc., Mike Duvernay of Southern Maine Landlords Assoc., Mike Hulsey, and Tiffanie Bentley, to discuss the most crucial issues affecting tenants, and policies that could mitigate some of the problems. They invited Wendy Paradis of Berstein Shur to discuss several policy proposals. Both focus groups reported back to the Committee with their consensus recommendations, but there remain a handful of policy proposals and concepts that will need further exploration and investigation in the months ahead.

### **Framing Affordability in the South Portland Housing Market**

Housing is generally considered to be "affordable" when its cost represents a share of household income in balance with other life necessities, such as food, clothing, transportation and medical care. For the purpose of this Committee's work, the following definition of affordable housing was used:

*"Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care." – U.S. Dept. of Housing & Urban Development*

According to U.S. Census estimates, the median household income in South Portland was \$53,633 as of 2014. Household income that is 81% to 150% of median is considered Moderate Income, whereas 51% to 80% of median is considered Low Income, and 50% or less is considered Very Low Income. In South Portland, 80% of median household income is \$42,906. At that income level, an affordable rent would be \$1,072 or less. As of 2014 there were an estimated total 10,975 households in South Portland with an average 2.27 persons per household. According to U.S. Census estimates, rental units make up 40.2% of all housing units in the City, and the median gross rent was \$1,019 as of 2014, which encompasses all

rental units, including 1-bedroom and units without utilities included. Data from the Maine State Housing Authority shows that the average 2-bedroom unit in the metro area of Portland/South Portland, with utilities included, was approximately \$1,238 per month as of 2014.

The data broadly suggests that households with income at approximately 75% of the median or less, and which are not receiving housing assistance, are those most cost burdened in the current rental market. In the City of South Portland there are approximately 4,000 households (36.5% of total) at or below 75% of median household income. Approximately one third of those households (1,350) are receiving some form of housing assistance through either subsidized units, rent vouchers, etc. The remaining 2,750 households do not receive any direct public assistance for housing. The American Community Survey estimates that approximately 1,631 renter households paid more than 35% of income for rent in 2014, which is a population representing nearly 15% of all households in South Portland.

We should acknowledge that these data are not exact, but have been derived using statistical methodology with a relatively small margin of error. Therefore, the data does represent an accurate estimate that should be used to inform the City Council’s and general public’s understanding of the issue of housing affordability and the approximate number of households in the City that are cost burdened by housing. Much of the data referenced above are presented in the tables and graphs that follow.

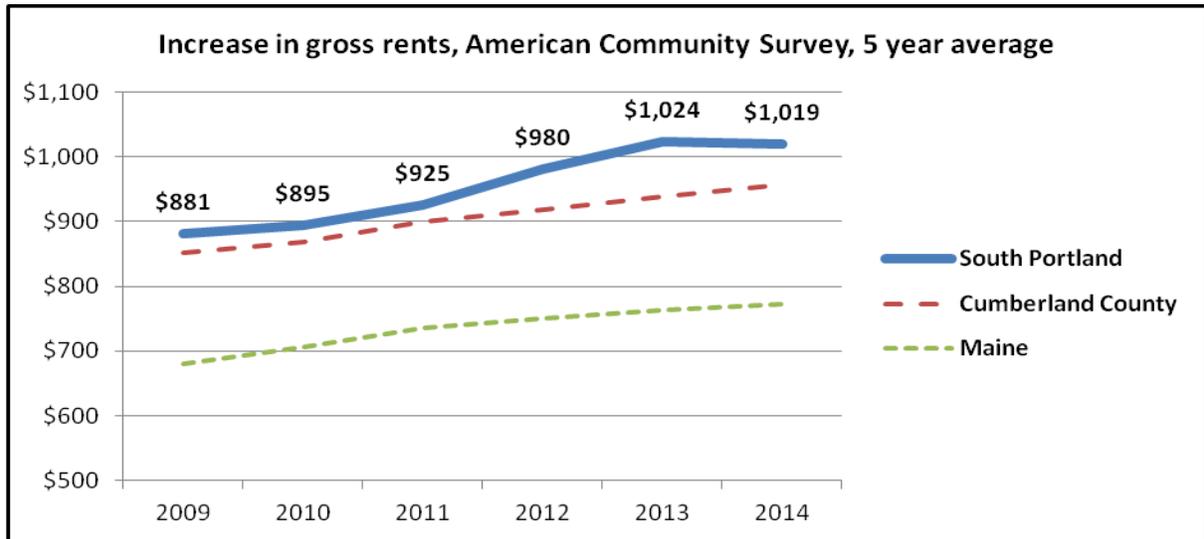
### Income and Housing Data

Household Income and the Rate of Poverty are issues closely related to housing affordability. The income distribution of South Portland households can be seen in the table below. Approximately 30% of those households earn less than \$35,000 per year (which is 65% of area median income).

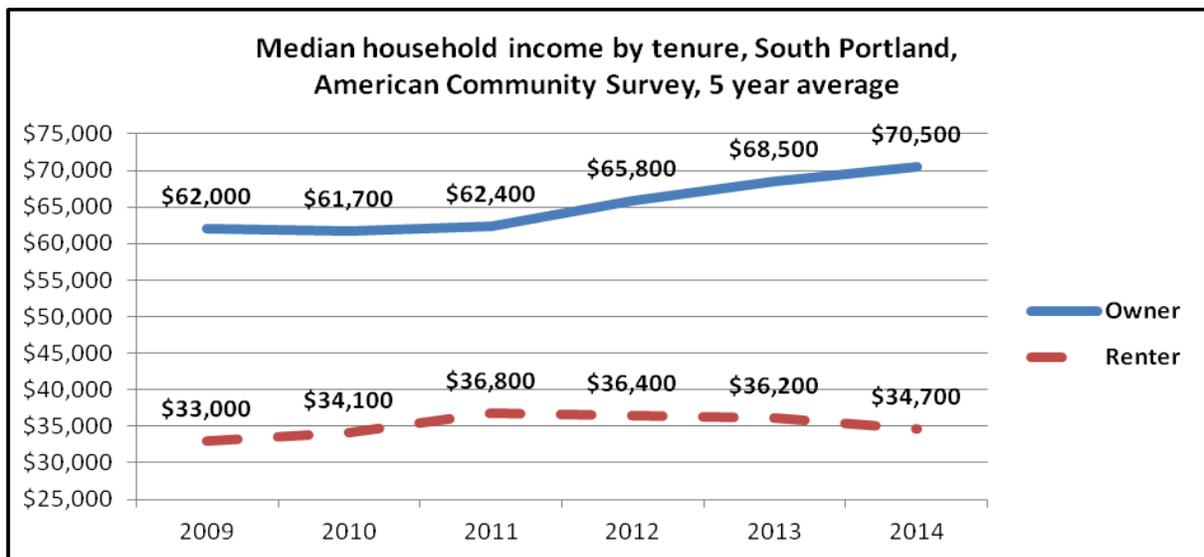
<b>INCOME AND BENEFITS – SOUTH PORTLAND, ME (IN 2014 INFLATION-ADJUSTED DOLLARS)</b>	<b>Households (Estimate)</b>	<b>% of Households</b>	<b>% of Median Income</b>
<b>Total households</b>	10,975	100.00%	(X)
<b>Less than \$10,000</b>	717	6.50%	0-19%
<b>\$10,000 to \$14,999</b>	472	4.30%	19-28%
<b>\$15,000 to \$24,999</b>	1,025	9.30%	28-47%
<b>\$25,000 to \$34,999</b>	1,140	10.40%	47-65%
<b>\$35,000 to \$49,999</b>	1,670	15.20%	65-93%
<b>\$50,000 to \$74,999</b>	2,298	20.90%	93-140%
<b>\$75,000 to \$99,999</b>	1,383	12.60%	140-186%
<b>\$100,000 to \$149,999</b>	1,450	13.20%	186-280%
<b>\$150,000 to \$199,999</b>	517	4.70%	280-373%
<b>\$200,000 or more</b>	303	2.80%	>373%
<b>Median household income (dollars)</b>	\$ 53,633	(X)	(X)
<b>Mean household income (dollars)</b>	\$ 70,514	(X)	(X)

Source: U.S. Census

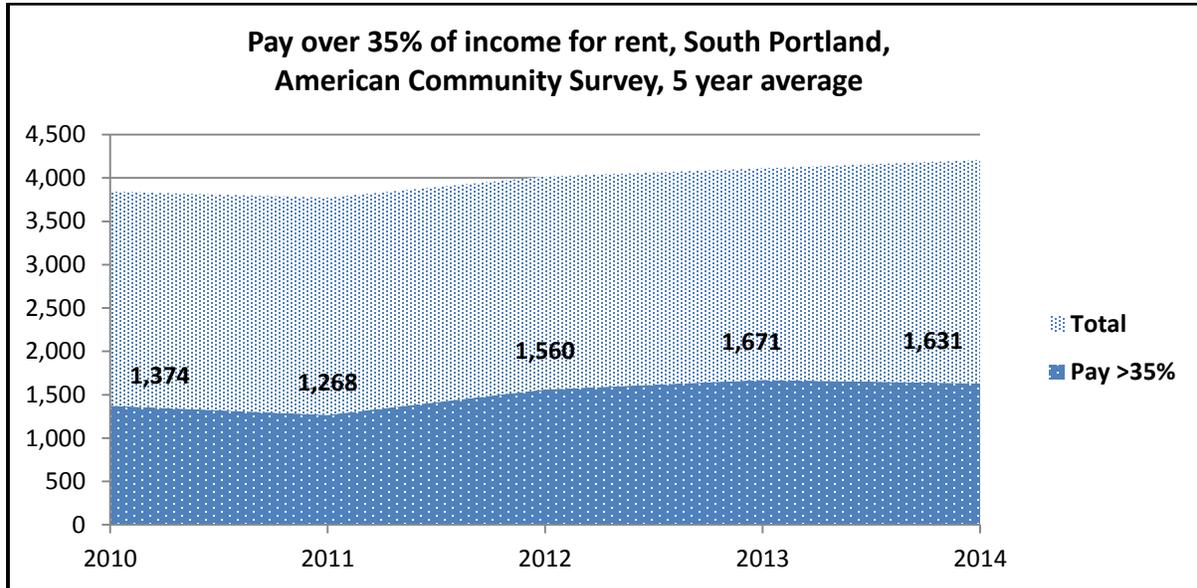
Rents in South Portland are rising faster than in the rest of Cumberland County or in the State of Maine as a whole. Gross rents have risen in South Portland by nearly 16% since the bottom of the recession in 2009. Note that data is not presented for 2015, but anecdotal information suggests that rent inflation has continued its trajectory during the past year.



The median value of homes rose at the same rate as rentals from 2009 to 2014 (+14%), and owners' incomes also rose in rough proportion (+12%). However, the income of renter households – many dependent upon lower paying jobs – has been flat, and has actually declined in the last three years. In 2014, the median income of renters was less than half the median income of homeowners.



Not surprisingly, the number and proportion of renters paying over a third of their income for rent has risen sharply in South Portland during the past several years. Between 2011 and 2014, an additional 336 households were paying more than 35% of their income for rent, which represents a 22% increase in that subgroup over only a three year period.



Low Income renter households are disproportionately cost-burdened by housing, whereas greater balance exists across the income distribution of owner households, with the largest segment of cost-burdened owners earning \$50-75K per year. Approximately 47.3% of renters are paying more than 30% of their income for housing, whereas 29.2% of homeowners are similarly cost-burdened.

MONTHLY HOUSING COSTS AS % OF HOUSEHOLD INCOME, PAST 12 MONTHS	Occupied housing units		Owner-occupied housing units		Renter-occupied housing units	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Less than \$20,000	14.4%	+/-2.6	5.9%	+/-2.0	27.3%	+/-5.3
Less than 20 percent	0.3%	+/-0.3	0.3%	+/-0.3	0.3%	+/-0.4
20 to 29 percent	2.6%	+/-1.3	0.5%	+/-0.4	5.7%	+/-3.1
<b>30 percent or more</b>	11.5%	+/-2.2	<b>5.1%</b>	+/-1.9	<b>21.3%</b>	+/-4.8
\$20,000 to \$34,999	14.8%	+/-2.4	11.1%	+/-2.2	20.4%	+/-4.7
Less than 20 percent	1.0%	+/-0.7	1.7%	+/-1.2	0.0%	+/-0.5
20 to 29 percent	2.9%	+/-0.9	2.7%	+/-1.0	3.0%	+/-1.7
<b>30 percent or more</b>	10.9%	+/-2.1	<b>6.7%</b>	+/-1.7	<b>17.3%</b>	+/-4.1
\$35,000 to \$49,999	15.1%	+/-2.3	14.2%	+/-2.4	16.5%	+/-4.1
Less than 20 percent	3.1%	+/-0.9	4.4%	+/-1.4	1.1%	+/-0.9
20 to 29 percent	5.6%	+/-1.7	3.4%	+/-1.2	9.0%	+/-3.6
<b>30 percent or more</b>	6.4%	+/-1.1	<b>6.4%</b>	+/-1.6	<b>6.5%</b>	+/-2.4

*Table continued from previous page...*

MONTHLY HOUSING COSTS AS % OF HOUSEHOLD INCOME, PAST 12 MONTHS	Occupied housing units		Owner-occupied housing units		Renter-occupied housing units	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
\$50,000 to \$74,999	20.8%	+/-2.7	22.2%	+/-3.0	18.6%	+/-4.4
Less than 20 percent	7.6%	+/-1.6	8.1%	+/-1.9	6.9%	+/-3.0
20 to 29 percent	6.6%	+/-1.7	4.8%	+/-1.6	9.4%	+/-3.3
<b>30 percent or more</b>	6.5%	+/-1.4	<b>9.4%</b>	+/-2.0	<b>2.2%</b>	+/-1.6
\$75,000 or more	33.3%	+/-2.7	46.2%	+/-3.4	13.7%	+/-3.8
Less than 20 percent	23.1%	+/-2.7	30.6%	+/-3.1	11.7%	+/-3.8
20 to 29 percent	9.2%	+/-1.8	14.0%	+/-3.0	2.0%	+/-1.1
<b>30 percent or more</b>	1.0%	+/-0.5	<b>1.6%</b>	+/-0.8	<b>0.0%</b>	+/-0.5
Zero or negative income	0.8%	+/-0.5	0.4%	+/-0.4	1.3%	+/-1.1
No cash rent	0.9%	+/-0.6	(X)	(X)	2.3%	+/-1.6

*Source: American Community Survey, 5 year average*

### Key Findings and Housing Goals

The Affordable Housing Committee has found that housing demand is currently outpacing supply, and this is leading to above average rent inflation and increasing home prices. This has had a ripple effect in the market which has disproportionately affected low-to-moderate income (LMI) households, especially within the renter population. South Portland is a single municipality in a much larger housing market area, and should work closely with partners in the region to develop regional housing policies and development goals. South Portland has a responsibility to promote smart and sustainable growth, identifying areas within the city best suited for new housing, and implementing affordable housing policies for the benefit of current and future residents, especially those most economically disadvantaged. Housing Affordability should be addressed by pursuing the following four goals:

Goal #1 – Stability in the Housing Market – South Portland should aspire to possess sufficient stock of quality rental and owner housing units that achieves price equilibrium in the housing market. There is currently a shortage of housing causing excessive price inflation. The City should set a goal of creating 200 new units of rental housing and 400 new units of owner housing by 2018.

Goal #2 – Housing Affordability – South Portland should support greater access to affordable housing options for all of its residents, especially those below the Median Household Income who may require some level of assistance. Housing affordability is a growing problem in South Portland, especially for lower income households. The City should support policies that lead to the creation of more multi-family housing units affordable to households earning below 120% of median household income, with priority to households earning below 75% of median income.

Goal #3 – Equitable Housing Regulation – South Portland should support a fair and equitable regulatory environment for housing that ensures the health, safety, and general welfare of tenants while minimizing the regulatory burden placed on property owners. The tightening housing market has resulted in rent inflation that is outpacing wage growth and reducing the affordability of housing, increasing the instances of renter dislocation, and making it difficult for people to find alternative housing, especially those with housing vouchers.

Goal #4 – Economic Wellbeing – South Portland should aspire to build a strong local economy, one in which household incomes are growing, the poverty rate is declining, and there is ample economic opportunity for all its residents. Although in recent years overall household incomes have increased, they have been essentially flat for the renter population, and the rate of poverty has been increasing.

**Moving the Dial on Affordable Housing**

There are fundamentally two variables at the heart of the housing affordability issue; household income and the cost of housing. Strategies for increasing the affordability of housing may include policies that seek to increase household income, stabilize or reduce the price of rent, or a combination of both. Increasing income is a complex and challenging strategy that relies on sustained economic development that leads to growth in personal income exceeding price inflation in the housing market. Although it is a strategy with significant merit and has been included as a key goal in this report, we should acknowledge it is a strategy to be pursued taking a long view, rather than expecting short-term results.

Stabilizing the price of rent may be more achievable in the near-to-mid-term, but there are many strategies to consider, each with varying costs and benefits. Generally, a housing market in balance will set price points at levels that maximize occupancy while allowing for a reasonable return to the landlord. Housing markets that are out-of-balance typically result in unaffordable rents (under-supplied) or high vacancy rates and decreased quality (over-supplied). In October 2015 the U.S. Department of Housing and Urban Development (HUD) completed a Comprehensive Housing Market Analysis for the Portland/South Portland Housing Market Area (HMA), which encompasses Cumberland, York, and Sagadahoc Counties. The study found that the current housing market is indeed under-supplied and contributing to above-average rent inflation. The study suggests that in order to achieve balance in the housing supply, which would positively affect housing prices,

**Estimated Demand for New Market-Rate Rental Housing in the Portland-South Portland HMA During the Forecast Period**

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
950 to 1,149	400	1,100 to 1,299	300	1,500 to 1,699	20
1,150 to 1,349	240	1,300 to 1,499	300	1,700 to 1,899	40
1,350 or more	160	1,500 to 1,699	200	1,900 to 2,099	80
		1,700 or more	200	2,100 or more	60
<b>Total</b>	<b>800</b>	<b>Total</b>	<b>1,000</b>	<b>Total</b>	<b>200</b>

*Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 450 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2015, to October 1, 2018.*

*Source: Estimates by analyst*

**Excerpt from Comprehensive Housing Market Analysis, U.S. HUD, 2015**

approximately 4,000 sales units and 2,000 rental units will need to be created by the end of 2018 throughout the region.

The City of South Portland, due to its central location in the regional economy, proximity to Portland, as well as its services and amenities, is undoubtedly experiencing a greater demand for rental housing than the more rural towns throughout the HMA. However, it is quite challenging to measure and anticipate what South Portland's share of new housing development should be in the years to come. As a baseline, the Committee is recommending a conservative goal of 400 sales units and 200 rental units by 2018, which represents 10% of total new units needed in the region, in recognition that South Portland possesses approximately 10% of the region's housing stock. In reality, due to changing demographics and growth patterns, it is likely that more rental housing will be needed in the urban areas, and a substantial share of the sales units should be condominium type housing to accommodate more density and growth in the commercial hubs and downtown areas of the City. Furthermore, this goal is limited to the next 24 months, and demand for housing post-2018 is likely to continue growing as Greater Portland becomes a larger share of the State Economy and people continue to migrate from rural to urban areas.

### **Final Recommendations**

This Committee is recommending a total of 26 actions and policies for consideration. However, there are 8 key recommendations the Committee believes would be most effective at improving the quantity, accessibility, and affordability of rental housing in the City of South Portland.

#### **1. Implement the housing-related recommendations in the South Portland Comprehensive Plan and related Neighborhood Master Plans**

The adopted Comprehensive Plan and Mill Creek Master Plan already provide many policies that, once implemented, would likely stimulate the creation of new housing. Those policies include:

- a. Amend parking standards to allow reduced parking by treating small apartments as fractional units for density purposes
- b. Expand the Transit TIF to increase investments in pedestrian facilities and infrastructure
- c. Eliminate density in multi-family neighborhoods\*, and
- d. Allow conversions of large single-family homes to multi-family in Residential G Zone\*

*\*Must be compatible with the neighborhood (i.e. site plan and design review)*

The City should also continue developing and implementing master plans for its neighborhoods, such as the West End Master Plan that is scheduled for 2016.

#### **2. Determine the feasibility of developing new multi-family housing adjacent to existing multi-family housing, either by contract zones or increasing the density of current zones (i.e. Brick Hill, Summit Terrace, Betsy Ross, etc.)**

There are several locations in the City where there is already a presence of multi-family housing, and some of those areas are adjacent to developable land, or land that could be redeveloped. The

Committee discussed where new multi-family housing would be most appropriate, and it seems these areas adjacent to existing housing would be suitable candidates, in addition to the neighborhood and commercial centers where more mixed use development would be appropriate. One example where this has already been done is the recent zoning amendment that allowed greater density in the G-3 Zone, which will result in the future development of 120 new units of market rate housing in the Brick Hill neighborhood.

**3. Commit the City to generating and supporting, in collaboration with developer partners, at least one LIHTC application per year**

Low income households are disproportionately affected by the lack of affordable housing. One of the most effective programs currently available is the Low Income Housing Tax Credit (LIHTC) Program administered by the Maine State Housing Authority. However, resources are scarce and the application process is very competitive. South Portland is a community with high need for affordable units, and therefore has the ability to score quite well in the application process. However, developers cannot often find a suitable piece of land, in the right location, at the right price, and with enough local support to maximize the points available. The City has the ability to play an active role, working with developers to generate projects and provide necessary support to ensure quality affordable housing is available to its low income residents.

**4. Explore the feasibility and practicality of an ordinance establishing a Registration Program for rental units, with fees used to fund Renter Programs, including an Inspection Program, and data collected to inform housing and land use policies**

The City should explore a registration requirement for Rental Housing Units, which in concept would support a safety and code compliance inspection program, provide the City a way to track a variety of rental housing data, and possibly provide other types of renter programs and support. The SPFD currently manages a Fire Code inspection program for certain rental housing, and one component of this proposal envisions an expansion or enhancement of that program.

**5. Amend zoning to allow attached and detached Accessory Dwelling Units (ADUs) within Residential and Multi-Family zones**

South Portland is a geographically small municipality that is substantially developed and lacking the land area to grow outwardly. Therefore, most future growth will likely occur in areas already developed through increased density and/or by changing how land is used. However, South Portland places incredible value on preserving its historic residential neighborhoods and limiting most future growth to targeted areas, which also limits opportunities for new housing development. One compromise strategy would be to modestly increase density in residential areas by liberalizing the policy on Accessory Dwelling Units. Allowing more ADUs would support two goals, increasing the supply of rental housing and providing homeowners a source of supplemental income to improve the affordability of homeownership.

**6. Amend zoning to allow increased density, or eliminate density, in neighborhood activity centers, commercial hubs, and downtown areas**

The City of South Portland has designated growth areas and articulated a vision for new development, including pedestrian oriented commercial centers with vibrant public areas, thriving commercial and retail spaces, and a blend of upper level housing and office space with varying sized units, from small studio and student housing to larger family units. The problem is that current zoning, including density and parking standards, oftentimes does not allow the type of development the City envisions and desires. Limits set on units per acre and parking spaces per unit often inhibit new development due to the cost of property acquisition and development, and expected return.

**7. Establish a Housing Trust Fund (HTF) to facilitate the creation of new affordable housing units in collaboration with housing developers, and identify key sources of revenue to capitalize the fund**

One of the most impactful strategies to create affordable housing for Low-to-Moderate-Income households is to provide financial assistance. Oftentimes, the initial costs of land acquisition, demolition, and site preparation at the best locations for new housing development are too prohibitive. Developers are constantly seeking prospective sites, but they are becoming scarcer in a hot real estate market. A City-operated Housing Trust Fund able to provide gap financing, through grants or low-interest loans, could catalyze projects that otherwise would never move forward.

**8. Work with Pine Tree Legal and Southern Maine Landlords Association to develop and disseminate educational material on Tenant and Landlord Rights and Responsibilities**

The Southern Maine Landlords Association has already begun developing an education campaign for renters and landlords. They are keen to partner with Pine Tree Legal and area municipalities to develop and disseminate educational materials so that both tenants and landlords know their rights and responsibilities. The City of South Portland should participate as a key partner.

In addition to the key recommendations listed above, there are 18 other recommendations listed in **Appendix A** of this Report. There were also two policy proposals reviewed by the Committee that are not being recommended due to concerns about their legality, feasibility, and whether they would improve or worsen housing affordability in the community. The Committee voted overwhelmingly not to recommend ordinances that would control the price of rent or extend the State-mandated notice required to increase rent or terminate a lease arrangement.

At the direction of the City Council, this Committee undertook an expedited process to develop policy recommendations that would most effectively improve the quantity, accessibility, and affordability of housing in the City. The Committee would like to thank all of the residents, agency representatives, and other partners who have assisted with this process. We look forward to working with the City Council to begin implementing any or all of the recommendations the Council wishes to act on.

## **Appendix A**

### **Complete List of Recommendations of the Committee**

**Goal #1 – Stability in the Housing Market** – South Portland should aspire to possess sufficient stock of quality rental and owner housing units that achieves price equilibrium in the housing market. There is currently a shortage of housing causing price inflation. The City should set a goal of creating 200 new units of rental housing and 400 new units of owner housing by 2018.

Strategies	Actions & Policies	Outputs/Measures
<p>1.1. Increase the supply of housing by promoting Smart Growth policies and a pattern of development in line with the City’s vision, including greater density in certain zones and along transit corridors</p>	<p>1.1.1. Implement housing-related recommendations in the Comprehensive Plan and Neighborhood Master Plans, including:</p> <ul style="list-style-type: none"> <li>a. Amend parking standards to allow reduced parking by treating small apartments as fractional units for density purposes</li> <li>b. Expand the Transit Oriented Development TIF District in order to increase funds available for transit equipment, infrastructure, and operating expenses</li> <li>c. In multifamily neighborhoods, allow lots to be utilized without density limits as long as the building occurs in a manner compatible with the neighborhood pattern of development (i.e. site plan and design review)</li> <li>d. Allow conversions of larger single-family homes to multi-family buildings in Residential G Zone with appropriate design standards and review</li> <li>e. Beginning with West End, complete master plans for designated neighborhood activity centers, commercial hubs, and downtown areas and implement key recommendations</li> </ul>	<p># of new rental units built</p> <p># of new owner units built</p> <p>Taxable value per acre</p> <p>Share of new housing units – rental vs. owner</p> <p>Volume of residential investment in older neighborhoods</p>

	1.1.2. Amend zoning to allow attached and detached Accessory Dwelling Units (ADUs) within residential and multi-family zones	
<b>Strategies</b>	<b>Actions &amp; Policies</b>	<b>Outputs/Measures</b>
<i>Continued from Previous Page</i>	1.1.3. Amend zoning to allow increased density or eliminate altogether in neighborhood activity centers, commercial hubs, and downtown areas	<i>Continued from Previous Page</i>
	1.1.4. Designate Transit Corridors and amend zoning to promote higher density, reduced or eliminated parking requirements, and pedestrian oriented design, along those transit corridors; implement Design Standards and Review Process for any development along Transit Corridors or within neighborhood centers	
	1.1.5. Determine feasibility of developing new multi-family housing adjacent to existing multi-family housing, via contract zone or increase density of current zone (i.e. Brick Hill, Summit Terrace, Betsy Ross, etc.)	
1.2. Increase the supply of housing by actively acquiring land and soliciting RFPs, or facilitating acquisition of land by developers, in	1.2.1. Establish a Project Development Fund to be used for land acquisitions, loans to developers, or other creative uses, that catalyze projects that otherwise would not occur, specifically mixed use developments in commercial centers	# of parcels developed # of new units built
		Taxable value per acre

targeted development areas	1.2.2. Inventory City-owned land and determine whether any lots are suitable for new housing development	
1.3. Discourage the elimination of housing	1.3.1. Create a Housing Replacement Policy that would assess a fee on projects that physically eliminate housing units without replacing them at the same or another location within the City	# and \$ of fees collected
<p><b>Goal #2 – Housing Affordability</b> – South Portland should support greater access to affordable housing options for all of its residents, especially those below the Median Household Income who may require some level of assistance. Housing affordability is a growing problem in South Portland, especially for lower income households. The City should support policies that lead to the creation of more multi-family housing units affordable to households earning below 120% of median household income, with priority to households earning below 75% of median income.</p>		
Strategies	Actions & Policies	Outputs/Measures
2.1. Elevate housing affordability to be a high priority of City government, and build the community support that will be required to properly address it	2.1.1. Commit the City to partnering with the South Portland Housing Authority to identify areas for new housing development and supporting those projects	# of projects City and SPHA have partnered, \$ of new investment, # of new units
	2.1.2. Establish a City policy on Affordable Housing Tax Increment Financing (AH-TIF) that empowers staff to negotiate incentives that maximize the number and affordability of new housing units created	

	2.1.3. Develop a Marketing Plan to advertise City housing policies and incentives to housing developers and Realtors	investment, # of new units
2.2. Increase availability and access to affordable housing for Moderate Income Households (81-120% AMI)	2.2.1. Amend zoning to create a density bonus that would allow additional residential units beyond current maximum density for new or existing housing, in certain zones, in exchange for keeping those units affordable for households at a certain % of Area Median Income (AMI) for the life of the building	# of projects utilizing density bonus mechanism, # of new units created
	2.2.2. Embrace redevelopment of City-owned buildings, schools, and other historic properties with affordable housing as a component of any re-use plan	# of City properties redeveloped, \$ of new investment, # of new units
	2.2.3. Explore creating a Neighborhood Land Trust that would partner with stakeholders to provide affordable owner housing to Moderate Income families	# of homes in Land Trust
<b>Strategies</b>	<b>Actions &amp; Policies</b>	<b>Outputs/Measures</b>
2.3. Create new affordable housing units for Low Income Households (51-80% AMI) by proactively supporting LIHTC Projects	2.3.1. Establish a Housing Trust Fund (HTF) to facilitate the creation of new affordable housing units in collaboration with housing developers, and identify key sources of revenue to capitalize the fund	# of housing units created with assistance of HTF
	2.3.2. Establish an Affordable Housing Policy that broadly articulates the types of support the City will provide to bolster LIHTC project	Value of financial and in-kind support for LIHTC projects from City

in partnership with South Portland Housing Authority and/or other developers	applications, including financial, public infrastructure and facilities, etc., and may include an expedited permitting review process	# of LIHTC projects and associated units built
	2.3.3. Commit the City to generating and supporting, in collaboration with developer partners, at least one LIHTC application per year	# of affordable units acquired and rehabilitated  # of City properties used for new housing
2.4. Increase availability and access to affordable housing for Very Low Income Households (<50% AMI) via Housing Voucher Programs	2.4.1. Support Federal and State policies and legislation that would increase the number of Housing Vouchers available to the South Portland Housing Authority	# of vouchers available to South Portland residents
	2.4.2. Support redevelopment plans and new zoning that would lead to the creation of new rental housing (both affordable and market rate) which would in turn provide more choice and availability to Voucher Program recipients	Share of available vouchers utilized
<b>Goal #3 – Equitable Housing Regulation</b> – South Portland should support a fair and equitable regulatory environment for housing that ensures the health, safety, and general welfare of tenants while minimizing the regulatory burden placed on property		

owners. The tightening housing market has resulted in rent inflation that is outpacing wage growth and reducing the affordability of housing, increasing the instances of renter dislocation, and making it difficult for people to find alternative housing, especially those with housing vouchers.

Strategies	Actions & Policies	Outputs/Measures
3.1. Increase overall awareness of both tenant and landlord rights and responsibilities	3.1.1. Work with Pine Tree Legal and Southern Maine Landlords Association to develop educational material on Tenant and Landlord Rights and Responsibilities	Educational material developed and distributed  Legal opinion on municipal authority to implement local regulations more restrictive than state law  Analysis of costs and benefits associated with the various policies proposed
3.2. Ensure that rental housing in South Portland is safe to occupy and buildings are up to code	3.2.1. Explore the feasibility and practicality of an ordinance establishing a Registration Program for rental units, with fees used to fund Renter Programs, including an Inspection Program, with data collected to inform housing and land use policies	
3.3. Consider local regulations that assist renters transition to new housing	3.3.1. Explore the legality and practicality of an ordinance that would prohibit landlords from discriminating based on a prospective tenant's source of income  3.3.2. Explore creating a voluntary program whereby landlords could adopt a model lease that includes extended notice periods in the event of a rent increase or tenant is required to vacate. In exchange, the participating landlords would have access to a City-managed dispute mediation mechanism as well as other possible incentives	

<p><b>Goal #4 – Economic Wellbeing</b> – South Portland should aspire to build a strong local economy, one in which household incomes are growing, the poverty rate is declining, and there is ample economic opportunity for all its residents. Although in recent years overall household incomes have increased, they have been essentially flat for the renter population, and the rate of poverty has been increasing.</p>		
Strategies	Actions & Policies	Outputs/Measures
<p>4.1. Promote Economic Growth, including Anti-Poverty Initiatives, Workforce Training, and Entrepreneurship</p>	<p>4.1.1. Implement the South Portland Economic Development Strategic Plan, which includes strategies for small business development and entrepreneurship, as well as workforce development</p>	<p>% of population below poverty level</p>
	<p>4.1.2. Embrace proposed new investment and business growth that will result in the creation of new jobs that pay a livable wage</p>	<p>Median Household Income</p>
	<p>4.1.3. Support and promote locally owned and operated businesses, and source products and services locally, whenever practical, to ensure that more money circulates in the local economy and supports jobs</p>	<p>Median Gross Rent as % of Median Income</p>