Minutes - DRAFT

Affordable Housing Committee Meeting

South Portland Planning & Development
496 Ocean Street
Tuesday, April 28, 2020

Attendees
Kara Auclair
Brent Wilson
Marie Pino
Mike Duvernay
Justin Barker, staff
Joshua Reny, staff
Sandy Warren, staff
Milan Nevajda, staff

Absent:
Mike Hulsey
Shahida Keen

1. Meeting was called to order at 5:00 pm

2. Motion to approve the meeting minutes from March 2, 2020 by B. Wilson, second by M. Pino. Vote (4-0, M. Hulsey, S. Keen absent)

3. Review development application for 51 Landry Circle (Landry Woods) -- J. Barker introduced the project. It is a 43-unit senior housing project located on the same property as Landry Village. All units are 1-bedroom, located in a single 3-story building where the current maintenance building is located. Questions included whether the units had kitchens, and what would the income limitations for the units. J. Barker noted that the application did not specify these details, and that they can vary depending on what they need to obtain tax credits, but would find out what could for the committee. M. Pino motioned to make a positive recommendation in support of the project, second by B. Wilson. Vote (4-0, M. Hulsey, S. Keen absent)

4. Review annual report -- K. Auclair walked through what had been updated since the last meeting. A final version would be circulated before the next meeting so a final vote could occur before sending to Council. J. Reny noted that this report could just be added as an informational item on a Council agenda, so no formal presentation would be necessary.

5. Policies discussion -- this discussion was postponed to the next meeting. There was discussion that this could be worked on by a subcommittee.

6. Assign tasks (if needed) -- No new tasks were assigned.

7. Roundtable

8. Motion to adjourn by B. Wilson, second by M. Pino. Meeting adjourned at 6:10 pm.

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SOUTH PORTLAND AFFORDABLE HOUSING ANNUAL REPORT

1. Introduction
   A. The South Portland Affordable Housing Committee reviews key issues affecting the quantity, accessibility, and affordability of housing in the City. The purpose of the committee is to craft thoughtful City-wide policy recommendations using the principles of smart growth that promote a balanced long-term supply of housing options affordable to each demographic, spanning all incomes and age groups. To that end the committee will submit an annual report establishing the community needs in regards to affordable housing, and accomplishments of the committee in the past year.
   B. The current report is being introduced in the Spring of 2020 due to logistics related to the timing of the committee receiving approval to operate as a Standing Committee as opposed to its past status as an Ad Hoc Committee. Subsequent releases of this report will be provided in January or February of each year.
   C. In its new orders, The Affordable Housing Committee has also become an advising body of a new Affordable Housing Trust Fund.

2. Definitions/ Acronyms
   A. SPHA. South Portland Housing Authority.
   B. SPHDC. South Portland Housing Development Corp., a non-profit affordable housing development corporation affiliated with the South Portland Housing Authority.
   C. Affordable Housing: Dwelling units for which the percentage of income a household is charged in rent and other housing expenses, or must pay in monthly mortgage payments (including insurance and taxes), does not exceed 30% of a household’s income. (HUD.gov, 2020)
   D. LIHTC. Low Income Housing Tax Credit.
   E. TIF: Tax Increment Financing.
   G. HUD: Housing and Urban Development
   H. CDBG: Community Development Block Grant
   I. QAP: Qualified Allocation Plan for Low Income Tax Credit Housing Program
   J. AHTF: Affordable Housing Trust Fund
   K. Smart Growth: Smart growth is an approach to development that encourages a mix of building types and uses, diverse housing and transportation options, development within existing neighborhoods, and community engagement (Smart Growth America, 2020).
   L. Housing Choice Voucher: The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. (HUD.gov, 2020)
   M. Payment Standard: The maximum subsidy a Public Housing Authority can pay on behalf of a family. Public Housing Authorities establish payment standards based on the HUD-established Fair Market Rents for the area. (HUD.gov, 2020)
3. Status of Current Subsidized Housing for South Portland and Greater Portland
   A. Total number of subsidized affordable units in South Portland: 346 Units
   B. Total number of subsidized affordable units in Westbrook: Approximately 500 Units
   C. Total number of subsidized affordable units in Portland: 1219 Units
   D. Total number of subsidized affordable units in Scarborough: 166 units
   E. Total number of applicants waiting for subsidized housing in South Portland: 495
   F. Total number of available Section 8 Housing Choice Vouchers provided by SPHA: 389
   G. Amount of HUD Housing Choice Voucher payment standard for the current year:

![Maine Housing Logo]

VOUCHER PAYMENT STANDARD SCHEDULE

EFFECTIVE
January 1, 2020

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Amounts Include the cost of utilities

4. Status of Affordable Housing Projects in Progress in South Portland
   A. Brief synopsis of the current "in progress" projects in South Portland.
      Information will include the total number of units to be added once the project is complete and the estimated completion date.

   - 611 Main Street: The South Portland Housing Development Corp. (SPHDC) is planning to break ground in 2020 on a project that will provide 42 units of affordable housing and a commercial
space on the former St. John’s Church Lot. The estimated completion for the project is Summer 2022.

-O’Neil Street: The project will provide 4 income-restricted units to households earning 60% or less of the area median income in this housing development mostly providing market rent multi-family and single family homes. This project is still in the City approval process.

-Sunset Ave: A joint venture between the SPHDC and Habitat for Humanity of Greater Portland will include eight single-family homes. Approved by the planning board, the homes will be income-restricted for households making 80% or less of the area median income, the target date for the homes to be completed and occupied is fall 2022. Habitat will try to build at least two homes a year.

-Westbrook St.: Avesta Housing is investing $28.5 million in two new housing projects, one a 64-unit building, which is set to get underway, and a second 52-unit building next door. The first apartments should be ready to move into by spring of 2021. The apartments will be a mix of studio, one-, two- and three-bedroom units and while most will be subsidized, 26 of the apartments will be market rate.

-Landry Village: SPHDC is proposing the development of a 43-unit apartment building for seniors age 55+ where an existing maintenance building is located on the property that currently contains Landry Village and Adam Court. The subdivision and site plan was submitted to the Planning Board in May of 2020. SPHA staff are working with the city on a 70% TIF District that would last for 30 years.

5. A brief synopsis of the most-recent MEREDA report vis-a-vis multi units in the Greater Portland area.

-The prices and demand for residential multi-unit (2-4 unit) apartments in the Greater Portland Area have flattened from 119 units sold in 2018 to 116 sold in 2019 (MEREDA Report, 2020)

-Portland area rents have generally flattened, and HUD “Fair Market Rents” came in lower as local agencies appealed (MEREDA, 2020)

-In 2019: Average (“Market”) Rents for mid-grade, heated units were (MEREDA, 2020):
  -Studio: $1000
  -1 Bd: $1200
  -2 Bd: $1450
  -3 Bd: $1600

6. Key Accomishments of South Portland Affordable Housing Committee

- Creation of Affordable Housing Trust Fund (AHTF): On July 2nd 2019, South Portland City Council adopted Sec. 12-241, establishing an Affordable Housing Trust Fund. Guidelines for use of the AHTF will be outlined in an Affordable Housing Trust Fund Operations Manual ("Manual") to be approved by City Council Order, as may be amended from time to time. No funds can be appropriated from the AHTF until the Manual has been approved by the City Council.

- Establishment of City policies regarding support for affordable housing: On July 2nd 2019, South Portland City Council affirmed its intent to identify and partner with a LIHTC
applicant each application cycle and outlined examples of support that may be provided to affordable housing projects.

7. Current Status of (AHTF): The fund has been established and the City currently has on hand a modest balance from its former housing revolving loan fund program. The priority in the coming years will be to grow the balance of the Housing Trust Fund so that more affordable housing projects can be supported. There is currently no dedicated funding source or annual appropriation to it.

8. Conclusion.

The AHC began the year as an ad-hoc committee originally established in 2016, and subsequently extended in 2017 and 2018. The Committee spent the first half of 2019 developing the Affordable Housing Trust Fund and the framework for a standing committee. This included regular review, discussion, and editing of the proposed ordinance language prior to City Council workshop and in response to City Council comments.

Following the establishment of a standing committee, the AHC took a break from meeting for the next four months. A break during the summer is fairly typical for a number of the City’s committees. The AHC reconvened in November and has begun looking into potential policy recommendations to bring to City Council for a future workshop. The Committee also worked to develop a template for the report on South Portland housing trends and projects that will be provided to City Council on an annual basis.

Other goals include continuing to educate the council and community on the need and benefits of affordable housing in the City.

The Affordable Housing Committee will continue to act as an advisory committee for the allocation of funds from the Affordable Housing Trust Fund, as well as research new potential sources of income for the fund. An operations manual for the trust fund will be created by the committee prior to 2021.

The Committee also plans to support the implementation of a city wide Needs Assessment in order to understand the current availability and provide a detailed description of the need for affordable housing in South Portland. This assessment could be used for future funding requests and provide context for policy implementation and community education.

Citations:
- https://www.hud.gov/program_offices/comm_planning/affordablehousing/
- https://smartgrowthamerica.org/