

## **Housing Committee Minutes of July 31, 2018 Meeting**

**NOTE: The Housing Committee meetings are now live-streamed, which can be viewed at this link: [http://townhallstreams.com/stream.php?location\\_id=42&id=16398](http://townhallstreams.com/stream.php?location_id=42&id=16398) These minutes provide a record of those in attendance, general discussions taking place, and motions made.**

A meeting of the Portland City Council's Housing Committee (HC) was held on Tuesday, July 31, 2018 at 5:30 P.M. in Room 209 at Portland's City Hall. Councilors present at the meeting included Committee members Councilor Pious Ali and Councilor Jill Duson, Chair of the Committee and Councilor Belinda Ray. City staff present included Mary Davis HCD Division Director, Victoria Volent Housing Programs Manager, Michael Russell Permitting & Inspections Department Director, Jon Rioux Inspections Director, and Anne Torregrossa, Associate Corporation Counsel.

### **Item 1: Review and accept Minutes of previous meetings held on June 27, 2018**

Motion by Councilor Ali to accept the minutes. Motion was seconded by Councilor Duson and the amended minutes unanimously approved 2-0.

### **Item 2: Presentation of Rental Housing Safety & Inspection Program – Implementation and Financial Report and Item 3: Presentation of Short Term Rental Registration Program – Implementation, Financial Report, and possible ordinance revisions**

Michael Russell introduced this item. The Housing Committee and Councilor Ray listen to the report, posed questions, and requested information. Councilor Duson asked that any policy changes be brought forward in September or October with the Housing Report.

Council Comments and Questions:

Councilor Ray: (1) with owner occupied buildings do other units in the building count under the cap? Staff replied no, that was not the original intent; Councilor Ray thinks that maybe they should. This should be clarified. (2) what are the nature of Short Term Rental violations? Staff noted it is the lack of registration. (3) does the City have the capacity needed to manage the Short Term Rental registration process? Staff noted the process is working well at this point. (4) can property managers with different landlords register their units in a manner that does not acknowledge they are operating more than five units? Staff indicated there is a difference between ownership and management and not sure if this is a problem. Councilor Duson asked staff to check their data to see if this is a problem. (5) Would like to explore the automatic registration process.

Councilor Ali: (1) inquired into the software used to track registrations. Staff responded that there are twenty-five various short term rental platforms. The company hired by the city (Host Compliance) tracks across all these platforms. (2) where are complaints directed? Staff assigns complaints to code enforcement officer.

Councilor Duson: (1) intrigued by the proposal from Permitting and Inspections regarding automatic renewals for short term rental registration. Would like to see further detail on both staff recommendations (automatic renewals, and allow tenants to register more than one bedroom as a short term rental). (2) please describe the monitoring services provided by Host Compliance. (3) please explain the citizen education portion of the program. Provide examples of what education documents are available for the public. (4) would like an update from the Fire Department regarding their inspection program. (5) please report on all expenditures (including salary and fees paid to Host Compliance). Would like to see an updated budget and registration report for next meeting.

Councilor Duson opened the meeting for public comment.

McKenzie Simpson (Portland property owner) – comments are interrupted by outbursts from a member of the public. Councilor Duson temporarily suspended the meeting. When the meeting was re-convened, Mr. Simpson indicated he would submit his comments in writing.

Karen Snyder (owner of long-term rental properties) - would like to see Portland amend their short term rental ordinance to align with those in larger cities such as New York, and London. Would like public access to view permits issued for short term rentals. Would like a change in the ordinance to limit the number of bedrooms offered as short term rentals to one bedroom.

Mary Casale (resident) - Would like public access to view permits issued for short term rentals. Would like a review regarding the proximity of short term rentals- should there be a minimum distance between buildings offering short term rental units? Would like a change in the ordinance to limit the number of bedrooms offered as short term rentals to one. Would like to see fee structure readdressed. Did not receive information regarding egress windows. Would like to see a check-off list of items inspectors will be reviewing prior to the actual review (hopes this would reduce re-inspections). How does the city track complaints? Can these complaints be tracked by citizens? What is the process regarding multiple complaints (is there a consequence of multiple complaints)? How does the Fire Department inspections factor into the information provided by Permitting and Inspections?

Kelly McDaniels (resident) - Absentee landlords of short term rentals are not properly managing the nuisance activity on their property. Are nuisance complaints track? Are there consequences for multiple complaints?

Wendy Harmon (apartment owner, also has STR) - Would like to see more details regarding the expenditures of the rental registration and STR programs. What percent are these expenditures viewed against the entire department? Does the safety inspection totals for FY 2018 include both long and short term rentals? Does the total number of Housing Safety inspections include those conducted by the Fire Department? How often are the short term rentals on Peaks Island inspected? What amount was contributed to the Housing Trust Fund? How much does it cost to run the program?

Brit Vitalius (Vitalius Real Estate Group) – Would like an audit conducted to ensure the rental registration program is being run as intended. Concerned that all size units fund Permitting and Inspections, but the department is only responsible for one and two-bedroom units. Concerned that low risk units are being inspected multiple times. Do the rental registration fees also cover general inspection costs? Concerned with the long response time, and difficulty trying to reach inspectors.

Mike Webster (resident) - would like an audit conducted. Why is the mayor increasing the fees?

Ken Thomas (Share Portland) - spent two years on this issue; major component that could have implemented is a STR liaison, go between the city, council, neighborhoods as opposed to making this an enforcement based program focused on compliance instead of cooperation; create a cooperative venture.

Seeing no further public comment, Councilor Duson closed the public comment session at 6:59. Councilor Duson requests Permitting and Inspection staff to respond to Council and Public questions and comments.

Councilor Duson asks Permitting and Inspections staff how the city is tracking compliance and complaints. Per Staff when a complaint is received, it is assigned to an inspector in the tracking system. Staff logs the complaint into the City's tracking system (energov) which triggers an inspection, and allows tracking by citizen on the self-service portal on city website. Councilor Duson is interested in knowing the process used to evaluate frequent complaints and standard operating procedures to resolve those complaints. Councilor Duson is interested in how the City might make a list of rentals and other data available and accessible to the public

**Item 4: Review, Discussion and possible Recommendation of Amendment to Ordinance 6-154 Allocation of Short Term Rentals.**

Councilor Duson introduced and explained that the proposed amendment to Section 6-154, Allocation of Short Term Rentals, is to clarify the renewal process of non-owner occupied mainland short-term rental units. Anne Torregrossa of Corporation Counsel reviewed the intent regarding the cap on non-owner occupied mainland short-term rental units, and explained how the lottery and waitlist are implemented.

Councilor Ray thinks automatic renewal is a good idea. Councilor Ray left the meeting at 7:30.

Councilor Duson opened the meeting to public comment.

Karen Snyder (resident) – has a question per the graph regarding the number of STR. Councilor Duson asked Ms. Snyder to forward her other question to staff in Permitting and Inspections for review and response.

George Harwood (local property owner) – would like to know how the City is verifying primary residence?  
Answer – notarized statement of primary residence required.

Ralph Baldwin (local property owner) - likes the proposed changes as it captures essence of original intent. He would like the proposed language at the end of 1<sup>st</sup> paragraph under 6-154 clarified. Would not like to see a public list of STR in Portland as it creates safety and security concerns if addresses are made available to the public.

Seeing no further public comment, Councilor Duson closed the public comment session at 7:42 pm

Motion by Councilor Ali to recommend the amendment of Ordinance 6-154, Allocation of Short Term Rentals to the City Council. Motion was seconded by Councilor Duson and the recommended amendment was unanimously approved 2-0.

**Item 5: Initial Discussion of Order 225-17/18 Referring an Increase in Short Term Rental Registration Fees**

Mayor Strimling was not in attendance to present his proposal to increase short-term rental registration fees. Councilor Duson did not take full action on this agenda item due to the Mayor's absence. Staff provided an overview of the item. This item has been recommended to appear again on the September 6 Housing Committee agenda. The Housing Committee will take public comment during the September 6 meeting.

**Item 6: HOME reconsideration and Item 7: Review and Recommendation to the City Council – Housing Trust Fund Allocation**

Councilor Duson allowed agenda Item 6 and item 7 to be taken together.

Staff provided an overview and recap of prior action from last month. The packet of material includes material from June; staff's recommendation; and the Housing Committee's recommendation. A first reading has occurred. Staff explained that since the last meeting the Housing Trust funding application was issued. Three applications were received. Staff is offering a recommendation to move all three projects forward.

Councilor Duson indicates that she intends to offer at the August 13 City Council meeting an amendment to the Housing Committee recommendation. Based on clarifications extracted after the June 27 Housing Committee meeting, Councilor Duson does not see a rationale for the original recommendation and intends to ask full Council to reconsider the Housing Committee's decision.

Councilor Ali clarified through staff that this will not negatively impact the projects competing for State funding.

Councilor Duson clarified with staff the timing of additional funds into the Housing Trust Fund; timing of action on funding from the Housing Trust fund; and timing of pending action on the HOME application.

Per staff, the Brighton Avenue project is better suited for Housing Trust funding. This also contributed to how staff scored the projects.

Staff suggested moving forward with Councilor Duson's possible amendment to the HOME funding recommendations; postpone action on HOME funding recommendations from the City Council August 13 meeting to the September 5 meeting; and vote this evening to recommend fully funding the 37 Front Street, 178 Kennebec Street, and 977 Brighton Avenue projects with a combination of HOME and Housing Trust funds.

Councilor Duson made the following motion to consider: If the 0 Thames Street (aka WEX) funds are available at the September 5 meeting of the City Council then the allocation of the WEX funds from the Housing Trust fund be as follows: \$925,000 to 37 Front Street; \$0 to 178 Kennebec Street; and \$300,000 to 977 Brighton Avenue; HOME funds \$510,174 to 37 Front Street, \$370,000 to Kennebec Street and \$0 to 977 Brighton Avenue. If the WEX funds are not available at the September 5 meeting of the City Council then the allocation of HOME funds be as follows: \$510,174 to 37 Front Street; \$370,000 to 178

Kennebec Street; and \$0 to 977 Brighton Avenue, and allocation of Housing Trust fund be as follows: \$723,320 to 37 Front Street, \$0 to 178 Kennebec Street, and \$0 to 977 Brighton Avenue.

Motion by Councilor Duson second by Councilor Ali.

Councilor Duson opened the meeting to public comment

Nathan Szanton of The Szanton Company representing 178 Kennebec Street thanked the Committee for listening to concerns that the WEX money may not be available in time for their application to MSHA; and for the motion on the table as it works for their project.

Greg Payne of Avesta representing 977 Brighton Avenue. Acknowledged that from the beginning of this process they liked funding for 977 Brighton Avenue coming from the Housing Trust fund, but if a minimum balance of \$500,000 is maintained in the Housing Trust fund and the project was not funded, then that would be a frustrating result. He thanked the Committee for trying to make all the projects work.

Jay Waterman of Portland Housing Authority representing 37 Front Street. Thanked the Committee for working through this process to ensure funding for each project. He hopes “box 4” will be the outcome, otherwise “box 2” results in two underfunded projects. 37 Front Street is flexible with how they are funded, but a gap of \$201,680 as noted in “box 2” is troubling.

Seeing no further comment, Councilor Duson closed public comment at 8:41. Staff did note that the funding recommendations (boxes 1 – 4) do maintain a \$500,000 minimum balance in the Housing Trust fund.

Councilor Duson and Councilor Ali vote 2-0 in favor of the motion. Councilor Duson did not move forward with a request for reconsideration.

#### **Item 8: Public Comment**

Councilor Duson acknowledged the public comments included in the evening’s packet of material.

#### **Item 9: Communication Item: Accessory Dwelling Units**

Councilor Duson did not take action on this item as a member of the Housing Committee was absent. This item has been recommended to appear on the September 6 Housing Committee agenda. Councilor Duson requested this communication item also appear in the Housing Report.

**Item 10: Communication Item site walk 622 Auburn Street**

Staff presented an overview of the site walk conducted at 622 Auburn Street. Councilor Duson would like a follow-up to the city-wide review of this and neighboring parcels for potential housing consideration.

**Item 11: Communication Item Map of City Owned Property**

Staff presented an update on the map of city-owned property. Councilor Duson asked if the final map would be available for the September 26 meeting. Staff indicated they anticipate it will be available for that meeting.

**Item 12: Committee Discussion re: 2018 Work Plan**

Councilor Duson confirmed she would like to hold a meeting in November. Staff will make adjustments to the Work Plan based on action taken at this evening's meeting.

Councilor Duson opened the meeting to comments on any items not appearing on the agenda. Seeing no comments, the comment period was closed at 8:59.

On a motion made by Councilor Ali and seconded by Councilor Duson (approved 2-0) the meeting was adjourned at 8:59 pm.

Respectfully submitted,

Victoria Volent and Mary Davis