



7-31-18

Re: Housing Safety Department and Budget

To the Portland Housing Committee:

In the wake of the Noyes Street fire, Portland landlords stepped up and supported, with little or no objection, the new \$35/unit registration because it was expressly and solely for fire safety inspections. The SMLA had several members on the Fire Safety Task Force and all supported the new fee because of the concern with fire safety.

For the first year or so, the program ran well and the communication between the Housing Safety Department and local landlords was excellent. During this period, all feedback from landlords to me as a representative of the SMLA was positive. The communication from the department about the code guidelines were clear, all inspectors were responsive, and follow up with timely. In addition, the department head attended nearly all SMLA meetings on his own time to ensure that he was "around" for questions, concerns, and feedback.

Today, nearly the opposite is true on all accounts. Here are a couple of the chronic issues:

- 1) Follow up communication is almost non-existent. The following is what I've heard at least 10 times in the last month: an inspection happens and one or more violations is noted. The landlord makes an effort to follow up with a question about the remedy and cannot get a response from the inspector. Multiple calls and emails go unreturned. So the landlord is stuck with violations but no clear way to fix them. It's the worst situation for a landlord be in.
- 2) The standards seem to evolve monthly with no notice to the landlord community.
 - a. Window size started being checked in the last year but had NEVER been checked previously. No notice was given of the change or the new standards.
 - b. GA inspections now go well beyond the rented GA unit but include the whole building. We don't know when this started but it is discouraging landlords from accepting GA tenants.
 - c. Unit counts are suddenly being checked such that "non-conforming" units are being discovered and shut down on a near daily basis now. There seems to be no plan in place for how to deal with them, despite my warning to the City Manager's office and the inspections department for years that this would start to happen. The result is both fewer units in the city and larger, 'Noyes Street' style units of 4 or 5 bedrooms. The city should have a better plan.
 - d. Decks seem to be the new target. Multiple landlords have been asked recently for engineer certification of a deck's safety. No rational engineer will give such a blessing to an existing deck so this sets up a no-win situation. This is just the latest example of the fact that the inspection department has moved from being predictable, accessible, and clear, to erratic, unreachable, and confusing.

Questions and Points on the Budget

- 1) Unit registration fees are collected from nearly 18,000 units but the inspection department is only inspects 1, 2, and some 3 unit buildings.

Portland Rental Inventory - Multis & Mixed-Use

Units	Buildings	%	Units	%
21+	90	2%	5,553	31%
11-20	95	3%	1,330	7%
5-10	467	12%	3,072	17%
4	288	8%	1,152	6%
3	921	25%	2,763	16%
2	1,775	47%	3,550	20%
Mixed-Use	118	3%	317	2%
Total	3,754		17,737	

This is a chart that I created based on the City's Assessor data and was used by the Fire Safety Task in 2015 to help determine the fee structure of \$35/unit. It shows that only 36% of all residential rental units in Portland are in 2 and 3 unit properties. Yet the proceeds from ALL units now go to the general inspection department. The fire department is responsible for all the other units.

- 2) The unit registration was put in place for fire safety, but the housing safety department has been merged into the general inspection department. There is no reason to think it is just funding fire safety.
- 3) Why is the inspection department now doing GA inspections, which is certainly outside the intention of the Housing Safety Department?
- 4) Is the new software/technology only for the Housing Safety Office?
- 5) There was supposed to be an education piece of the housing safety. Is that happening?
- 6) There was supposed to be a stake holders group formed to provide feedback on the Housing Safety Office and ensure it was run as intended by the Task Force. This has never happened.

It appears that the housing registration fee, which was intended only for multi-family fire safety is being used as a general fund for all inspections, not only housing safety. \$522,484 of income exceeds the \$393,003 of expenses. The additional technology line item is certainly not helping inspector's communication or reducing duplicative inspections of very safe, owner occupied 2 units. Whatever its purpose, it is beyond the scope of the original budget.

Summary and Recommendations

Ultimately, landlords feel a major violation of trust from the City. We volunteered and accepted the fees in the unit registration fees in the name of fire safety. We want our properties and our tenants to be safe and we support the City's fire inspection as a legitimate function. The fees have clearly morphed



into general budget needs while the service from the inspection department has deteriorated. As Councilors, we implore you to exercise your authority to bring this well intended effort of fire safety back in line.

Option 1 - Apply unit registration fees only to units inspected by the Housing Safety Department. That was the original intention of the Fire Safety Task Force.

Option 2 – Divide the fees between the Housing Safety Department and the Fire Department inspections in accordance with each department’s responsibility for fire safety.

Respectfully,

A handwritten signature in black ink, appearing to read 'Brit Vitalius', written in a cursive style.

Brit Vitalius
President, Southern Maine Landlord Association



Victoria Volent <vvolent@portlandmaine.gov>

Island Short Term Rental Concerns

1 message

Wed, Sep 5, 2018 at 2:19 AM

Jill Duson <jduson@portlandmaine.gov>

To: Kim Maclsaac <thegooseleroy@gmail.com>

Cc: Mary Davis <mpd@portlandmaine.gov>, Victoria Volent <vvolent@portlandmaine.gov>

Hi Kim

Thank you for spending time with me this morning.

I very much appreciated the one on one discussion of short term rentals and other island concerns.

As we noted, the proposed fees changes will likely be acted on by the Housing Committee this Thursday.

The Mayor will present his proposed changes, the Committee will take additional public comment, and work to develop a recommendation to the full council on the proposal to collapse the two tier fee structure to one and double the registration fees.

I am by copy of this communication including our exchange in the committee record on this issue.

On Tue, Sep 4, 2018, 10:45 PM Kim Maclsaac <thegooseleroy@gmail.com> wrote:

Dear Jill,

Thank you for coming over to Peaks this morning. I enjoyed chatting with you about the short term rental issue as it applies to island summer cottages as well as other concerns islanders have. I feel confident that you understand that .term Airbnb rentals are quite different from weekly or more summer cottage vacation rentals. I hope we will some clarification of what constitutes short term rentals on the islands. Our situation is quite different from short term rentals on the mainland.

Keep up the good work!

Kim Maclsaac

On Tue, Sep 4, 2018 at 3:29 PM, Matt Power <power.matt@yahoo.com> wrote:

Barbara, could you please add my comment below for the Thursday Housing Committee Meeting? Thanks
Matt Power
207-619-2713

Good Afternoon,
I am writing to offer comment on The Order Referring a Proposal to Increase Short Term Rental Registration Fees, proposed by Mayor Strimling.

While I believe the Mayor's intentions to be toward the greater good, I must side with the Staff recommendation that this proposal not go forward in its current form.

Having lived in Portland as both a tenant and a Landlord, I can give you a specific example of how short-term rentals have actually become a line of last defense in keeping rentals affordable. It's important to make clear the division between owner occupied units and non-owner-occupied units.

I own just one 3-unit building, and live in one unit that I rent out on AirBnb occasionally. The other two are long-term rentals at well below market rent. When I rent my apartment out on AirBnb, the city does not "lose" a long term rental. What happens is that I take the hit, and find temporary accommodations elsewhere, in order to raise money to cover shortfalls in maintaining my building.

Raising my registration fees 500% annually has no sound economic rationale. I assume these proposed high rates are partially intended as a deterrent, to discourage landlords from converting long-term rentals to short-term rentals. This may make sense, if the unit is **not** owner-occupied. But that's a separate issue.

This year, I am putting in a new heating system for my building that costs nearly \$12,000. My rents are several hundred dollars below market rate, and I pay utilities and heat. To keep my building in the black, I typically pay, on top of the two rents, several hundred dollars a month out of pocket. Without the addition of AirBnb earnings, I would either have to borrow more money or increase rents, or both.

Salaries are flat. Everything from the property taxes to stormwater fees to parking passes to utilities are on the rise. AirBnb, as it applies to owner-occupied units is not a golden goose. It's a necessary evil to compensate for spiraling costs and fees. No one I know likes scrubbing toilets for strangers. We're not renting out our homes and apartments to get rich. We're doing it to stay out of additional debt.

Let's leave short term rentals alone, and perhaps look at relaxing zoning restrictions and making Portland more friendly to alternative types of homes--as a better way to increase the affordable housing stock.

Matt Power, West End, Portland

On Wed, Sep 5, 2018, 8:12 AM Janine Blatt <neenb16@gmail.com> wrote:

My name is Janine Blatt. I live at 122 central avenue, peaks Island. I've lived on peaks since 1982 and was fortunate to purchase my home in 1991. As a single parent back then, I wasn't sure that home ownership would ever be a reality! I purchased the two family home with my sister and brother-in-law.

Fast forward to the present. Our children are grown. I am retired, on a limited income, and they are close to it. Our property taxes have practically doubled. From Memorial Day to Labor Day my "life" is packed away. I move into my niece's old bedroom next door, sometimes my daughter's extra bedroom in south portland. All so we can rent my half in order to pay our property taxes and be able to remain in the home we worked hard to buy and maintain.

Years ago we simply would have used the bulletin board "downfront" to advertise. We've kept up with the times and so now use air bob, following all rules and regulations.
(Please don't raise our fee to \$500)

Summer rentals have been part of peaks Island for decades, going back to times of steamships from Boston and three ferry landings!

As you discuss the issue of short term rentals in Portland, please keep in mind the unique history and situation of peaks Island short term rentals!! I also believe that these island rentals perhaps help bolster Portland's growing popularity and economic development as a destination city.

I'd be happy to discuss this more with any of you. There's certainly more to my story!

Thank you for taking the time to serve our city!

Janine Blatt
207-665-2615
Sent from my iPhone

PS. Labor Day is past and I am thrilled to be back sleeping in my own bed! Also happy to have the rental income to help pay our tax bill that just came!