

# A Livable City

Portland embraces growth that supports strong neighborhoods, a vibrant economy, and a diverse and equitable housing stock for its citizenry.

**WHILE PORTLAND HAS WELCOMED** much needed new housing construction in recent years, both the lack of sufficient housing supply and the affordability of that housing for a healthy socio-economic cross-section of the population remain critical challenges. This phenomenon is not unique to Portland - cities across the nation have recently experienced renewed investment and shifting demographics as the preference for living in close proximity to urban centers, transportation hubs, and walkable neighborhoods continues to grow. Increasingly, stories of displacement and household instability have become more common as residents struggle to find decent, safe, and affordable housing.

The City of Portland is actively engaged in efforts to encourage housing preservation and creation for all income levels and household sizes, both through policy initiatives and through public/non-profit partnerships with agencies such as Portland Housing Authority, Community Housing of Maine, Avesta Housing, Preble Street, Shalom House, and the Maine Affordable Housing Coalition.

The city has a suite of existing tools and policies that remain important in supporting a more

equitable and diverse housing supply. To supplement ongoing efforts in this area, the City Council has established a Housing Committee to recommend new housing policies, promote balanced development, and make recommendations regarding available development tools, such as tax increment finance zones, the Affordable Housing Revolving Loan Fund, Community Development Block Grants, HOME Program, and zoning and policy changes. The committee engaged in a robust public process throughout the spring and summer of 2016 to not only identify housing issues, but develop creative solutions. The Committee identified two main, interrelated themes: 1) housing insecurity; and 2) lack of sufficient and suitable housing supply.

Today, Portland's population is far below its mid-20th century peak, but after decades of decline in the second half of the 20th century, Portland is growing. The city will continue to examine and approve substantive policy changes to accommodate those seeking the benefits of city life, and recognize that the city's vitality rests on the availability of diverse, secure housing options for existing residents, new arrivals, and all stages of life.



**SNAPSHOT:  
HOUSING**

**STATE GOAL**

To encourage and promote affordable decent, housing opportunities for all Maine citizens

**LOCAL GOALS**

**WE WILL:**

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Increase, preserve, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland households.

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Encourage additional contextually-appropriate housing density in and proximate to neighborhood centers, concentrations of services, and transit nodes and corridors as a means of supporting complete neighborhoods.

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Pursue policies to enable people who work in Portland to have the option to live in Portland.

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Collaborate with surrounding communities on regional housing solutions.

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Encourage quality, sustainable design in new housing development.

# FUTURE STRATEGIES

## 1. BUILD ON EXISTING PROGRAMS

- Reinforce existing housing tools, policies, and programs while continuing to explore emerging best practices.

## 2. ADOPT MEASURABLE OBJECTIVES

- Track performance on key housing objectives.
- Generate reports to keep staff and city leadership apprised of performance.
- Consider national best practices in developing metrics.

## 3. REMOVE BARRIERS

- Evaluate whether current zoning allows for new development consistent with historic patterns of form and use.
- Assess the impact of current parking requirements on housing development.
- Emphasize areas determined to be suitable for future growth, consistent with recommendations of the future land use plan.
- Coordinate linkages between accessible transportation and housing affordability.

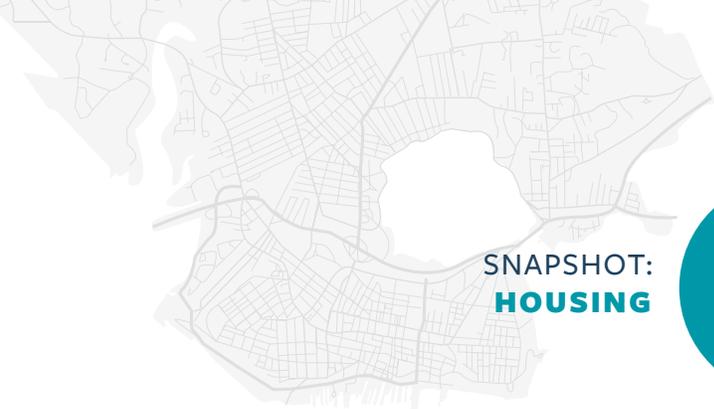
## 4. PROMOTE SUSTAINABILITY

- Encourage energy efficiency in new construction and rehabilitation of our housing stock.



## WHAT IS INCLUSIONARY ZONING?

Inclusionary Zoning (IZ) requires that residential development projects of a certain size provide a portion of their units as affordable to income qualified households. Portland's IZ ordinance requires that all new projects of ten or more units reserve 10% of the units as "workforce" housing for households earning at or below 100% -120% of the Area Median Income (AMI). Developers are given the flexibility to provide units on-site, in another building nearby, or pay a substantial fee in lieu of each required unit. Any funds received through the fee in lieu option are deposited in the City's Housing Trust Fund to be used to maintain or create additional affordable units throughout the city.



## SNAPSHOT: HOUSING

### 5. LEVERAGE UNDERUSED PROPERTIES

- Consider the sale of city-owned land that may be appropriate for housing development.
- Consider incentivizing affordability restrictions as part of property transactions, as well as the potential to return improved properties to the city's tax rolls.

### 6. EXPLORE TRANSFER OF DEVELOPMENT RIGHTS

- Explore a Transfer of Development Rights (TDR) program.
- Consider using a TDR program to encourage preservation of highly valued open spaces, natural resources, or historic resources while allowing development potential to be transferred to areas considered appropriate for more intensive growth.

### 7. PLAN FOR SHELTERS

- Ensure that the land use code aligns with City Council policy direction on shelter placement and facility requirements.

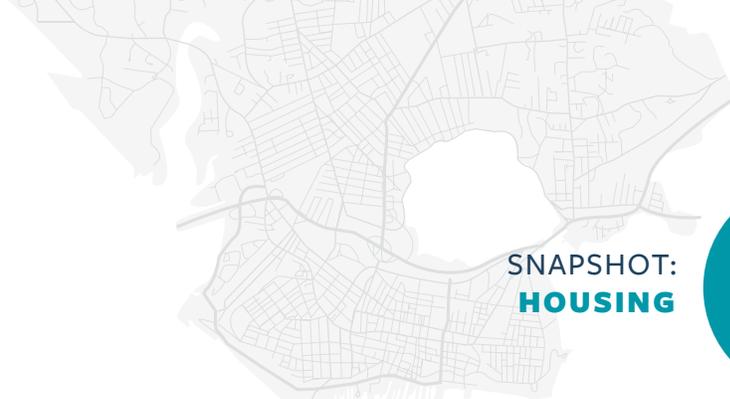
### 8. SUPPORT AGING IN PLACE

- Support programs and tools that facilitate aging safely in place and the development of new senior housing options.



## POPULATION GOALS IN CONTEXT

Portland's population hit a high of 77,634 in the mid-20th century, significantly more than its current total of 66,681 (US Census Resident Population Estimate for 2015). This plan supports the principle that all who work in Portland should have the option of living in Portland. The next decade can accommodate a sustainable growth target of 75% of the current workforce. With a total daytime population of approximately 96,000, this plan sets a 10 year population goal of 75% of this total, or approximately 72,000 people by 2017. The number of new households this implies could vary, but based on a current household size of 2.08, this would result in a total of 2,557 new housing units in the next 10 years. This growth will not occur at a constant annual rate. More growth may occur in some years and less growth other years, based on factors such as the economy, the housing market, and interest rates.



## SNAPSHOT: HOUSING

### 9. ADAPT AFFORDABLE HOUSING

- Assess the capacity of existing affordable housing developments, many of which were built over four decades ago, to adapt to current best practices.
- Pursue new opportunities for increased energy efficiency, increased densities, mixed incomes, and greater connectivity to surrounding neighborhoods.

### 10. SUPPORT ISLAND COMMUNITIES

- Support land use tools that encourage year-round residences in existing and new housing on Portland's islands, while maintaining their unique character and environment.

## RECENT & ONGOING INITIATIVES

In 2002, Portland adopted *Housing: Sustaining Portland's Future*, which established policy goals to ensure an adequate supply of housing to meet the needs, preferences, and financial capabilities of all Portland households. It remains a valuable policy document, but since its adoption Portland has actively undertaken additional initiatives to address the city's changing housing needs, including the 2015 Portland 2030 Workforce Housing Demand study, the Encourage and Ensure housing policy package passed in 2015, and the current policy deliberations of the Council's Housing Committee. Though responding to housing needs is a continual process, the city has a suite of current policies and tools focused on housing affordability, as well as policies broadly intended to increase overall supply and diversity of the housing stock.

### IMPLEMENTATION TOOLS

**Inclusionary Zoning** In October 2015, the City Council approved amendments to the city's zoning ordinance, as part of the Encourage and Ensure package, to mandate inclusionary zoning within all residential development projects of ten or more units. Qualifying projects are required to make a minimum of 10% of their units available as Workforce Housing to eligible households. Developers

also have the option of building the units off site within the same census block or paying a fee in lieu towards the city's Housing Trust Fund.

### Amendments to Zoning for Greater Density

Since 2014, Portland has made revisions to its zoning ordinance to allow for greater residential densities in numerous zones. The city recently amended the B1, B2, B6 and R6 zones, expanded the applicability of an existing 25% density bonus, and increased allowable heights in some sections of downtown.

### Accessory Dwelling Unit Amendments

The city recently approved code amendments to allow for the construction of new accessory dwelling units on nonconforming lots within the R5, IR1, and IR2 zones as long as they are rented as affordable to eligible households earning up to 80% and 100% AMI. This was an expansion of existing policies allowing accessory dwelling units.

### Downtown Height Overlay District

**Amendments** The city recently adopted map amendments in portions of the Downtown Height Overlay District that expanded the maximum allowable height from 45' to 65' for residential



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development.

### **Reduced Parking Requirements & Fee In**

**Lieu Option** The cost of providing parking in new residential development projects can often be substantial and encourage inefficient land use patterns. The city has reduced some parking requirements to help decrease parking-related costs and incentivize residential development. Developers in some zones also have the option of paying a fee in-lieu to meet their project's parking requirements. Fee-in-lieu payments go to a Sustainable Transportation Fund.

**Housing Replacement Ordinance Amendments** The city's zoning ordinance contains a housing replacement requirement intended to limit the loss of housing stock and, in cases where housing is lost, promote and facilitate the development of new housing supply. The ordinance requires the payment of a fee per unit for any net loss of housing as a result of demolition of an existing residential property or conversion of residential space to another use. The fees received by the city are contributed to a Housing Trust Fund.

### **Reduced Fees for Developing Affordable Housing**

The city recently adopted amendments to the land use code to reduce fees associated with the development of eligible affordable residential real estate projects by 5-25%.

**India Street Form Based Code** The rezoning of India Street to a form-based code is intended to regulate development by emphasizing the relationship between

buildings, streets, open space, walkability, and urban uses. With this approach, the city hopes to create a more predictable development environment for the private sector and the public alike. Though still early in its implementation, it is anticipated that this change will incentivize much needed housing projects while also easing community concerns related to height and massing.

**Priority Review** To the extent possible, the Planning Division offers expedited reviews for projects including low income or workforce housing units. The Planning Board makes its best effort to hear, review, conditionally approve or deny within one workshop and one public hearing any proposed plans or applications for eligible housing projects containing some low income or workforce units.

### **Transportation Improvements to Allow for**

**Greater Density** The Planning and Urban Development Department, in cooperation with the Department of Public Works, has been working on improvements to the city's transportation infrastructure both on and off peninsula in part to better accommodate greater housing density. Examples include the work to redesign Franklin Street and the Forest Avenue corridor to allow for additional development and multi modal transportation.

**Housing First Model** The Housing First model is part of a national trend to confront homelessness, based on the on the concept that homeless individuals or households first need housing as part of their stabilization process. There are two buildings within Portland



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- Logan Place and Florence House - which meet the goals of the Housing First Model, and a third Housing First development off-peninsula on Bishop Street under construction. In 2014, Portland released an RFP to help incentivize the development of three additional supportive housing development projects in the city.

### FINANCIAL RESOURCES

**HOME Funds for Housing Development** The city receives an annual allocation of funds from the federal HOME program to, in part, help support the development and preservation of affordable housing in Portland. Since 2000, HOME has been the largest funding source for the city helping to develop approximately 813 units of housing through the allocation of approximately \$7.1 million in funds.

**Community Development Block Grant Funds** The Community Development Block Grant (CDBG) program works to ensure affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. Since 2000, CDBG funding has helped fund development of approximately 103 units of housing.

**Housing Development Funds** Since 2000, the city has utilized approximately \$1.4 million in HDF resources to help subsidize the creation of approximately 224 housing units.

**Housing Trust Fund** The Housing Trust Fund (HTF) has historically been funded by fees triggered by the city's Housing Replacement Ordinance, which requires

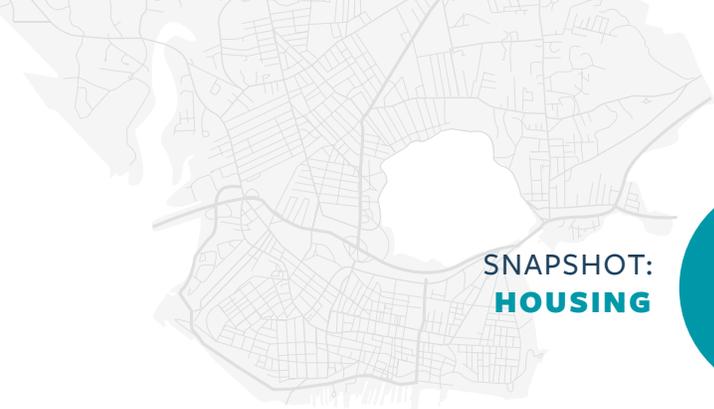


## DENSITY BY DESIGN

Density is a numerical measure of the number of people or buildings per acre of land. Because it is so often used to illustrate levels of crowding, density has often acquired a negative connotation. However, this connotation fails to take into account the positive contribution that well-designed, dense developments can make to quality of life. Density can provide numerous advantages over the alternative - it can be more environmentally friendly, it can promote transit use, and it can benefit the health of a community by providing customers for local businesses and opportunities for social interaction.

Portland has a number of neighborhoods that offer density - Munjoy Hill, the West End, Parkside, Deering Center - and, in general, these neighborhoods are largely successful. Residents can access stores, schools, dining, and entertainment within walking distance of their homes. By foot or bike, they can easily reach transit, trails, and recreational opportunities. These characteristics, which make these neighborhoods attractive, are largely possible because of their density.

The way a development is designed can have a great impact on how it is perceived by its neighbors. For example, two buildings of similar densities might be approached in completely different ways. In one, density is concentrated in a large building, leaving open space around the edges. In another, density is dispersed in lower buildings, closer to the street. Each design has some advantages; however, the experience a pedestrian would have on a nearby street is almost certainly better under the latter design. It is not always just how dense a development is, but how it is designed to respect and fit in with the surrounding neighborhood that really counts.



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developers to pay a fee for any housing unit that is removed from the city's housing stock. An example of a recent use of the fund is the allocation of \$175,000 towards the development of eight workforce home-ownership units at 65 Munjoy Street. The recent approval of Portland's Inclusionary Zoning Ordinance has opened another potential revenue stream for the HTF, as the fee-in-lieu of \$100,000 per unit is directed into the HTF to help further support housing development in Portland.

### **Affordable Housing Tax Increment Financing**

Affordable Housing Tax Increment Finance (AHTIF) is a tool used by municipalities in Maine to assist in the development of affordable housing projects and support related infrastructure and facilities. Community benefits include avoiding decreases in state revenue sharing and increases in county taxes that might occur as a result of increased property values.

**Affordable Housing Revolving Loan Fund** The city recently established an Affordable Housing Revolving Loan Fund which works in conjunction with AHTIF projects to capture a portion of the increased property values to be used in support of affordable housing goals. The first project to use this new funding mechanism was the 409 Cumberland project. By the end of 2016, it is estimated that this fund will contain approximately \$60,000. The AHTIF lasts for 22 years and by its completion is anticipated to generate approximately \$800,000 in revenue for the fund.

**Selling City-Owned Land Below Market Value** The city may make available city-owned land for housing development and may offer the land below market prices to encourage housing development or support greater affordability. Selling city-owned land provides the city with unique control over the timing, location, and affordability of housing development in Portland. It also has the added benefit of turning land with no tax liability into an income generating property for the city's tax rolls.

**Tenant Based Rental Assistance Vouchers** Portland has chosen to implement its TBRA voucher program at a lower AMI than HUD requires to pay for security deposits and short term rental assistance for individuals and families residing in homeless shelters. The program is operated by the city's Social Services Division. The program is designed to be part of a rapid rehousing strategy targeting chronic homelessness with a particular focus on reducing recidivism. Since 2013, approximately 300 households have been assisted using the TBRA voucher program.

**Residential Rehab Program** The Residential Rehab Program helps homeowners, owner occupied landlords, and private landlords who rent to income eligible households access funding to make major repairs to their buildings to keep them decent, safe, and livable.

**Lead Safe Program** The Lead Safe Program is funded through both HOME and CDBG resources and is designed to raise awareness about lead poisoning and

to help fund the renovation of lead safe housing in Portland. Since 1998, the program has helped to fund over 430 renovations protecting local citizens and their children from the hazards associated with prolonged exposure to lead in their homes.

**Neighborhood Stabilization Program** The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment in response to the most recent housing recession through the Housing and Economic Recovery Act (HERA) of 2008. Portland utilized approximately \$1.7 million in NSP funds to help redevelop the Adams School site on Munjoy Hill into 16 moderate income homeownership units.