

HOUSING COMMITTEE

DATE: April 25, 2018 (Wednesday)

TIME: 5:30 pm – 8:00 pm

LOCATION: City Council Chambers

1. Agenda - Housing Committee - April 25, 2018

Documents:

[00 AGENDA HC MEETING 04.25.18.PDF](#)

2. Review And Accept Minutes Of Previous Meeting Held On March 28, 2018

Documents:

[01 DRAFT - MINUTES HOUSING COMMITTEE 3-28-18.PDF](#)

[01.1 ADDITIONAL PUBLIC COMMENT.PDF](#)

3. Rental Market Survey

Documents:

[02 RENTAL HOUSING SURVEY COVER MEMO 04.20.2018.PDF](#)

4. Review And Vote To Recommend To The City Council Amendments To Chapter 6 Re: Disorderly House Ordinance

Documents:

[03 MEMO RE DISORDERLY HOUSE ORDINANCE AMENDMENT - 4-6-18.PDF](#)

5. Housing Trust Fund Annual Plan

Documents:

[04 HTF ANNUAL PLAN MEMO 04.20.2018.PDF](#)

6. Tax Acquired And City-Owned Property Analysis

Documents:

[05 TAX ACQUIRED AND CITY-OWNED PROPERTY ANALYSIS.PDF](#)

6.I. Additional Information - Re: Historic Preservation Considerations 0 Westbrook Street

Documents:

[05.1 TAX ACQUIRED AND CITY-OWNED PROPERTY 0 WESTBROOK ST., HISTORIC PRESERVATION CONSIDERATIONS.PDF](#)

7. 2018 Committee Work Plan And Amended Meeting Schedule

Documents:

8. Communication Items

Communication Items:

Portland Water District Water Efficiency and Repair Services Program.  
Inclusionary Zoning Workflow Update.

Documents:

COMMUNICATION PWD PROGRAM MEMO 04.17.2018.PDF  
COMMUNICATIONS INCLUSIONARY ZONING WORKFLOW UPDATE.PDF

**Councilor Jill Duson, Chair**

Next Meeting Date: May 23, 2018



Planning &amp; Urban Development Department

**HOUSING COMMITTEE**

**DATE:** Wednesday April 25, 2018  
**TIME:** 5:30 p.m. – 8:00 p.m.  
**LOCATION:** City Hall, COUNCIL CHAMBERS

**A G E N D A**

1. Review and accept Minutes of previous meeting held on March 28, 2018
  - a. Public Comment on items from previous meeting agenda
2. Rental Market Survey – Presentation by 45 North Research
3. Review and Vote to Recommend to the City Council Amendments to Chapter 6 re: Disorderly House Ordinance. See attached memo from Richard Bianculli, Jr., Esq., Neighborhood Prosecutor. *This is an actionable item and public comment may be taken.*
4. Housing Trust Fund Annual Plan. See attached memo from Mary Davis, Housing and Community Development Division Director. *This is an actionable item and public comment may be taken.*
5. Tax Acquired and City-Owned Property Analysis. See attached memo from Victoria Volent, Housing Program Manager.
6. Committee Discussion re: 2018 Work Plan
  - a. Amended 2018 Housing Committee Schedule

## Communication Items:

Portland Water District Water Efficiency and Repair Services Program. See attached memo from Mary Davis, Housing and Community Development Division Director.

Inclusionary Zoning Workflow Update. See attached memo from Victoria Volent, Housing Program Manager.

**Next Meeting Date: May 23, 2018****Councilor Jill C. Duson, Chair**

## **Housing Committee Minutes of March 28, 2018 Meeting**

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, March 28, 2018 at 5:30 P.M. in Room 209 of Portland's City Hall. Councilors present at the meeting included Committee members Councilor Kimberly Cook, Councilor Pious Ali, Councilor Jill Duson, Chair of the Committee and Councilor Belinda Ray. City staff present included Jeff Levine, Planning and Urban Development Department Director, Mary Davis, Housing and Community Development Division Director, Victoria Volent, Housing Program Manager, Anne Torregrossa, Associate Corporation Counsel, Chris Branch, Public Works Director, and Keith Gautreau, Assistant Fire Chief.

### **Item 1: Review and accept Minutes of previous meetings held on February 28, 2018**

Councilor Ali motioned and Councilor Cook seconded to accept the minutes from the February 28, 2018 Housing Committee meeting. Minutes were unanimously approved 3-0.

### **Item 2: Briefing on Proposed Text Amendments to Section 14-403**

Anne Torregrossa introduced the item. The Planning Board (PB) held a workshop last week; a public hearing with the Planning Board will be scheduled in the near future. The PB will make recommendations to the full city council. Councilor Duson explains that this is an opportunity for the committee to receive an update but the committee will not be taking a position on this item. Councilor Duson asks committee members if they have questions. Councilor Cook thinks it is important for the PB and City Council to see a map of streets that exist "in the real world" that are unaccepted and have homes on them and the city provides trash or plowing and to understand the extent to which there are public utilities; should provide method or path forward for street can become an accepted street; trying to find a way forward to unlock parcels for development; want to understand how many streets or parcels are impacted. Councilor Cook asked staff to clarify whether the streets list on page 4 in the backup (memo from Barhydt to Dundon d. March 9) were paper streets or an extension of an existing street. Councilor Ray indicated that she was pleased to see this moving forward but wonders if there are other minimum standards that could be used instead of minimum paved width (perhaps reduced to 22 or 25 feet). Councilor Ali asks if costs of developing streets can also be provided.

### **Item 3: Briefing from HomeStart on Proposed Text Amendments to Facilitate the Development of Year-Round Affordable Housing on Peaks Island**

Jeff Levine introduces the item. Betsy Remage-Healy, President of HomeStart briefs the committee; She describes Peaks Island as a combination of summer residents in modest cottages and mostly working class year-round residents; over the last 20 years market forces are squeezing year-round residents, housing

is becoming unaffordable. In 2004 HomeStart was formed as 501(c)(3); in 2011 the group created a few new affordable housing rental units; the board is now looking for lower impact ways to offer support for affordable housing; zoning was identified as a possible way to influence affordable housing development; there are pieces of the zoning ordinance that could be tweaked to provide affordable housing. HomeStart is bringing four proposals forward; the group has worked to get community input and they are looking at ways to make better use of resources already available. Bill Hall, another HomeStart member, stated that efforts made so far haven't yielded any additional units, so the group looked at what other opportunities might arise with tweaks to zoning, such as small lots that might be buildable with small tweaks to zoning; also looked at changes to parking requirements.

Jeff Levine explains the work plan for the recode effort; in the first phase ADU's will be looked at and hopefully a proposal would be brought to the City Council in 2018. Councilor Duson requested that staff provide updates to the HomeStart group regarding work on the recode and the text amendments proposal the group brought forward.

#### **Item 4: Review and Approval of the 2018 Affordable Housing Development HOME Fund**

##### **Application**

Mary Davis introduces the item. Councilor Cook asked about the additional revenue. Ms. Davis explained that it was from previously budgeted allocations that were not committed to activities and unanticipated program income. These funds do not need to be committed this year. Councilor Duson was happy to see that the application encouraged Housing First projects. Councilor Ali asked how the community is notified of the availability of these funds. Ms. Davis explained that the office maintains a list of developers and other interested parties that are notified directly. The office also works with the City's Communication Director to issue a press release and other social media notices. Committee votes 3-0 to endorse the application.

#### **Item 5: Review of Franklin Reserve Massing Study including an Overview of the GPCOG**

##### **Brownfields Area-Wide Plan for the East Bayside Neighborhood**

Jeff Levine introduces Christina Egan Executive Director of GPCOG who explains the brownfields area-wide planning process. Councilor Ali thanks GPCOG for including the work of the students in the final report. Councilor Ray indicated it was important to note that upper part of the Franklin Reserve is designated as a park and would be an obstacle in moving forward. Councilor Cook indicates that if the city does decide to move forward with housing on this site, she would like to see it as mixed-income housing; she questions if the city could consider a RFP and have developers do some of the additional study work for us. Councilor Ali wants to make sure the community has an opportunity for further contribution in the process.

Ellen Bailey – EBNO President said the EBNO Board is still processing the final report; she indicated

that she was disappointed that the planning process did not have this level of conversation regarding the Franklin Reserve and thinks there needs to be more robust conversation regarding this site. She urged the city to let neighborhood residents into the conversation, need to hear from more people. She urged the city to be careful not to touch the community gardens.

Craig Lapine, Cultivating Community Executive Director - Strongly endorsed the recommendation of a permanent pathway for a more stable future for the urban farm; he indicated that the city has invested very little in the urban farm space and there has been a lot of community labor and effort in creating and maintaining the space.

Cynthia Cochran – Indicates that there needs to be much more discussion by the EBNO board; some she expressed surprise that the recommendation for this site was included in the final grant report and is concerned that this is being rushed forward.

Committee would like to see additional analysis to figure out more about this parcel, including which part of parcel is designated as a park, possibility of a mid-block crosswalk, possibility of in-fill housing and whether it would have significant impact on other current and possible uses of the site. Councilor Ray also expressed an interest that the additional analysis would include further shadow analysis.

**Item 6: Committee Discussion re: 2018 Work Plan**

Councilor Duson asked staff to poll the committee members regarding a possible second meeting in June and July. Discussion on the Council goal setting workshop will occur during the April meeting.

On a motion made and seconded (approved 3-0) the meeting was adjourned at 8:10 pm. Motioned approved 3-0.

Respectfully submitted, Mary Davis

From: Cochran, Cynthia <ccochran@eastbayside.org>

Date: Wed, Mar 28, 2018 at 10:15 PM

Subject: My Comments re Franklin Reserve

To: Jill Duson <jduson@portlandmaine.gov>, Kimberly Cook <kcook@portlandmaine.gov>, Pious Ali <pali@portlandmaine.gov>, Belinda Ray <bsr@portlandmaine.gov>

Cc: Kristina Egan <kegan@gpcog.org>, Jeff Levine <JLEVINE@portlandmaine.gov>, Craig Lapine <craig@cultivatingcommunity.org>

Good evening all.

I have attached the comments I prepared prior to this evening's Housing Committee meeting. I request that they be entered into the public record for this Committee.

After this evening's meeting, I would like to make one addition to these comments. Therefore, I request that this email message also be included in the Housing Committee's public record.

I think it is important for Housing Committee members to know that the selection of the Franklin Reserve as the "Catalyst Site" for GPCOG's East Bayside Brownfields Area-Wide Planning grant was made by the GPCOG staff member who authored the grant application. I assume this parcel was selected after consultation with Jeff Levine. There was certainly no attempt to consult with East Bayside neighborhood residents, local businesses, or commercial or residential property owners. However, as I mention in my attached comments, a poll was taken of the advisory committee members on June 30, 2016, to, supposedly, make site selections. The advisory committee members did not choose this site. Please see the attached poll.

In fact, the selection of this parcel as the "Catalyst Site" for this planning grant contributed to a great deal of confusion and difficulty during the grant process, due to the fact that it is a park. Later, the advisory committee members were told that this selection could not be changed, due to "EPA guidelines."

Anyone interested in reviewing the full GPCOG East Bayside Brownfields Planning grant report, can access it here.

Thank you,

- Cindy

Cynthia Cochran  
Vice-President/Treasurer  
East Bayside Neighborhood Organization  
Web Site: <http://eastbayside.org/>

<https://mail.google.com/mail/u/0/?ui=2&ik=8987aa99e8&jsver=Z-grDj2gpow.en.&view=pt&search=inbox&th=16271c6f0d501a90&siml=16271c6f0d501a90>

To: Housing Committee Members: Councilors Jill Duson, Kim Cook, and Pious Ali  
From: Cynthia Cochran, East Bayside, Portland, ME  
Date: March 28, 2018  
Subject: Comments for today's Housing Committee Meeting

I have written these comments today, in case public comment is allowed regarding Housing Committee Meeting agenda item #5 – Review of the Franklin Reserve Massing Study including an Overview of the GPCOG Brownfields Area-Wide Plan for the East Bayside Neighborhood.

Two meetings ago, at the Feb 12, 2018 meeting, committee members requested a listing of City-owned properties. Committee members wished to consider possibilities of making one, or more, available, perhaps at discounted prices, for housing development. This information might also be useful in connection to another of the committee's priority policy proposals (i.e. to create a Portland Community Land Trust (CLT)). This listing was not provided at the next committee meeting on Feb 28<sup>th</sup>. Instead, a staff report, supposedly about City-owned properties, placed significant focus on one City-owned parcel, the Franklin Reserve. Committee members raised a number of questions about that, and a full listing of City-owned properties was again requested. This twice-requested list still has not been included in the documents provided for today's meeting. Just one, City-owned property is on today's meeting agenda for discussion, as item #5 – Review of the Franklin Reserve Massing Study and an Overview of the GPCOG Brownfields Area-Wide Plan for East Bayside Neighborhood.

I do not understand the reasons for this rapid narrowing of focus for discussion.

This answer might be stated: "Because the Franklin Reserve land parcel was identified in the Implementation Section (Section 4.3) of GPCOG's EB Area-Wide Brownfields Planning grant report, along with the following comment: 'Providing affordable housing on this site is a community-held priority, as well as preserving some open space, adding community space and helping to ensure that Cultivating Community remains in East Bayside.'" However, as a member of the grant advisory committee, I question the veracity of the first eleven (underlined) words of that statement. It is true that affordable housing is a community-held priority for East Bayside stakeholders, as is, affordable entrepreneurial space. However, no specific location for these land uses was determined through the public engagement processes undertaken by GPCOG. In fact, there are many, in East Bayside who specifically do not support housing development on this land parcel.

Does this mean that Franklin Reserve should not be considered for housing development? Not necessarily. What it means, is that, due to many circumstances, some unforeseen, GPCOG's EB brownfields planning grant process was flawed. Therefore, some of these grant report narratives, and "conclusions" remain subject to much disagreement. Please look at the Catalyst Site poll in Appendix A of GPCOG's grant report. It shows that, out of 12 potential brownfields sites, selected by the grant team for possible examination under this grant, the Franklin Reserve parcel was ranked 7<sup>th</sup>. It was ranked 7<sup>th</sup>, out of 12, by advisory committee members, who had been instructed to pick 6 sites, out of the 12 offered. The Franklin Reserve parcel wasn't selected as even one of their six choices, by 60% of advisory committee members.

I believe it would be a grave mistake for Housing Committee members to take any action to recommend development, of any kind, on the Franklin Reserve parcel, at this time. I believe that this sort of action could undermine future possibilities for the City's longer-term planning objectives in East Bayside.

I also believe, it is long past time for a comprehensive, coherent, and integrated neighborhood-wide planning process for East Bayside. A number of planning studies have occurred that include portions of East Bayside, but no overall coordination, or coherent visioning has been facilitated by any of these processes. For example, to me, it seems misleading and disingenuous to display renderings of possible uses of the Franklin Reserve parcel without seeing them in the context of plans for Franklin Street, or Portland Housing Authority's "Strategic Vision Plan."

Much recent planning that has, or will, impact East Bayside, has been conducted in a "piecemeal" manner:

- Portland Housing Authority's "Strategic Vision Plan" in 2015, deals strictly with their properties in East Bayside. PHA's visioning, to date, did not include any community involvement.
- Planning for Washington Avenue, has, and continues to occur, with little, to no public involvement, or even any knowledge, until recently. Its focus is isolated.
- Last year's Division 30 text amendments to incentivize affordable housing development, impacted many areas of East Bayside, due to the zones selected by City staff for this incentive. The process did not consider the policy's impact on the East Bayside neighborhood, as a whole.
- Today, the Housing Committee has been presented with massing studies for the Franklin Reserve parcel, for consideration of housing development on this parcel.

I anticipate a next step, in this piecemeal approach to East Bayside planning, will be to propose more comprehensive changes to zoning in the neighborhood. Once again, there will be a reference made to GPCOG's EB Area-Wide Brownfields grant report. In section 3.5 - Possible Future Land Use Scenarios, there are four possible scenarios provided for the II-b and B5 zones, in East Bayside. Please note, however, that none of these zoning scenarios was discussed with members of the grant advisory committee during the grant process. No public engagement process occurred about these zoning change proposals. This is quite unlike a typical EPA brownfields planning grant, where zoning is often a large part of public discussion and engagement. Needless to say, when this omission became clear, almost all of the business members of the advisory committee stopped attending meetings. Most were not seen again after the third meeting on Sept 22, 2016.

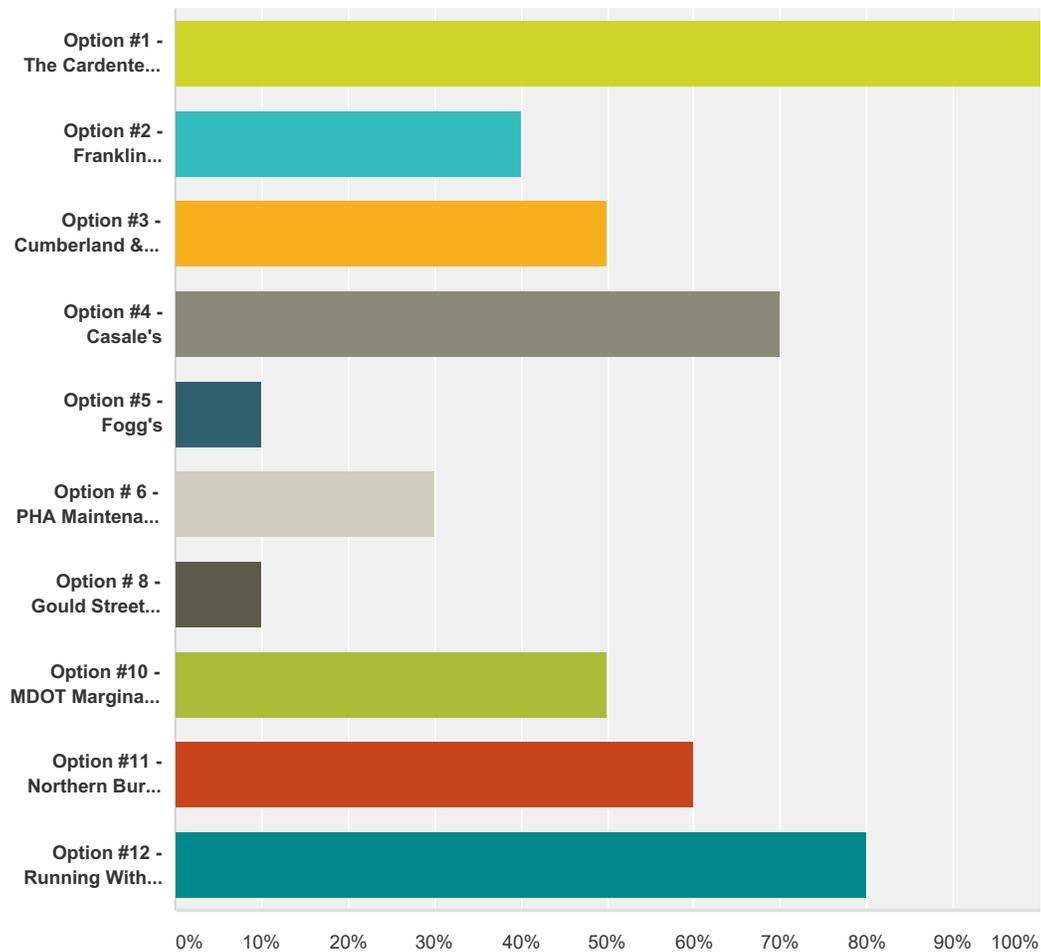
In contrast to these piecemeal approaches to planning for East Bayside, I commend the public outreach and engagement, and the comprehensive, integrated planning, undertaken by City staff, and the technical, and communications consultants involved in the Bayside Transportation Master Plan.

In conclusion, I'd like to point out this response to the GPCOG grant team question "what ideas do you have that were not presented" (in reference to land uses on Franklin Reserve): "[A] monument to people who lost their home to eminent domain." Please see page 3-13 of the GPCOG grant report.

So much work has already been done. Could we please undertake a public planning process that treats the East Bayside area of Portland as a whole neighborhood community? A process that encourages and fosters integration, rather than fractionalization of the many diverse demographics in the neighborhood? An approach that nurtures relationships that could lead to better outcomes and a safer, more resilient neighborhood? I believe that all East Bayside stakeholders would appreciate this effort.

**Q1 Please select your top 6 brownfield sites by checking the box for each one of your six choices! (Please select ONLY 6 sites - thank you!) Your top choices are an important part of the decision-making process. The selection of sites to study under the Area-Wide Planning Grant will be determined by evaluating several factors including: your votes; which sites will most benefit from use of these specific funds; and the potential of sites to meet important City and regional goals. Sites that score well in this voting will also get preference for access to other brownfields funding administered by the City or GPCOG.**

Answered: 10 Skipped: 0



Answer Choices	Responses
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Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Division Director  
Housing and Community Development Division

**DATE:** April 20, 2018

**SUBJECT:** Rental Housing Survey

As a follow-up to the 2017 Housing Report, the Housing and Community Development (HCD) Division contracted with a consultant, 45 North Research, to conduct a comprehensive survey of rental property owners in the city. The purpose of the survey was to gather a more accurate estimate of rent levels across the city.

Victoria Volent of the HCD Division oversaw this effort. In January, the consultant sent out a survey to all property owners of residential rental units registered with the city as of December 18<sup>th</sup>, 2017. The results of the survey are reported in the attached Rental Market Survey.

Michael LeVert of Stepwise Data Research, formerly of 45 North Research will present the Rental Market Survey Report to the Housing Committee.

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# RENTAL MARKET SURVEY

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**Portland, Maine 2018**

WORKING DRAFT

**APRIL 1, 2018**

**MICHAEL LEVERT, STEPWISE DATA RESEARCH**  
With assistance from Catherine Reilly deLutio

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WORKING DRAFT

## Summary of Findings

The median monthly rent for all rental units in Portland, regardless of size, is \$1,200, and the average rent is \$1,225. The middle 50% of rents fall between \$935 and \$1,400. There are very few units renting for less than \$500/month or greater than \$2,000/month.

Two-bedroom units, representing about 40% of the City's rental units, have a median rent of \$1,380 and an average rent of \$1,360, with the middle 50% of rents between \$1,200 and \$1,465. Rents for other size units range from a median rent of \$850 for a studio apartment to a median rent of \$1,980 for a four-bedroom unit.

Compared to last year, rents are flat, with a median price change of \$0 across all unit sizes, and an average change of +\$26.

Across the City, almost two-thirds of rental units include heat, either by itself or with electricity. Fifteen percent of rental units include both heat and electricity, and about one-third of units don't include any utilities. Utilities are significantly more likely to be included in the rent for smaller size units.

For two-bedroom units, the East End and West End neighborhoods have the highest average rents. Rents in the Oakdale, Parkside, and Bayside neighborhoods are about average, although that masks considerable variation within the neighborhood. North Deering, Downtown, Deering Center, East Deering, Riverton, and Valley Street had rents below the city-wide average.

### Summary of Portland Rents

	Studio	1BD	2BD	3BD	4BD	All
Median Rent	\$850	\$1,050	\$1,380	\$1,500	\$1,980	\$1,200
Average Rent	\$865	\$1,050	\$1,360	\$1,565	\$1,875	\$1,225
25th Percentile	\$730	\$850	\$1,200	\$1,220	\$1,600	\$935
75th Percentile	\$925	\$1,200	\$1,465	\$1,800	\$2,000	\$1,400
\$/Square Foot (median)	\$2.30	\$1.80	\$1.50	\$1.20	\$1.10	\$1.64
Median Y/Y Change	\$0	\$0	\$0	\$0	\$0	\$0
Average Y/Y Change	\$27	\$19	\$24	\$37	\$15	\$26
# of Occupants (average)	1.1	1.5	2.3	3.0	3.7	2.1
Heat Only Included	50%	57%	47%	43%	33%	50%
Heat and Electric Included	30%	17%	7%	8%	18%	14%
No Utilities Included	20%	25%	45%	49%	48%	35%

## Introduction to the Data

In January 2018, the City of Portland conducted a comprehensive survey of rental property owners in the City. The primary objective of the survey was to estimate the rent levels across the city and by neighborhood. Information was gathered from two primary sources:

1. An online survey was sent to all property owners of residential rental units registered with the city of Portland as of December 18<sup>th</sup>, 2017. Through the City’s rental housing registration, 3,771 properties representing 12,425 units were identified as residential rental units appropriate for the study. These units included all rental properties classified as single-family, multi-family, or residential condominiums.<sup>i</sup> A property owner or manager for each property was emailed a survey.
2. Approximately twenty landlords and property managers who owned or managed a large number of buildings and units in the City were asked to directly provide access to their “rent rolls”, including the rent and other rental information for each of their units.

Together, these sources provided data on 5,906 units (herein called, the “sample”), representing almost half of the residential rental units in Portland’s registry<sup>ii</sup> and just under a third of rental buildings.

**Table 1: Survey Sample**

	Properties	Units
<b>Registered Rental Properties</b>	3,771	12,425
<b>Total Responses</b>	1,145	5,906
<b>Response Rate</b>	30%	48%

Results from the survey indicate that the most common rental units in Portland are one- and two-bedroom units, together representing almost three-quarters of all rental properties. Studio apartments and three-bedroom units are less common, at 14% and 13%, respectively, and very few of the City’s rental units contain four bedrooms (2%). The distribution of rental units by bedroom count in the survey closely aligns with the latest information from the U.S. Census.<sup>iii</sup>

**Table 2: Distribution of Properties by Bedroom Count**

	Studio	1BD	2BD	3BD	4BD	TOTAL
<b>Units in Sample</b>	801	2,059	2,175	743	128	5,906
<b>Percentage of Sample</b>	14%	35%	37%	13%	2%	100%
<b>Census Benchmark</b>	11%	35%	35%	17%	2%	100%

Roughly 80% of respondents owned or managed a one- to four-family building, similar to the 87% of one to four-family buildings in the City’s registry.<sup>iv</sup> Because of the way the data was collected, through both an online survey and rent rolls directly from large landlords, one- to four-family properties represented a relatively lower percentage of the overall units in the survey (29%) compared to the City’s registry (46%).

**Table 3: Distribution of Properties by Structure**

	% of Properties		% of Units	
	<i>Registry</i>	<i>Survey</i>	<i>Registry</i>	<i>Survey</i>
<b>One-Four Family</b>	87%	79%	46%	29%
<b>Five-Ten Family</b>	9%	12%	18%	16%
<b>Eleven-Twenty Family</b>	2%	5%	8%	15%
<b>Twenty-Plus Family</b>	2%	4%	28%	41%

The rents collected in the survey reflect the market value of the unit; that is, the actual rent collected for the unit unadjusted by any governmental rental subsidies that may contribute to the rent like Section 8 housing voucher program. The survey includes both high-end properties and income-regulated units. In this way, the results reflect the full spectrum of Portland’s rental market. The online survey asked respondents to list the rent for the “most recent unit you rented of each size.” This question allowed for respondents with numerous rental units to efficiently complete the survey. The subsequent analysis assumed this “most recent rent” was the same for all units of the same bedroom count within the building.<sup>v</sup>

## Rents

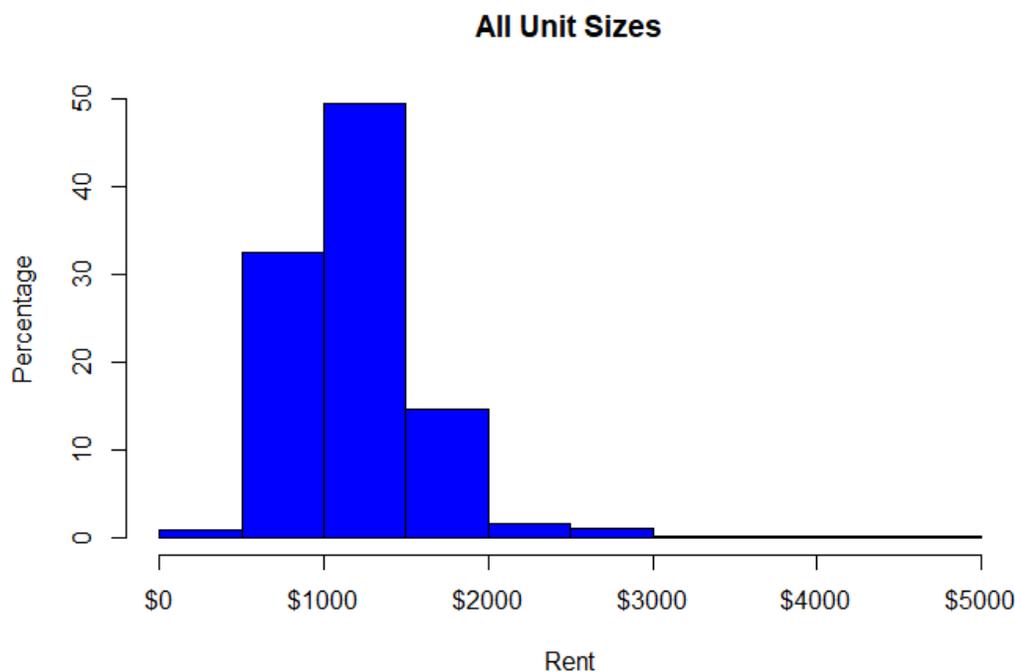
### City-wide

The high response rate and representative distribution of properties allows for a number of robust estimates of the Portland rental market to be made, including estimates of current rent levels, the change in rents levels from a year ago, the average number of occupants living in a rental unit, and the prevalence of including utilities in the rent.

The median monthly rent for all rental units in Portland, regardless of size, is \$1,200, and the average rent is \$1,225. This includes both units with landlord-paid utilities and tenant-paid utilities. Compared to last year, rents are flat, with a median price change of \$0 across all unit sizes, and an average change of +\$26. In general, rents increase as the number of bedrooms increase, ranging from a median rent of \$850 for a studio apartment to a median rent of \$1,980

for a four-bedroom unit. The median rent-per-square-foot is \$1.64. Rents also vary by the quality of the unit. The median rent for the highest quality units in Portland is \$1,600. These properties were self-identified by respondents as “Class A” properties and represent roughly 7% of the units in the survey. The median rent for the remaining 93% of properties is \$1,158.<sup>vi</sup>

The chart below illustrates the distribution of rents by price point for all unit sizes. The height of each bar represents the percentage of total units (vertical axis) at each rent level (horizontal axis). The higher the bar, the more units there are at that rent level. The middle 50% of rents fall between \$935 and \$1,400. There are very few units renting for less than \$500/month or greater than \$2,000/month.



The summary table below and the charts that follow provide information for units by bedroom count. For example, a two-bedroom unit, the most common rental unit in Portland and the usual proxy for the overall rental market, has a median rent of \$1,380 and an average rent of \$1,360. The middle 50% of rents for two-bedroom units fall between \$1,200 and \$1,465, and the median price per square foot for a two-bedroom unit is \$1.50.<sup>vii</sup> The median rent for the highest-quality two-bedroom units is \$1,800 (7% of two-bedroom units) while the median rent for the remaining 93% of units is \$1,375. The median change in rent compared to last year is \$0 and the average price change is +\$24. The average number of occupants is 2.3.

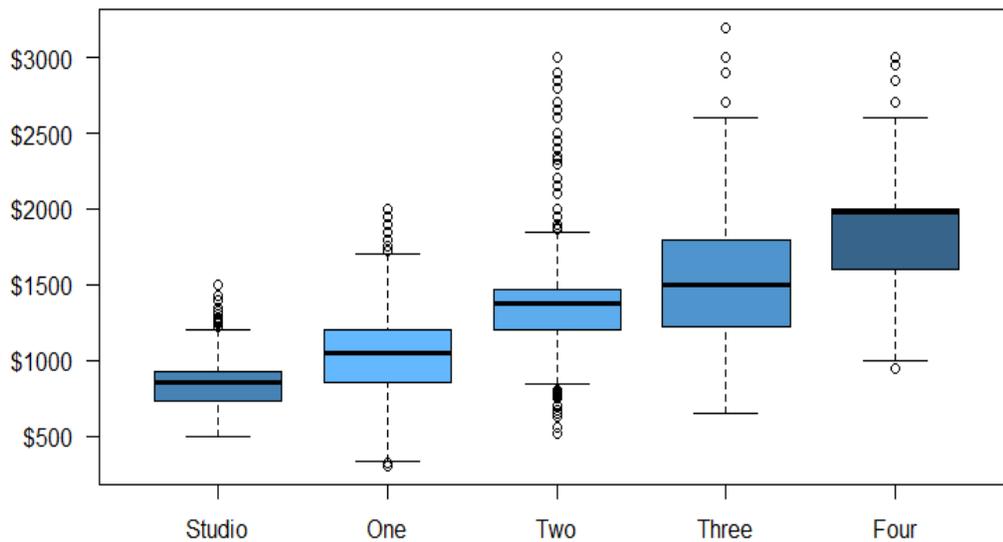
**Table 4: Summary of Rents**

	<b>Studio</b>	<b>1BD</b>	<b>2BD</b>	<b>3BD</b>	<b>4BD</b>	<b>All</b>
<b>Median Rent</b>	\$850	\$1,050	\$1,380	\$1,500	\$1,980	\$1,200
<b>Average Rent</b>	\$865	\$1,050	\$1,360	\$1,565	\$1,875	\$1,225
<b>25th Percentile</b>	\$730	\$850	\$1,200	\$1,220	\$1,600	\$935
<b>75th Percentile</b>	\$925	\$1,200	\$1,465	\$1,800	\$2,000	\$1,400
<b>Square Feet (median)</b>	365	600	906	1,200	1,450	749
<b>\$/Square Foot (median)</b>	\$2.30	\$1.80	\$1.50	\$1.20	\$1.10	\$1.64
<b>Median Y/Y Change</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Average Y/Y Change</b>	\$27	\$19	\$24	\$37	\$15	\$26
<b># of Occupants (average)</b>	1.1	1.5	2.3	3.0	3.7	2.1
<b>Median Rent for Class A<sup>viii</sup></b>	\$1,150	\$1,550	\$1,800	\$2,700	n/a	\$1,600
<b>Median Rent for Non-Class A</b>	\$836	\$1,025	\$1,375	\$1,500	\$1,980	\$1,158

The chart below graphically depicts the median and range of rents for each unit by bedroom count. For a given number of bedrooms, the shaded box depicts the range of values between the 25<sup>th</sup> and 75<sup>th</sup> percentiles; that is, for the middle 50% of rents. The heavy horizontal black line within the box represents the median rent. The dotted lines that stretch above and below the box represent the range of rents observed in the sample. The outliers are shown as circles that extend beyond the dotted lines.<sup>ix</sup>

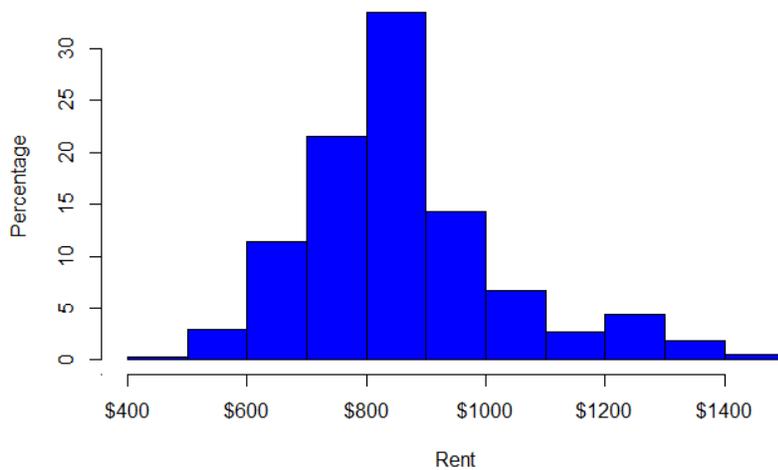
The largest range of rents occurs with three-bedroom units. We hypothesize this may be because of the wide variety of structures that encompass three-bedrooms, including relatively small three-bedroom apartments within larger buildings and stand-alone houses for rent. Each unit size has several rents well above or below the typical range of rents. These outliers are interesting to observe because they show clearly the large variation in rents across the city; however, because of the large sample size they have little on the median rents reported.

### Median Rent by Bedroom

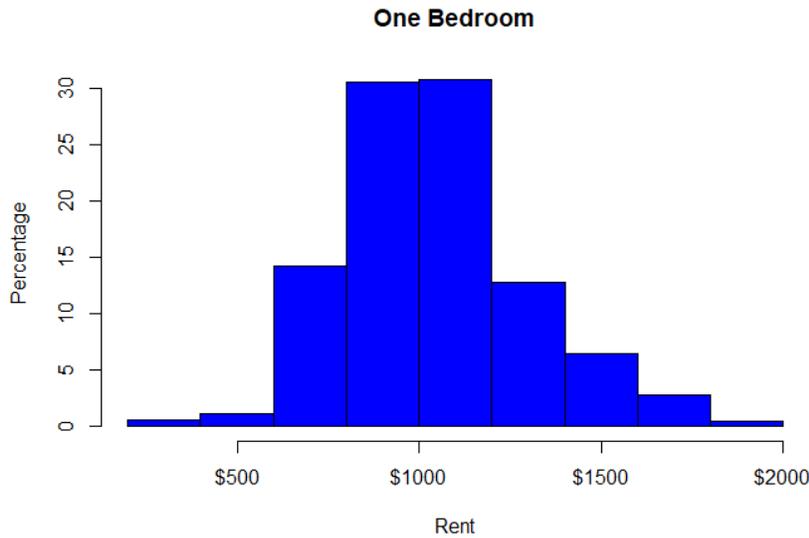


Studio apartments: Studio apartments make up a little more than 10% of rental units in Portland. The median rent for a Studio is \$850, with the middle 50% of rents falling between \$730 and \$925. The median price per square foot is \$2.30, and the median change in rent compared to last year is \$0. The average number of occupants is 1.1.

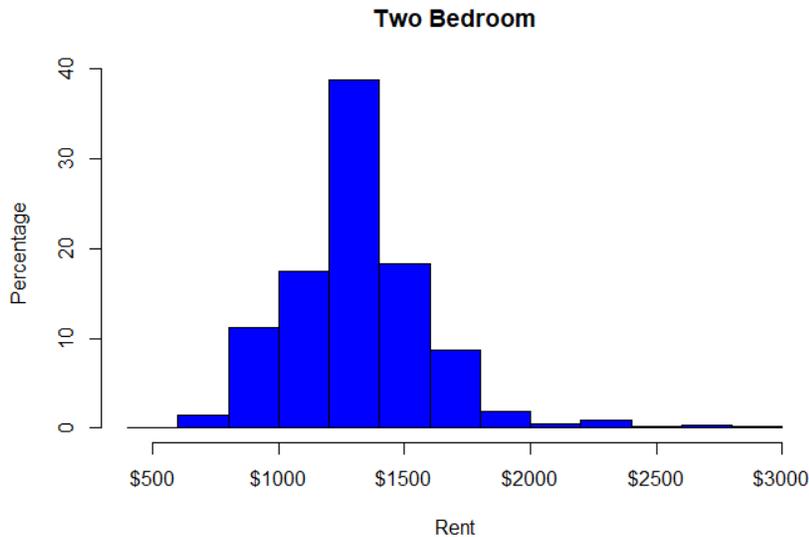
### Studio



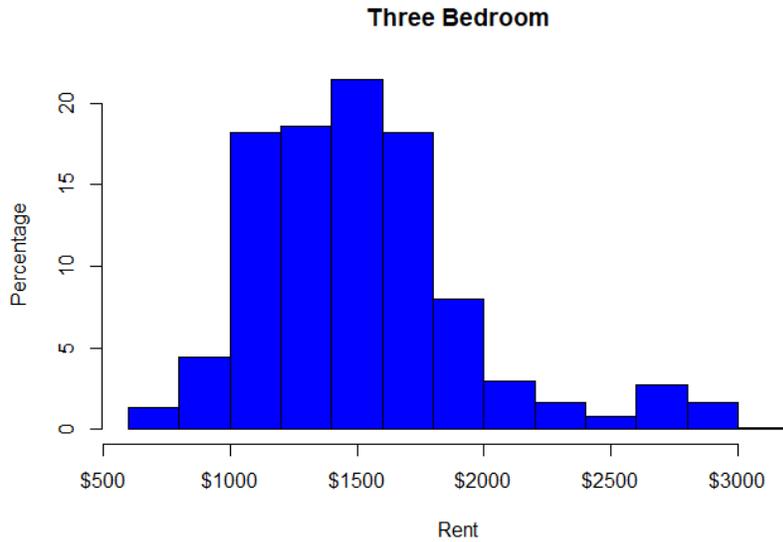
One-bedroom units: Roughly one-third of Portland rental units have one-bedroom. The median rent for a one-bedroom unit is \$1,050, with the middle 50% of rents falling between \$850 and \$1,200. The median price per square foot is \$1.80, and the median change in rent compared to last year is \$0. The average number of occupants is 1.5.



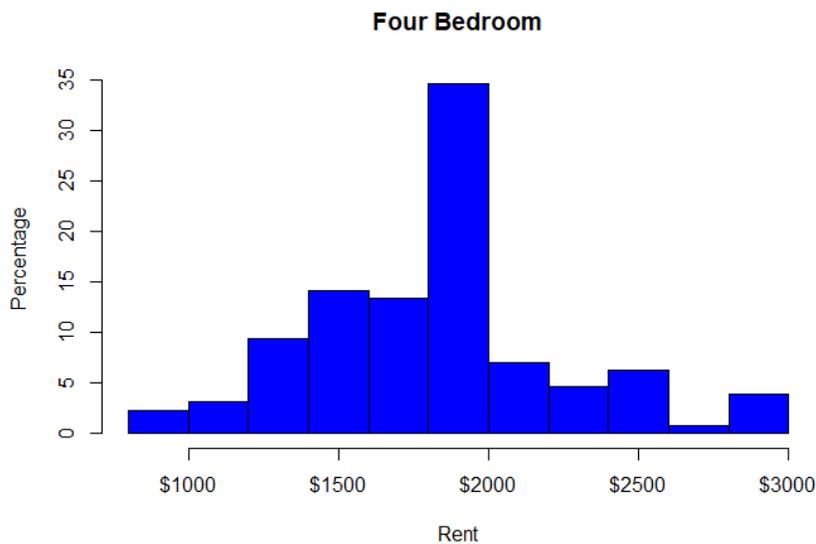
Two-bedroom units: Two-bedroom units are the most common in the city, representing about 40% of rental units. As mentioned above, the median rent for a two-bedroom is \$1,380, with the middle 50% of rents between \$1,200 and \$1,465. The median price per square foot is \$1.50, and the median change in rent compared to last year is \$0. The average number of occupants is 2.3.



Three-bedroom units: Roughly 17% of units have three bedrooms. The median rent for a three-bedroom is \$1,500, with the middle 50% of rents falling between \$1,220 and \$1,800. The median price per square foot is \$1.20, and the median change in rent compared to last year is \$0. The average number of occupants is 3.0.



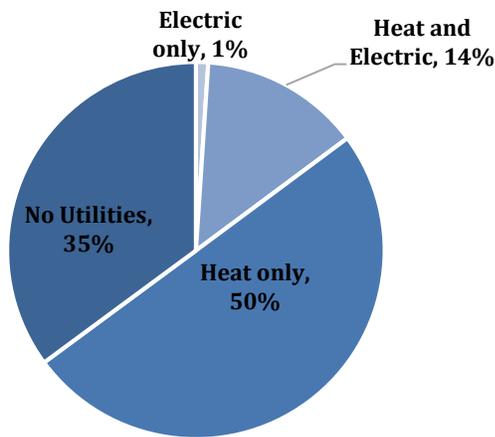
Four-bedroom units: Very few rental units in Portland are four-bedrooms (2%). The median rent for a four-bedroom is \$1,980, with the middle 50% of rents falling between \$1,600 and \$2,000. The median price per square foot is \$1.10, and the median change in rent compared to last year is \$0. The average number of occupants is 3.7.



## Utilities

Across the City, almost two-thirds of rental units include heat, either by itself or with electricity. Fifteen percent of rental units include both heat and electricity, and about one-third of units don't include any utilities.<sup>x</sup> Including just electricity in the rent is rare. Utilities are significantly more likely to be included in the rent for smaller size units: for example, thirty-percent of studio apartments include both heat and electricity, compared to 7% and 8% of two- and three-bedroom units, respectively.

**Prevalence of Including Utilities, All Units**



**Table 5: Prevalence of Including Utilities in Rent by Bedroom Count**

	Studio	1BD	2BD	3BD	4BD	All
<b>Electric only</b>	0%	1%	1%	1%	1%	1%
<b>Heat only</b>	50%	57%	47%	43%	33%	50%
<b>Heat and Electric</b>	30%	17%	7%	8%	18%	14%
<b>Neither</b>	20%	25%	45%	49%	48%	35%

Comparing the rent for properties with landlord-paid utilities to properties with tenant-paid utilities is complex and often misunderstood. Common sense indicates that including utilities in the rent increases the rent, and all other things being equal, this is the case. However, who pays for utilities is often correlated with other factors that also affect the rent, including the quality of the unit and the characteristics of the property. Many older properties include utilities because of structural issues that preclude their tenants from paying for the utility themselves; for example,

heat may be included in older buildings that have not been renovated with separate heating zones for each unit; electricity may be included if older wiring is interconnected between units or with a common laundry room. On the other hand, the opposite case may occur where the highest quality units include utilities but also offer many other amenities (like a gym or off-street parking) that are also reflected in the increased rent. In addition, landlords may include utilities in the rent because it leads to fewer vacancies or shorter time on the rental market. In these cases, including utilities provides a financial benefit to the landlord but will not be reflected directly in market rent levels. These dynamics – particularly the correlation between utilities and quality – means comparisons of median or average rents by the inclusion of utilities can be misleading and, in some cases, will understate or overstate the premium for including utilities in the rent.

While a full analysis of rents with and without utilities is outside the scope of this project, below we provide some “ballpark” estimates of adjusted average rents with no utilities included. Conversations with several larger landlords indicate that, on average and all other things being equal, including utilities increases the monthly rent by roughly \$125 for a one-bedroom unit to \$225 for a four-bedroom unit. This includes a monthly cost of \$25-\$50 for electricity and \$100-\$175 for heat. Combining these rough estimates with the information above on the prevalence of utilities included in the rent, the following inferences can be made:

- Fourteen percent of rents will pay nothing additional for utilities.
- Half of renters will pay an additional \$25-\$50 per month for electricity, but nothing additional for heat.
- Roughly one-third of renters will pay an additional \$125 - \$225 per month for heat and electricity, on top of their rent.

If one assumes that the costs of utilities are fully reflected in the rents for those units that include them, these costs can be removed to estimate a new average rent. Table 6 shows the calculation for a two-bedroom unit: the number of units in each category (no utilities included, heat only, electricity only, both utilities included) are multiplied by the assumed monthly cost of the included utilities, if any; these costs are aggregated and then divided by the total number of units to arrive at an adjusted average rent. The adjusted rent reflects the average rent *without utilities* and results in an average rent for a two-bedroom unit without utilities that is \$70 less than the unadjusted average. Table 7 lists the adjusted average rents for all unit sizes, without utilities.

**Table 6: Calculation for Adjusting Average Rent for Included Utilities for a Two-Bedroom Unit**

	# of units (A)	Estimated Cost of Included Utilities (B)	Aggregate Monthly Cost of Included	Premium (=C/A)
Electric only	21	\$30	\$630	
Heat only	1,017	\$125	\$127,125	
Heat and Electric	154	\$155	\$23,870	
No Utilities	983	\$0	\$0	
All	2,175		\$151,625	\$70

**Table 7: Adjusted Average Rents Including Utilities**

	Studio	1BD	2BD	3BD	4BD
Unadjusted Average Rent	\$865	\$1,050	\$1,360	\$1,565	\$1,875
Adjustment for Utilities	-\$85	-\$80	-\$70	-\$80	-\$100
Adjusted Average Rent – No Utilities	\$780	\$970	\$1,290	\$1,485	\$1,775

### Neighborhoods

To get a better sense of the variation of rents across the city, rents for two-bedroom units were analyzed for twelve neighborhoods (as defined by the City). ***Care should be taken with these results as the lower sample size for each of the neighborhoods introduces more variation in the data and a higher risk that a small set of responses could sway the results.*** For example, a single large apartment building with premium rental units or income-regulated rents may heavily influence the average for a neighborhood. Shifting the neighborhood boundaries by several streets may also significantly change the results; this is particularly important if a large apartment building is near a neighborhood border. Often a neighborhood may be *perceived* as a “high” or “low” rental market overall, but there may be a large apartment complex within the neighborhood that is small in terms of space (and therefore, perception) but influential in terms of average rent. Rents may also vary across neighborhoods for a variety of reasons, with the quality of the unit still often a primary driver of higher or lower rent, and not a neighborhood’s location, per se. This is observed when units on the same street rent for very different rents.

The table below shows the number of buildings and units in the City’s registry (as of December 18, 2017) and the survey sample. All neighborhoods except two had over 25% of the buildings in the registry represented in the sample.<sup>xi</sup>

**Table 8: Sample Counts by Neighborhood**

Neighborhood	Registry		Sample		Percent of Registry	
	Properties	Units	Properties	Units	Properties	Units
<b>Bayside</b>	240	957	81	719	34%	75%
<b>Deering Center</b>	511	1,101	141	346	28%	31%
<b>Downtown</b>	146	796	50	650	34%	82%
<b>East Deering</b>	207	394	64	185	31%	47%
<b>East End</b>	509	1,448	150	567	29%	39%
<b>North Deering</b>	294	943	72	270	24%	29%
<b>Oakdale</b>	298	1,350	97	483	33%	36%
<b>Parkside</b>	264	1,366	101	709	38%	52%
<b>Riverton</b>	176	662	33	254	19%	38%
<b>Valley Street</b>	131	613	53	438	40%	71%
<b>West End</b>	462	1,667	176	911	38%	55%
<b>Other / Combined</b>	430	1,000	117	362	27%	36%
<b>N/A</b>	34	54	10	12		
<b>Grand Total</b>	<b>3,771</b>	<b>12,425</b>	<b>1,145</b>	<b>5,906</b>	<b>30%</b>	<b>48%</b>

*Due to low sample sizes, the “Other / Combined” neighborhood includes Rosemont, Stroudwater, Libbytown, and Nason’s Corner; “N/A” refers to properties with addresses that did not match a neighborhood; information from the Registry as of December 18, 2017.*

Table 9 shows the median and average rents for two-bedroom units<sup>xii</sup> for each of twelve neighborhoods.<sup>xiii</sup> The chart that follows compares each neighborhood’s average rent (or adjusted rent) to the city average. For the samples of five neighborhoods, one large building heavily influenced the average rents for the neighborhood. Because this is the first time the survey has been done, it is not possible to know whether this building is representative of the neighborhood. To be conservative, we adjusted each neighborhood’s sample so that no single building exerted an influence greater than 33% on the neighborhood’s average rent (as measured by the contribution of the weighted average of each building to the total average). This resulted in adjusted average rents for five neighborhoods, as shown in the table.

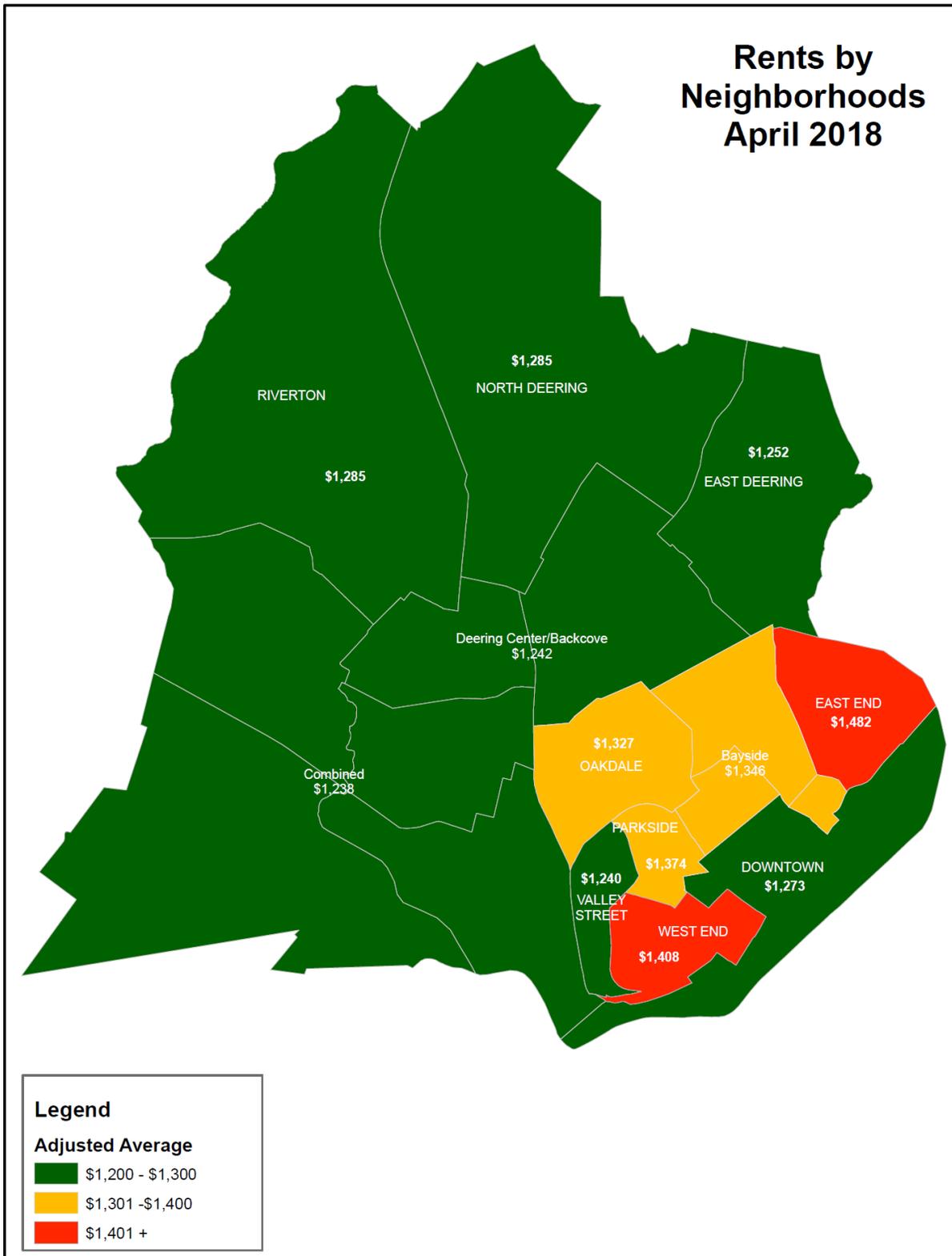
For two-bedroom units, the East End and West End neighborhoods have the highest average rents. Rents in the Oakdale, Parkside, and Bayside neighborhoods are about average, although that masks considerable variation within the neighborhood. North Deering, Downtown, Deering Center, East Deering, Riverton, and Valley Street had rents below the overall average.

**Table 9: Rents by Neighborhood**

Neighborhood	Bldngs	Units	25 <sup>th</sup> %	Median	75 <sup>th</sup> %	Average	Adjusted Average
<b>Bayside</b>	47	234	\$963	\$1,350	\$1,800	\$1,423	\$1,346
<b>Deering Center/Back Cove</b>	84	143	\$1,100	\$1,225	\$1,350	\$1,242	\$1,242
<b>Downtown</b>	24	103	\$995	\$1,135	\$1,500	\$1,257	\$1,273
<b>East Deering</b>	48	139	\$1,200	\$1,225	\$1,350	\$1,252	\$1,252
<b>East End</b>	95	249	\$1,185	\$1,400	\$1,640	\$1,482	\$1,482
<b>North Deering</b>	33	150	\$1,390	\$1,465	\$1,465	\$1,397	\$1,285
<b>Oakdale</b>	58	257	\$1,395	\$1,400	\$1,400	\$1,359	\$1,327
<b>Parkside</b>	64	167	\$1,165	\$1,325	\$1,500	\$1,374	\$1,374
<b>Riverton</b>	12	138	\$1,400	\$1,400	\$1,450	\$1,406	\$1,285
<b>Valley Street</b>	35	138	\$1,150	\$1,200	\$1,300	\$1,240	\$1,240
<b>West End</b>	104	355	\$1,250	\$1,378	\$1,406	\$1,408	\$1,408
<b>Other / Combined</b>	57	99	\$1,100	\$1,200	\$1,400	\$1,238	\$1,238
<b>TOTAL</b>	661	2,172	\$1,200	\$1,380	\$1,465	\$1,360	

*The "Other / Combined" neighborhood includes Rosemont, Stroudwater, Libbytown, and Nason's Corner*

# Adjusted Average Rents by Neighborhood



Credit to Nasir Shir, GIS Manager, IT, City of Portland for creating the map

## Endnotes

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<sup>i</sup> Approximately 3,600 units registered with the City were excluded from the survey. These units were classified under a variety of uses, including most commonly “Governmental,” “Multi-use Commercial”, and “Benevolent and Charitable.” All single and multi-family units and residential condominiums were included in the survey.

<sup>ii</sup> All references to the City’s Registry refer to the Registry as of December 18, 2017

<sup>iii</sup> U.S. Census Bureau American Community Survey 2016 1-Year Estimates

<sup>iv</sup> Residential condominiums are included in the one-four family statistics.

<sup>v</sup> This assumption was made because the vast majority of rental units of the same bedroom count within the same building are rented for the same amount. When rents of the same size within a building vary it is most likely due to different lease schedules, and rents converge as leases renew. In rare instances, units with the same number of bedrooms will rent for different amounts within the same building; for example if a two-bedroom unit has significantly more square feet than another two-bedroom unit.

<sup>vi</sup> The highest quality units were self-identified by respondents. They represent roughly 6.5% of units in the sample.

<sup>vii</sup> Note that rent per square foot declines as the number of bedrooms increase. This reflects the fact that smaller units have fewer square feet to allocate the cost of kitchens and bathrooms.

<sup>viii</sup> Class A includes furnished units and units self-identified as “One of the newest and highest quality rental properties in Portland. It is well-located and professionally managed. It serves primarily high-income tenants. (Sometimes called “Class A” property.)”

<sup>ix</sup> Outliers that fall beyond one and a half times the range for the middle 50% of values are excluded.

<sup>x</sup> According to the U.S. Census American Community Survey 1-Year Estimates, 24% of renter households paid nothing for utilities. This is higher than our estimate of 14%, possibly because our universe of residential rental units is more restrictive than the Census.

<sup>xi</sup> Several neighborhoods had large apartment buildings in the sample that were not included in the City’s registry as of December 18, 2017. This caused the percent of units to be higher than it would have been if the units had been part of the registry.

<sup>xii</sup> Rents by neighborhood for units other than two-bedroom units are not presented due to small sample sizes and confidentiality restrictions.

## MEMORANDUM

TO: Councilor Jill Duson, Chair  
Members of the Housing and Community Development Committee

FROM: Richard M. Bianculli Jr., Esq., Neighborhood Prosecutor

DATE: April 6, 2018

SUBJECT: Amendments to Chapter 6 re: Disorderly House Ordinance

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Attached hereto is a proposed amendment to Section 6-202 of the Portland City Code of Ordinances. The amendment was developed to ensure adequate notice and greater transparency to those individuals who live at an address that has been designated as a disorderly house, but may not have been involved in any of the nuisance incidents or issues that gave rise to said designation.

### Amendment Summary

1. Providing Notice of Suit to Tenants Impacted by a Disorderly House complaint – The first amendment to the disorderly house ordinance requires the City to provide notice to tenants once a formal complaint (e.g. typically a Rule 80(k) action) is filed in court against the landlord/owner for enforcement of the Disorderly House ordinance. The tenants would receive notice of the complaint by posting at the premises or regular mail. Following receipt of said notice, tenants would be allowed to join in the matter as interested parties. This provision is important to protect the rights of those tenants that may have not contributed to the incidents that gave rise to the designation of the property as a disorderly house but may be impacted by the relief granted by the Court.

2. Notice to Tenants in a Condemnation action – In extremely severe Disorderly House cases involving an immediate threat to the health and safety of the tenants, the City may be required to move forward with condemnation of the property. The proposed amendment requires the City to provide all tenants of the building with “reasonable written notice of said condemnation or posting against occupancy.” This provision will allow tenants to seek alternate housing or retain counsel if additional relief is required (e.g. a dispute as to whether condemnation is necessary; additional time to vacate the premises; etc).

**AMENDMENT TO PORTLAND CITY CODE  
CHAPTER 6  
Re: Disorderly Houses**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,  
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

1. That Chapter 6, Article IX., Section 6-202 of the Portland City Code is hereby amended as follows:

**ARTICLE IX. DISORDERLY HOUSES.**

Sec. 6-202. Enforcement.

(a) Authority to Enforce - If the owner (~~a~~1) refuses to agree to take effective measures to address the disorderly house, (~~b~~2) takes ineffective measures to address the disorderly house as determined by the city, (~~e~~3) fails to implement the agreement reached with the city to address the disorderly house or (~~d~~4) if, in the discretion of the city, the disorderly house requires immediate posting, the city may condemn and post the building against occupancy, and/or may file a legal action against the owner seeking any and all damages and remedies to which it is entitled pursuant to state and local laws.

(b) Notice of Suit - If the City pursues legal action against an owner or landlord for a disorderly house violation, notice shall be provided to the tenants by the City. Notice shall be made within a reasonable time following the service of the complaint upon the property owner. If a tenant list has been previously provided by a landlord, notice shall be made by regular mail to all known tenants in the building. If no tenant list has been provided, notice shall be made by regular mail to all occupants in each unit of the building.

(c) Condemnation - In the event that condemnation is required to address one or more disorderly house violation(s), the City shall provide notice to tenants of the building. Notice shall be made within a reasonable time following the City's election to condemn the building. Notice shall be made by: (1) regular mail to all known tenants or to all occupants in each unit in the building; and (2) by posting a copy of said notice at the premises.



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Division Director  
Housing and Community Development Division

**DATE:** April 20, 2018

**SUBJECT:** 2018 Housing Trust Fund Annual Plan

The Housing Trust fund is established by Section 14-489 of the City's Code of Ordinances. Section 14-489 (e) states that "the city council shall adopt a housing trust fund annual plan" and that the "housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action."

The plan establishes the priorities in which the current balance of the Housing Trust Fund will be allocated. Over the last few years, the annual plan has been deliberately broad due to the relatively small amount of available resources. With an increase in resources, it is prudent that a more detailed plan be put in place. Housing Trust Fund resources should be focused on opportunities where other funding sources do not work or are not effective. As always, the City should act prudently when deciding to invest these funds.

Staff is requesting committee approval and recommendation to the City Council of the proposed 2018 Housing Trust Fund Annual Plan.

**HOUSING TRUST FUND**  
**2018 ANNUAL PLAN**

**BACKGROUND**

The Housing Trust fund is established by Section 14-489 of the City’s Code of Ordinances. Section 14-489 (e) states that “the city council shall adopt a housing trust fund annual plan” and that the “housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.”

The Annual Plan will establish the priorities in which the current balance of the Housing Trust Fund will be allocated. The plan is in line with the 2018 City Council Goal of increasing access to rental and ownership housing that is safe and affordable for working and low-income families.

This budget is based on the current balance in the Housing Trust Fund. At this time, Housing Trust Fund revenue is generated from fees triggered by the Housing Preservation and Replacement Ordinance and fee-in-lieu contributions from the Inclusionary Zoning Ordinance, along with other funding resources under Council consideration. The balance of the Housing Trust Fund is \$913,502. While staff anticipates increases in revenue in the Housing Trust Fund as a result of the Inclusionary Zoning Ordinance and other sources being considered by the City Council, those anticipated resources are not included in the 2018 Annual Plan.

**Sources and Uses of Housing Trust Fund:**

<b>DEPOSITS</b>		<b>EXPENDITURES</b>	
Maine Medical Center 2002-2003	\$ 315,580	Avesta Oak Street Lofts 2011	\$ (380,585)
Sportsman's Grill 2002	\$ 40,000	Housing First Pre-Development RFP 2014	\$ (75,000)
Berlin City Auto 2009	\$ 116,000	65 Hanover St 2015	\$ (9,250)
Stop n Shop 2010	\$ 289,250	65 Munjoy St 2017	\$ (175,000)
Rockbridge/Eastland Park 2012	\$ 42,500		
Riverwalk/Ocean Gateway 2012	\$ 250,000	<b>Total Expenditures</b>	<b>\$ (639,835)</b>
118 Congress LLC April 2014	\$ 3,500		
Sale of Belfort Street 2017	\$ 86,424		
Sale of 116 Upper A Street 2017	\$ 78,527		
443 Congress Street 2017	\$ 280,000		
Previous INTEREST EARNED	\$ 51,556		
<b>Total Deposits</b>	<b>\$1,553,337</b>	<b>BALANCE</b>	<b>\$ 913,502</b>

City Ordinance requires that the Housing Trust Fund Annual Plan include a description of the programs to be funded, a budget for each program and identify how the funds will be distributed among very-low (at or below 50% of the area median income), low (at or below 80% of the area median income) and moderate income (at or below 120% of the area median income) households.

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope. The proposed Housing Program budget for FY 2018-2019 includes \$325,064 in HOME funding for affordable housing development, \$100,000 for housing rehabilitation and \$224,096 in CDBG housing program income for housing rehabilitation. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home ownership assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income. City Ordinance allows the Housing Trust Fund to assist households at or below 120% of area median income.

As always, the City should act prudently when deciding to invest these funds. The Housing Trust Fund should maintain a minimum balance of \$500,000 in order to have resources to act quickly when there is an emergency, such as a need to cure a potential mortgage default that could result in loss of an affordable unit.

## **FUNDING PRIORITIES**

The purpose of the Housing Trust Fund is the "...promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City." and "To serve as a vehicle for addressing very low, low and median income housing needs...".

A 2018 priority will be to support the Portland Housing Authority in the implementation of their Strategic Vision Plan when other funding sources are not available. The Housing Authority's current priorities in that Plan are the Boyd Street and Front Street sites.

### Allocation Process

Housing Trust Funds will be distributed through a competitive application process. A Notice of Funding Availability will be issued at a minimum of an annual basis to notify potential applicants that the application is available. Applications will be reviewed by an evaluation team that will include City of Portland staff. Selection criteria as well as a point system will be used for evaluating and scoring the applications.

Recommendations will be forwarded to the City Council's Housing Committee for review and approval. The Housing Committee recommendations will be forwarded to the City Council for final review and approval.

### Eligible Activities

Activities eligible for funding from the Housing Trust Fund are those that promote, retain, and create an adequate supply of housing, particularly affordable housing for all economic groups, and to limit the net loss of housing units in the city. Eligible activities may include: new construction, preservation/rehabilitation of existing affordable housing, adaptive reuse, acquisition, housing first.

The Housing Trust Fund resources are also intended to promote the retention of affordable housing. Staff recommends that Housing Trust Fund resources be made available, if necessary, to exercise the City's right of first refusal in connection with potential foreclosure issues with affordable homeownership units. This is unlikely to occur in the near future but may come up as more workforce homeownership units are created through Portland's inclusionary zoning ordinance. Similarly, Housing Trust Fund resources should also be considered for aiding households that own affordable units to pay special assessments from their condominium or homeowners association in order to help maintain the unit's affordability and reduce any risk of foreclosure. It is important to allow for the consideration of using funds in these manners as foreclosure of a unit can jeopardize any affordability restrictions associated with the property.

### Financing Parameters

Housing Trust Funds should be a resource of last resort.

**Form of Awards:** A variety of funding mechanisms will be utilized including no-interest loans, below-market loans, forgivable loans, and grants. Type of funding will be determined after review of a number of factors including amount necessary to make the project feasible, the project type, income targeting, number of affordable units, and duration of the affordability period.

**Maximum Award Amount:** Funding awards will be determined on a per affordable unit basis. The City contribution per unit will not exceed \$15,000. This amount may be adjusted at the discretion of the City Council.

### Income Targeting

Housing Trust Fund resources should be focused on (1) opportunities where other funding sources do not work or are not effective, (2) projects designed to create housing affordable to households earning at or below 50% of the area median income, and (3) projects designed to create housing affordable to households earning 80% to 120% of the area median income.

Affordable means that 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, or other amount established in city regulations that does not vary significantly from this amount.

### Affordability Restrictions

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years.

Homeownership units must include resale restrictions that maintain an “equitable balance” between the interests of the owner and the City. These restrictions must be documented and recorded in the Cumberland County Registry of Deeds.

Sales must be made through an arms-length arrangement. No employee, agent, stockholder, officer, director, servant, or family member of the Owner or its Management Company, or its employees, agents, or servants thereof, related either by blood, marriage, or operation of law may qualify for a unit financed with Housing Trust Funds or receive any benefit related in any way to the administration or compliance with the conditions contained therein.

### Implementing Regulations

Regulations to further specify the details of the parameters outlined in this Annual Plan, shall be developed, including, but not limited to:

1. Specific methodology for income verification; and
2. Underwriting criteria.

### Attachments

2018 Housing Trust Fund Application

**City of Portland**

**Affordable Housing Development**

**Housing Trust Fund Application**



**July 1, 2018 – June 30, 2019**

**Applications will be accepted until all budgeted funds have been allocated.**

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## **I. GENERAL INFORMATION**

### ***A. Availability of Funding***

The City of Portland has made the development of affordable housing a priority use for its local Housing Trust Funds, as is identified in the City Code of Ordinances, Chapter 14 Division 31 Section 489. To accomplish this priority, the City of Portland will accept applications for the development of affordable housing in the City of Portland.

The City of Portland's Division of Housing and Community Development uses an application process to ensure that public funds are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants. Applications will be accepted until all budgeted funds are allocated. The City of Portland reserves the right to partially fund application requests or deny any application that does not meet the application criteria.

In FY 2018-2019, the City of Portland is making available Housing Trust Funds in the amount of \$XXXXXX.

### ***B. General Guidelines***

Activities eligible for funding from the Housing Trust Fund are those that promote, retain and create an adequate supply of housing, particularly affordable housing for all economic groups, and to limit the net loss of housing units in the city. Mixed income projects are eligible and encouraged, however not all units in a mixed income project will be eligible for funding through the Housing Trust Fund. Projects with mixed unit types including efficiencies, one, two and three bedroom units are eligible.

This application outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the applications.

### ***C. Local Requirements***

#### **Fair Housing and Equal Opportunity**

[Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) (HUD implementation regulations 24 CFR Part 1); The Fair Housing Act (42 U.S.C. 3601-3620)(24 CFR Part 100-115); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)(24 CFR Part 107); Age Discrimination Act of 1975, as amended (42 U.S.C. 6101)(24 CFR Part 146).]

The Fair Housing Act prohibits discrimination in all housing-related transactions based on race, color, national origin, religion, sex, disability, age or familial status. It also includes minimum accessibility design requirements for all new construction and rehabilitation projects and requires that reasonable accommodations be made in rules, policies, practices, services and reasonable structural modifications. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability and requires that everyone have equal opportunity to obtain housing built with federal funds.

## **Affirmative Marketing**

Developers must have tenant selection policies and criteria to ensure that tenants are selected for occupancy at the property in a fair and equitable manner. Tenant selection policies must be based on objective criteria that expressly prohibit bias. Tenant selection procedures should be clear and easily understood by prospective tenants. An affirmative marketing plan is required to ensure that the property serves a diverse cross-section of the population of the market area, must consist of actions to provide information and otherwise attract eligible persons in the housing market area that might not otherwise apply without special outreach, and ensure that the Housing Trust Fund-assisted housing is available to qualified applicants without regard to race, color, national origin, religion, sex, disability, or familial status.

### ***D. Goals for the Distribution of Housing Trust Funds***

The goals for the distribution of Housing Trust Funds are (1) the promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City; (2) to promote and finance the development of affordable housing consistent with the City of Portland's Comprehensive Plan. The City of Portland seeks development projects with a high standard of quality, design, and livability. Projects should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Resolution of any zoning issues is required before City Council approval of the applicants funding request. Developments should promote efficient use of land, locations proximate to shopping, work places and community facilities. They should also incorporate high standards of energy efficiency, "green" design and socially sustainable criteria.

## **II. SCOPE OF SERVICES**

### ***A. General Specifications***

All applications submitted for this funding must meet the following selection criteria to be considered further in the review process.

#### **Eligible Projects**

- 1) Projects must create housing units which promote economic diversity in the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing units that creates or maintains affordable units is eligible.
- 2) All projects must address the housing needs of very low, low and median income households. These income thresholds are defined as:

*Very low income household.* A household having an income not exceeding fifty (50%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. section 1437 et seq.

*Low income household.* A household having an income not exceeding eighty (80%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

*Moderate income household.* A household having an income not exceeding one hundred twenty (120%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

- 3) Projects receiving funding through this application must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the residence service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.

## ***B. Site Information and Criteria***

- 1) Site Control: Land or buildings proposed as part of a project under this application must have site control at the time the application is submitted in the form of title, purchase and sale agreement, option, long-term lease for a minimum of 30 years, or other acceptable method. At a minimum, site control must extend through December 31, 2018.
- 2) Local Approvals: Local land use approval is not required prior to submittal of the application, however approval is required before the City Council will approve the funding request. The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- 3) Applications must not require a contract or conditional zone. Resolution of any zoning issues is required before City Council approval of the applicants funding request.

## ***C. Financial Feasibility***

- 1) Financial applications must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio, and conform to the City of Portland's underwriting criteria.
- 2) Use of Housing Trust Funds: All projects will be reviewed for the proposed use of Housing Trust Funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

## ***D. Market Demand***

Applicants must provide an analysis and discussion of market demand justifying the need for the proposed project.

### ***E. Applicant Capacity***

All applicants must demonstrate capacity to develop, own and manage the proposed project. All applications must provide evidence of a development team with the capacity to successfully complete the project including:

- 1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.
- 2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.
- 3) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project.
- 4) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.
- 5) A portfolio of current affordable housing projects that are financially sound and meeting their established goals.
- 6) Support Services: Applications containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents and have in place a policy to make accessible units available when needed if units are occupied by someone that does not need the accessible features.

### ***F. Term of Affordability***

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years.

Homeownership units must include resale restrictions that maintain an “equitable balance” between the interests of the owner and the City. These restrictions must be documented and secured by a land use restriction covenant that is recorded in the Cumberland County Registry of Deeds.

### ***G. Design Compatibility***

Projects must be designed to contribute to the character of their neighborhood and adhere to the following general guidelines.

Project designs:

- 1) **MUST** comply with the City's Green Building Ordinance (Chapter 6, Article VII, Sec. 6-165) (<https://www.portlandmaine.gov/DocumentCenter/Home/View/1070>). **Please note** that the Green Building Ordinance may be more restrictive than the requirements in Maine Housing's Quality Standards and Procedure Manual.
- 2) Should establish a building form, scale, massing and rhythm appropriate for the surrounding neighborhood.
- 3) Should provide a quality design that, where possible, reinforces the public realm of open space, sidewalks and streets through appropriately scaled entries that orient to the street instead of interior blocks or parking lots, and incorporate porches, fenestration, landscaping, and architectural details.
- 4) **MUST** meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, and the Maine Human Rights Act for multi-family housing. Provide for universal accessibility to the extent possible.
- 5) Should provide visual and acoustical privacy between units while maximizing natural light and ventilation within units.

## ***H. Timeframe***

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

## **III. APPLICATION REQUIREMENTS**

Complete responses to this application, should include one (1) original printed version of the application with original signatures **plus** one (1) **full** electronic version, submitted via email, USB drive or CD. Printed version must be signed by an officer or employee having authority to bind the organization.

Applications must be submitted electronically and in paper form to:

City of Portland: Housing and Community Development Division  
Attention: Mary Davis  
389 Congress Street, Room 312  
Portland, ME 04101  
[mpd@portlandmaine.gov](mailto:mpd@portlandmaine.gov)  
207-874-8711

## **A. Project Summary**

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the application meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

*Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of application.*

## **B. All Applications Must Provide The Following:**

- 1) Evidence of site control
- 2) A zoning opinion from an attorney or land use professional indicating if the project meets current zoning, or if zoning amendments will be required.
- 3) Conceptual architectural and site plans
- 4) A project schedule showing critical path events and their timeframe for completion;
- 5) Map showing location of site
- 6) Corporation/partnership articles and by-laws
- 7) Organization's DUNS Number
- 8) Applicant's audits for 3 most recent years. (If audits are not available, applicant must submit 3 years of internally prepared or CPA compiled statements AND 3 years of tax returns WITH attachments).
- 9) Most recent quarterly income and expense report (management prepared).
- 10) A brief development team summary, including:
  - The type of organization/ownership structure and organization chart if developer is not the same legal entity as the ultimate owner of the project
  - The names of Board of Directors, Corporate Officers, or Owners, as appropriate
  - Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
  - Brief description of similar projects completed for developer, architect, and General Contractor (if selected)
  - A list of all projects currently in development with status and projected timeframe

- 11) A sources and uses funding statement
- 12) A detailed development budget including all acquisition, construction, and soft costs, including any prefunded reserves and developer fee
- 13) Cost estimates for construction, signed by architect or GC
- 14) For renovation projects, a capital needs assessment completed by an independent party, including their qualifications to perform such assessment
- 15) Preliminary operating budget identifying rents and expenses for the first year
- 16) Projected prefunded project reserves and annual contributions to reserves
- 17) Debt service coverage ratio over the 15-year operating pro forma timeline
- 18) A 15-year operating pro forma for the project with inflators of 2% on income and 3% on expenses
- 19) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.
- 20) Projects serving special needs populations must provide evidence of commitments of support services, and a description of the service provider and funding cycle for those services.
- 21) Applicant must include a management plan for the long-term management of the project including manager's experience and capacity.
- 22) An analysis and discussion of market demand justifying the need for the proposed project.
- 23) **For Renovation of Operational Projects (or projects with operational components) the following items are also required:**
  - Relocation plan budget
  - Description of all current debt, operation subsidies, and services provided (as applicable)
  - Current rent roll
  - 2 years of audits for project property (if available) OR 2 years of management income and expense statements for project property
  - Most recent Quarter internally prepared income and expense statement.

## IV. SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the applications.

### ***A. Point System for Evaluating and Scoring Applications (Max 100)***

#### **Proposed use of funds to achieve the City of Portland's goals and address demonstrated need. 30 points**

Maximum points will be awarded for those applications that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, are consistent with the Comprehensive Plan, leverage funds efficiently, and include a policy prohibiting smoking.

#### **Financial feasibility, including cost, development budget operating pro forma and the provision of secured and leverage funds. 25 points**

Maximum points will be awarded for those applications that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets and a pro forma operating budget, include sufficient reserves for operations and maintenance, including pre-funded reserves, and long-term financial sustainability of the project is highly likely.

#### **Applicant's ability to complete project, including development team experience, capacity, project readiness and timeframe for completion. 25 points**

Maximum points will be awarded for those applications that demonstrate the readiness of the project to proceed, a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and the capacity to fulfill their responsibilities.

#### **Impact on surrounding neighborhood, including design compatibility and environmental issues. 20 points**

Maximum points will be awarded for those applications where site selection is appropriate for use, no zoning amendments are required, the design is consistent with neighborhood design characteristics, amenities and unit design are well thought out and appropriate, where no environmental issues have been identified and meet the requirements of the City of Portland's Green Building Ordinance.

### ***B. Evaluation and Selection Process and Timeframe***

Applications will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

- 1) All applications will be reviewed for completeness. Only complete applications will be reviewed under the scoring factors in order to recommend the most qualified applications based on the information submitted. The application review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.

- 2) Recommendations, along with all applications and scoring information, will be forwarded to the City Council's Housing Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval.
- 3) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.
- 4) The evaluation and review process should be substantially complete within 30 days of receipt of complete application. Applicants will be notified of their application status as soon as possible.
- 5) Based on City Council approval, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

## V. Instructions and Other Information

The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications for city funding, based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

Confidentiality: Applications received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B.

## VI. Equal Employment Opportunities

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

## VII. Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The selection of a proposal through this application process does not guarantee any other City approvals. All projects will be subject to the City's standard development review process. Similarly, *selection of a proposal through this application process does not signify that the City will not request modifications to the proposed development plan or negotiate additional details, covenants or terms that are not specifically outlined in this application.*

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the applicant is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

The successful applicant shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will

produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Applicants who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful applicant.

The City of Portland, Maine, reserves the right to waive any informalities in applications, to accept any application or portion thereof, and, to reject any and all applications, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following the receipt of correct invoices for all items covered by the approved application.

## VIII. APPLICATION SIGNATURE PAGE

**\*THIS PAGE MUST BE INCLUDED\***

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, that it is made without any connection with any other person(s), firm or corporation submitting a application for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their application is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this application or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this application. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered \_\_\_\_\_  
If Applicable

COMPANY NAME: \_\_\_\_\_  
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

E-MAIL: \_\_\_\_\_ FEDERAL TAX ID NUMBER: \_\_\_\_\_

DUNS NUMBER: \_\_\_\_\_

NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. This sheet must be signed and returned with the application package.



**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Victoria Volent, Housing Program Manager

**DATED:** April 20, 2018

**SUBJECT:** Tax Acquired and City Owned Property: 0 Westbrook Street, parcel review

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### Introduction

The Housing Committee's 2018 prioritized housing proposals include the recommendation to have the City take the lead in exploring the creation of a Portland Community Land Trust (CLT) that would receive consideration at below-market rate for surplus city property for housing development. As part of the review of city-owned property, staff conducted a site walk on April 10 to access the parcel at 0 Westbrook Street for potential housing development.

### 0 Westbrook Street

On July 24, 2017, the City Council adopted order 272- 16/17 to accept the recommendation from the Planning Board to rescind the flexible housing overlay zone located along a portion of Westbrook Street (i.e. 0 Westbrook Street). The 7.05 acre site, assessed for \$199,600 is now located in the R – 1 zone. The R – 1 zone is the location of lower density residential development characterized by single-family homes on individual lots of 15,000 square feet or more.

The Westbrook Street parcel, across from the future Stroudwater Preserve site, borders a Resource Protection Zone to the north, land held by the Portland Water District to the west, a single-family lot to the east, and two single-family lots located on Westbrook Street to the south. The parcel is the location of the Westbrook Street entrance to the Fore River Sanctuary. This parcel has been of interest to Portland Trails and the Land Bank Commission for many years. Portland Trails has established a trailhead connecting Westbrook Street to the Fore River Sanctuary at this location. The site features several streams/drainage channels, wet areas and the remnants of a portion of the historic Cumberland Oxford Canal. These generally drain to the Fore River. A natural gas pipeline was also installed through a portion of the site, along the east

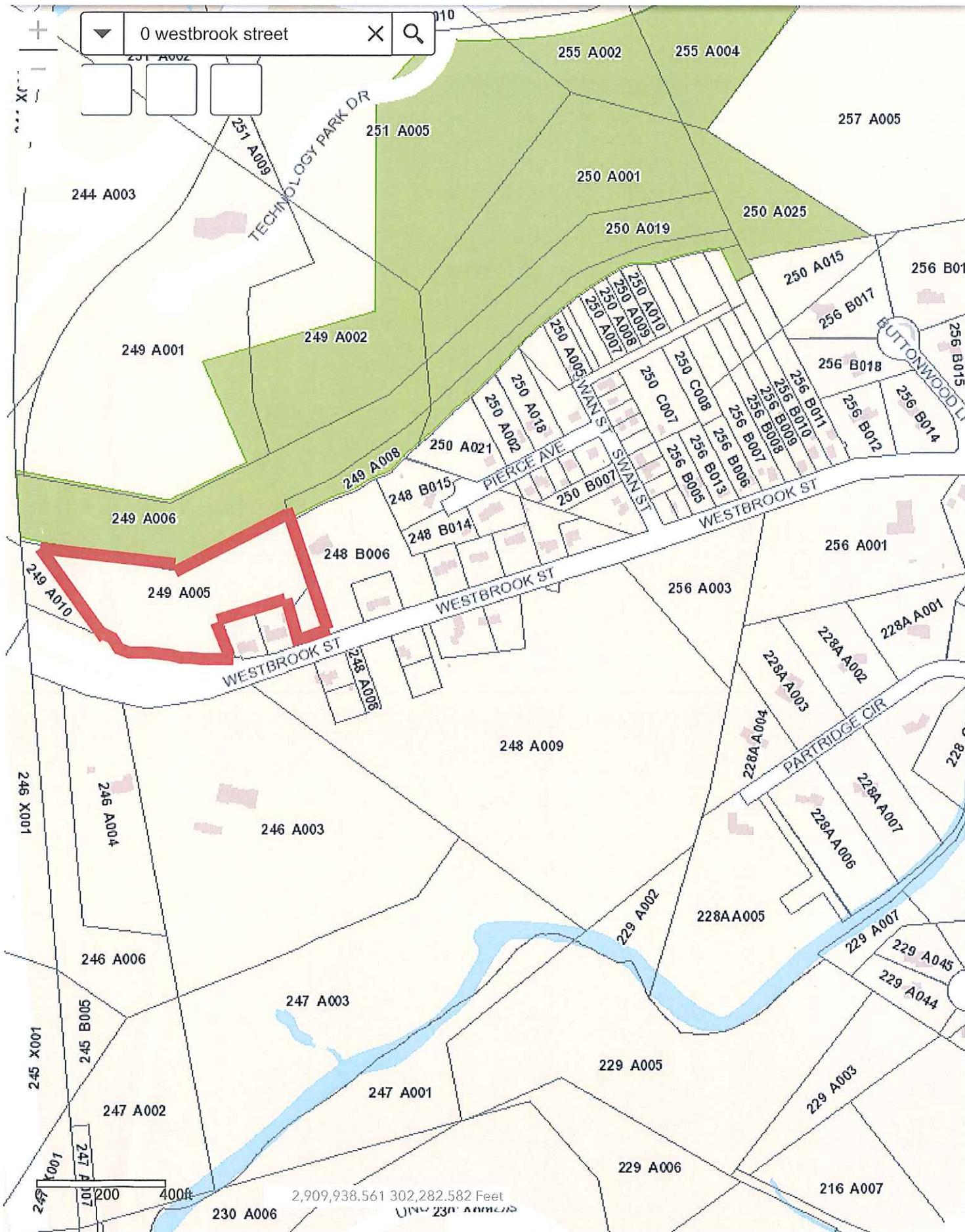
boundary, to serve the Portland Tech Park. There are also numerous Portland Water District, drainage and other easements on the site.

### Staff Analysis and Recommendation

An initial review of the parcel suggests the possibility of developing six single family lots. However, given the many challenges associated with this site, the development would be very expensive. Staff is not recommending perusing this parcel as an option for housing development.

### Attachments:

GIS Map  
Site Map  
Images



Rand  
Rd. City RPZ  
Land

Natural Gas Line  
(See Survey Maps for Actual Location)

Portland Trails  
Fore River Sanctuary Trailhead (Easement?)

SWIN-6095

SWIN-6096

WESTBROOKS









**MEMORANDUM**

**TO:** Victoria Volent, Housing Program Manager

**FROM:** Deb Andrews, Historic Preservation Program Manager

**DATE:** April 23, 2018

**SUBJECT:** 0 Westbrook Street, historic preservation considerations

I understand that the Housing Committee will soon be considering the potential of developing housing at 0 Westbrook Street in the Stroudwater neighborhood. As a portion of the historic Cumberland and Oxford Canal crossed this parcel, you have asked whether there are any historic preservation implications that the Housing Committee should be aware of in exploring the feasibility of development on this site.

The Cumberland and Oxford Canal was listed in the National Register of Historic Places in 1974. As such, any project involving federal funding or licensing would be subject to review under the National Historic Preservation Act's Section 106 process. Under the Section 106 process, the Maine Historic Preservation Commission is required to make a determination as to whether the proposed development would have an adverse impact on any historic resource listed in or eligible for listing in the National Register.

The Cumberland and Oxford Canal was opened in 1832 to connect the largest lakes of southern Maine with the seaport of Portland. The canal followed the Presumpscot River from Sebago Lake through the towns of Standish, Windham, Gorham and Westbrook. In Westbrook, the canal diverged from the river, and ran through a portion of the Stroudwater neighborhood of Portland to reach the navigable Fore River Estuary and Portland harbor.

**DRAFT**  
**2018 Housing Committee Work Plan**  
**April 20, 2018**

Items to refer to the 2018 Housing Committee

- Items from the 2018 Council Goal Setting Process
- Housing First Incentives;
- Capitalizing Housing Trust Fund;
- Possible revisions to and the implementation of Section 6-225 (Rental Housing Advisory Committee) of the Tenant Housing Rights Ordinance. (see June Agenda)
- City-led affordable housing development

January 24, 2018

1. Review 2017 Housing Policy Proposals.
2. Review 2017 Housing Committee Report; Goals, Work Plan, and Accomplishments.
3. Review Summary of Feedback of Housing Policy Proposals.
4. First Review of Developer Feedback on the Inclusionary Zoning Ordinance.
5. Update on 2018 Short Term Rental registration process.
6. 2018 Work Plan Discussion

February 12, 2018

1. Review Housing Policy Proposals
2. Review Public Feedback on Housing Policy Proposals
3. 2018 Work Plan Discussion

February 28, 2018

1. Housing Program Budget - Review and Recommendation to the City Council
2. Overview of the Housing and Community Development Division
3. Overview of the Housing Trust Fund
4. Communication Items: Community Land Trust Information; City-owned property information; Text Analysis of Housing Report Survey
5. 2018 Work Plan Discussion

March 28, 2018

1. 14-403
2. HomeStart
3. Affordable Housing Development HOME Fund Application - Review and Approval to Issue by the Committee
4. Franklin Reserve Massing Study/GPCOG overview of Brownfields Planning Grant
5. 2018 Work Plan Discussion – including a discussion of the Council’s goal setting session

April 25, 2018

1. Rental Market Survey results presentation
2. Review and Vote to Recommend to the City Council Amendments to Chapter 6 re: Disorderly House Ordinance.
3. Housing Trust Fund Annual Plan
4. Tax Acquired and City-Owned Property – Westbrook Street
5. 2018 Work Plan Discussion

Communication Items:

Portland Water District water efficiency and repair services program  
Inclusionary Zoning Workflow Update

May 23, 2018

1. Review and Recommendation to the City Council – Funding Requests Received from the Affordable Housing Development HOME Fund Application
2. Review of FY19 HUD Annual Allocation Plan
3. Review and Recommendation of Amendments to Ordinance: Section 6-225 of the Tenant Housing Rights Ordinance. (Housing Advisory Board)
4. 2018 Work Plan Discussion

June 5, 2018

1. Potential joint meeting with the Economic Development Committee to review and approve Affordable Housing TIF Requests
2. Hotel Linkage Fee Discussion
3. 2018 Work Plan Discussion

June 27, 2018

1. Presentation of Community Land Trust model
2. Review of City-Owned Property re: housing development potential
3. Review and Recommendations of Appointments to the Housing Advisory Board re: Section 6-225 of the Tenant Housing Rights Ordinance. (Housing Advisory Board)
4. 2018 Work Plan Discussion

July 25, 2018

1. Rental Housing Safety & Inspection Program - Implementation and Financial Report
2. Short Term Rental Registration Program - Implementation and Financial Report
3. 2018 Work Plan Discussion

August 22, 2018

1. Review of and possible changes to the Condo Conversion Ordinance
2. 2018 Work Plan Discussion

September 26, 2018

1. Review of FY18 HUD Consolidated Annual Performance Report
2. 2018 Work Plan Discussion

October 24, 2018

1. Presentation of Annual Housing Report
2. Review of Year 1 of the Short Term Rental Program
3. 2018 Work Plan Discussion

November 28, 2018

1. Review of 2018 Annual Committee Report
2. 2018 and 2019 Work Plan Discussion

December 26, 2018 (day after Christmas)

## 2018 HOUSING COMMITTEE SCHEDULE

All meetings begin at 5:30 p.m.

<b>Date</b>	<b>Meeting Location</b>
January 24	Room 209
February 28	Room 24
March 28	Room 209
April 25	Council Chambers
May 23	Room 209
June 5	Room 24
June 27	Room 24
July 25	Room 209
August 22	Room 209
September 26	Room 209
October 24	Room 209
November 28	Room 209
December 26	Room 209



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Division Director  
Housing and Community Development Division

**DATE:** April 20, 2018

**SUBJECT:** Portland Water District Conservation Program

The Housing and Community Development Division was approached by the Portland Water District (PWD) to administer a water conservation program for low income customers of the Portland Water District.

### **Program Information and Background**

The PWD provides financial assistance to low-income residential customers to encourage customers to reduce water consumption. The program was previously administered by The Opportunity Alliance. The program assists eligible customers with the following services:

1. Repair or replacement of leaking/broken water service
2. Repair or replacement of toilet
3. Repair or replacement of kitchen faucets
4. Repair or replacement of bathtub faucets/shower heads
5. Repair or replacement of outside faucets
6. Installation of low flow shower head
7. Installation of low flow aerator
8. Installation of toilet dam
9. Other conservation repairs or replacements as identified under conservation audit
10. Repair or replacement of leaky or broken water pipes

The maximum grant amount per client is \$2,000. Administrative costs will not exceed 15% of the costs rendered to clients. The program would be available to residential customers that own and occupy a year-round residence within the PWD's service area and who are at or below 80% of the area median income as defined by HUD. From 2008-2014, 60 PWD customers benefited from this program and the majority of the households served earned at or below 30% of the area median income.

According to a 2014 report produced by The Opportunity Alliance, 583 households were assisted from 1996 to 2014 utilizing \$410,984 in funding from the PWD. Program funding

Portland, Maine



Yes. Life's good here.

Mary Davis

Division Director, Housing & Community Development Division

for 2013, 2014 and 2016 was \$10,000/year; in 2011 program funding was \$12,000. The PWD has not set a maximum funding amount for the program.

Initially, this program will be administered in conjunction with our housing rehabilitation and lead safe housing programs. The Housing and Community Development Division incorporates a healthy homes assessment into our housing rehabilitation and lead safe housing programs. The PWD program will fit nicely with that concept. In discussions with the PWD, staff has proposed a commitment to the program for the fiscal year July 2018 through June 2019 with an evaluation for continued participation for the 2019-2020 fiscal year.

#### **Attachments**

PWD Program Description

PWD Sample Contract

PWD Map of Service Area.

### **33) LOW-INCOME CUSTOMER ASSISTANCE PROGRAM**

#### **33-A) General Program Description**

The District is supporting, in conjunction with The Opportunity Alliance(OA), a program to provide financial assistance to low-income residential customers for the purpose of taking positive steps towards reducing water consumption to make water more affordable.

The District has authorized OA to administer a program to repair, replace or install plumbing fixtures and water saving devices with regard to the following:

- leaking or broken water pipes
- toilets
- hot water tank
- kitchen faucets
- bathtub faucets
- shower heads
- outside faucets
- toilet dams
- low-flow devices

3. This program will be offered to all qualified residential customers of the District.

#### **33-B) Program Participation Requirements**

1. A qualified residential customer must:
  1. Own and occupy a year-round residence within the District service area.
  2. Be low-income qualified, by showing evidence of having an annual household income that is equal to or below 80% of Area Median Income (AMI) as defined by US HUD.
2. Must demonstrate through a home audit provided by OA, a need for the program's services.

### **33-C) General Provisions**

1. The dwelling unit owner must agree to leave in place at the premises any water saving measures installed under this program.
2. OA will determine customer eligibility, complete a home audit, develop a remediation plan, subcontract work to be completed, and inspect completed work.
3. Qualified applicants will be assisted on a first come, first served basis up to the allocated amount provided to the program by the District. Exceptions will be made at the discretion of OA for emergency situations that jeopardize health or safety.
4. The District will fund this program on an annual basis and reserves the right to discontinue program support at any time.

### **33-D) Miscellaneous**

1. The District along with municipalities, OA Central Intake and Outreach staff, Human Service organizations, and the public at large, will refer homeowners to OA for qualification.
2. All specific services provided by this program will be delivered to qualified participants at no cost to the participant.

**The Opportunity Alliance Program  
And  
Portland Water District**

**CONTRACT FOR SERVICES**

This contract made the first day of October 2015 is by and between the Opportunity Alliance (OA) and the Portland Water District (PWD).

It is agreed that OA will provide PWD a conservation program ("Program") for low income customers of PWD service areas. The goal of the Program is to assist low income customers to take positive steps towards conservation.

Criteria for Clients Receiving Services

1. Must be a client in OA's service area who is a PWD customer.
2. Must be a client whose income is at 80% of area median income (AMI) as defined by US HUD.
3. Determination of eligibility will be made by OA in review of client's application for services.
4. OA will certify that client meets eligibility standards.
5. Referrals will be received from PWD, OA Central Intake, OA outreach staff, and other human service organizations, municipalities, and the public at large.
6. A waiting list will be developed and clients will be served on a first come, first served basis. Exceptions to this will be emergency situations which jeopardize health and/or safety.

Services to be Provided

OA will provide to PWD the following services

1. OA will conduct an awareness campaign which will include:
  - a. Distribution of water conservation materials and new Program description to all OA clients residing in the District's service area.
  - b. Distribution of Program brochures and posters to human service organizations, churches, municipalities, state government offices, OA Program sites, and service organizations.
  - c. Inclusion of Program description in OA's weatherization packet.
  - d. Instruction to eligible customers, one-on-one or in groups on water saving tips.

2. OA will provide the following conservation services:
  - a. Repair or replacement of leaking / broken water service.
  - b. Repair or replacement of toilet.
  - c. Repair or replacement of kitchen faucets.
  - d. Repair or replacement of bathtub faucets / shower heads.
  - e. Repair or replacement of outside faucets.
  - f. Installation of low flow shower head.
  - g. Installation of low flow aerator.
  - h. Installation of toilet dam.
  - i. Other conservation repairs or replacement as identified under conservation audit.
  - j. Repair or replacement of leaky or broken water pipes.

Labor and materials for the above services will be provided by qualified subcontractors. OA will attempt to obtain subcontractor prices at lowest cost by obtaining estimates from at least two subcontractors in the client service area. In the event that OA can not obtain estimates from two subcontractors, OA shall document that it made a reasonable attempt to obtain two quotes from qualified subcontractors.

Low flow shower head and aerator should be installed in any client's home receiving repair services provided under this contract.

The maximum amount granted for services per client will be \$2,000.

### Program Flow

OA will provide services to clients in the following manner:

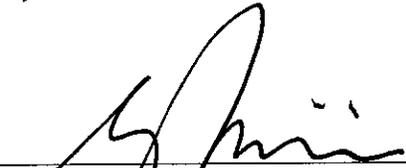
1. Eligibility determination.
2. Client home visit made by OA employee. Conservation audit performed.
3. Recommended improvements reviewed with client and OA Housing Coordinator.
4. Plan of remediation developed and approved.
5. Subcontractor estimates received. Subcontract let. Work is completed.
6. OA employee visits site to inspect the subcontractor's work and to secure customer signature of satisfaction.
7. 10% of all sites will be visited and inspected by OA Housing Coordinator.

Payment Provisions

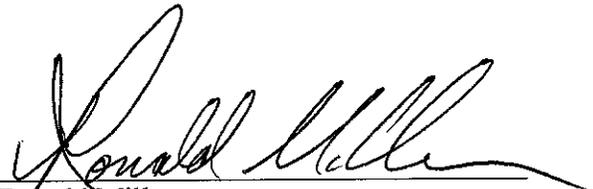
1. At PWD's discretion, a contribution will be submitted to OA prior to services being provided.
2. OA will provide PWD with a report on how the contributions to the program were distributed by month end after service is provided. This report will include:
  - a. Names of clients, services provided, subcontractor costs and invoices, and PWD customer bill with account number; and,
  - b. Amount for OA services.
3. OA administrative costs shall not exceed 15% of the costs rendered to clients.

Renewal

This contract may be extended on an annual basis. PWD and OA will determine a mutually agreed upon contribution amount at the time of each contract extension. This contract shall continue on a year-to-year basis unless ninety (90) days written notice of termination is given by either party to the contract. Upon termination all unspent monies shall be returned to the PWD by the OA.

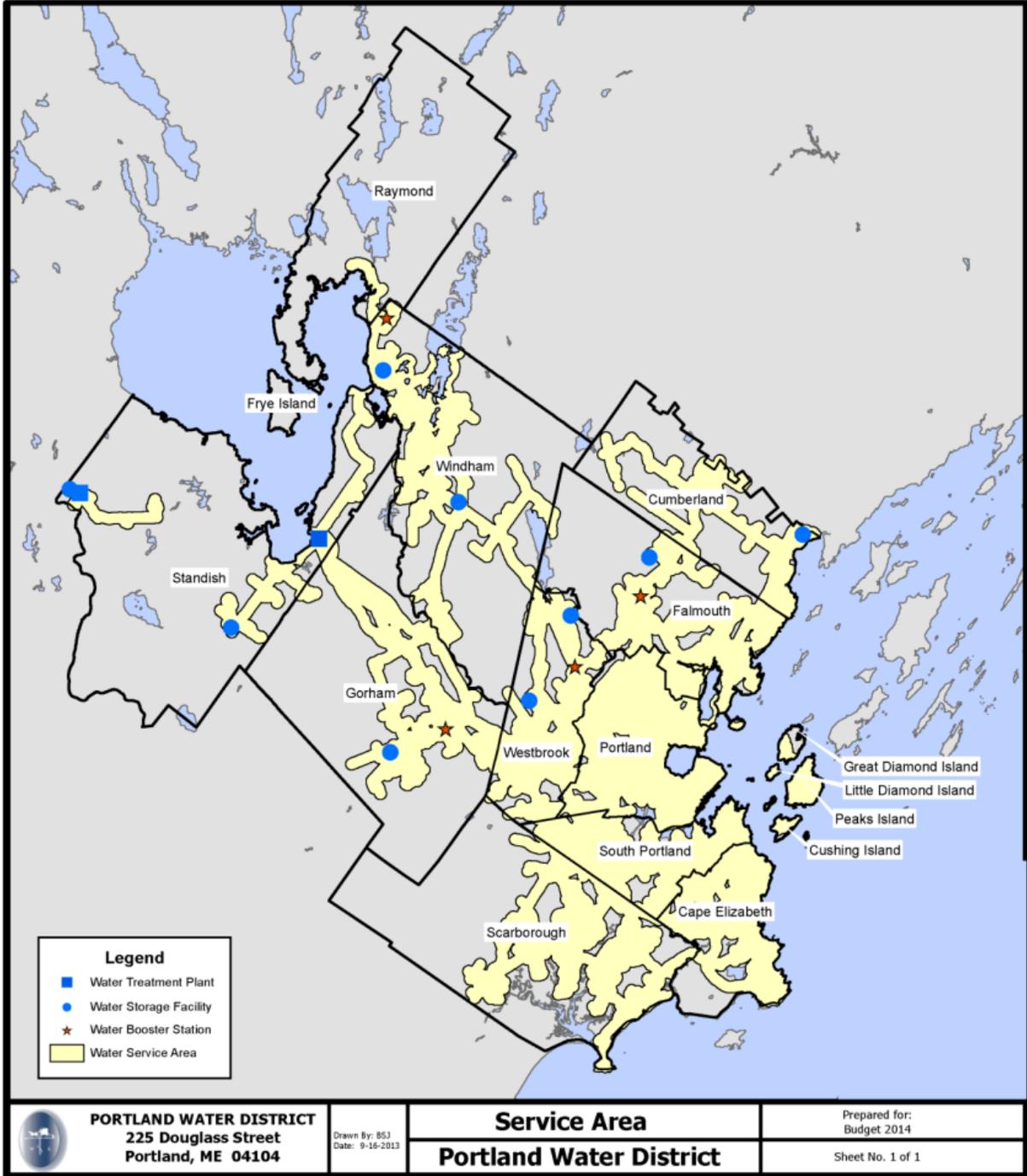


Michael J. Tarpinian  
CEO  
OA  
510 Cumberland Avenue  
Portland, ME 04101



Ronald Miller  
General Manager  
PWD  
225 Douglass Street  
Portland ME 04102

# Portland Water District Service Area





**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Victoria Volent, Housing Program Manager

**DATED:** April 19, 2018

**SUBJECT:** Inclusionary Zoning Workflow Update

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### Introduction

In October 2015, the City Council approved Order 82 – 15/16 mandating inclusionary zoning within all residential development projects creating ten or more new dwelling units for rent or sale. Division 30, Section 14-487 of the City's Zoning Ordinance requires all projects to set aside a minimum of 10% of their units as workforce housing to eligible households. Developers also have the option of building units off-site within the same census block or paying a fee-in-lieu of some or all units into the City's Housing Trust Fund.

### Workforce Housing Development

Attached is a list of projects subject to the ordinance and their proposed method of meeting its requirements. Since adoption of Inclusionary Zoning, eighteen qualifying residential or mixed-use projects have been approved by the Planning Board as of March 27, 2018. From those eighteen projects, 8 units of workforce units have been developed; 23 units of workforce housing are proposed, and six out of eighteen developers chose to pay the fee-in-lieu into the City's Housing Trust Fund for a total of \$1,266,250 (the actual funds will be deposited when the certificate of occupancy is requested). Two of the eighteen qualifying projects are associated with mission oriented developers (510 Cumberland, 58 Boyd Street) proposing a greater percentage of affordable units at a lower area median income. Of the ninety affordable units associated with these two projects, thirteen units would have been workforce housing had the developers not proposed to exceed the affordability requirements of Division 30, section 14-487. The project at 583-605 Stevens Avenue is also proposing a greater percentage of affordable units at a lower area median income. Of the 66 affordable units associated with this project, twenty-four units would have been workforce housing had this developer not proposed to exceed the affordability requirements.

### Fee-in-lieu

Of the \$1,266,250 in committed fee-in-lieu funds, \$280,000 has been collected to date. The remaining funds (\$986,250) will be collected prior to issuance of the certificate of occupancy. Three projects (with a total fee-in-lieu commitment of \$570,000) are in the construction phase. 62 India Street (aka the Mason Block) anticipates occupancy in spring 2018, and 20 Thames (aka Twenty Thames) is aiming for a late 2018 completion date. As previously mentioned six out of eighteen developers, or 1/3, chose to pay the fee-in-lieu.

### Deed Restriction

Before a building permit may be issued, a Workforce Housing Agreement is entered into by the developer and the city. The agreement outlines the details of the affordability restrictions placed on the workforce unit(s) and is filed as a covenant to the property's deed with the Cumberland County Registry of Deeds before a Certificate of Occupancy may be issued.

In order to fulfill the provisions of the Workforce Housing Ordinance, the developer agrees to certain restrictions on rental terms, conditions, and amounts or restrictions on the sale of the workforce unit(s) including restrictions on the purchase price for the Workforce Unit, the parties who may purchase the Workforce Unit, occupancy restrictions, and the grant of an option to purchase the Workforce Unit to the City. The covenants and restrictions are considered covenants that run with the Workforce Unit and bind all subsequent owners and holders of any interest in the Workforce Unit,

## Inclusionary Zoning Development Projects: December 2015 - March 2018

Address	Status	# of Units	Type	Workforce Units	On-Site	Off-Site	Fee-in-lieu
169 Newbury St (Luminato)	Completed	26	Condo	2	0	2	\$0
65 Munjoy St (City Owned)	Completed	8	Condo	6	6	0	\$0
443 Congress St	Under Construction	28	Apt	0	0	0	\$280,000 *
62 India Street	Under Construction	29	Condo	0	0	0	\$290,000
20 Thames St	Under Construction	28	Condo	0	0	0	\$280,000
1 Joy Place	Under Construction	12	Condo	1	1	0	\$0
70 Anderson St	Approved (2016)	10	Rental	1	1	0	\$0
75 Chestnut St (Westerlea View)	Approved (2016)	54	Apt	5	5	0	\$0
161 York St	Approved (2017)	11	Condo	0	0	0	\$110,000
221 Congress St	Approved (2017)	17	Condo	0	0	0	\$170,000
153-165 Sheridan St	Approved (2017)	19	Condo	1	1	0	\$0
1700 Westbrook St (Stroudwater)	Approved (2017)	123	SF/Townhouse	12	12	0	\$0
218-220 Washington St	Approved (2017)	45	Condo	0	0	0	\$416,250
510 Cumberland (Avesta)	Approved (2017)	80	Rental	46	46	0	\$0
58 Boyd St (PHA)	Approved (2017)	55	Rental	44	44	0	\$0
583-605 Stevens Avenue **	Approved (2018)	109	Rental	66	66	0	\$0
22 Hope Ave Subdivision (Brandy Ln)	Approved (2018)	16	SF Home	1	1	0	\$0
56-60 Parris St (Parris Terrace)	Approved (2018)	23	Condo	2	2	0	\$0
<b>Subtotals</b>		<b>693</b>		<b>187</b>	<b>185</b>	<b>2</b>	<b>\$1,266,250</b>
<b>Pending Projects- 2018</b>							
383 Commercial St	Under Review	82	Condo	9	TBD	TBD	TBD
1844 Forest Ave	Under Review	16	Apt.	TBD	TBD	TBD	TBD
37 Front St (PHA)	Under Review	99	Rental	79	79	0	\$0
56 Hampshire St	Under Review	28	Condo	TBD	TBD	TBD	TBD
300 Allen Avenue	Under Review	12	TBD	1	TBD	TBD	TBD
977 Brighton Avenue	Under Review	40	Rental	34	34	0	\$0
<b>Subtotal</b>		<b>1009</b>					

\* Fee-in-lieu collected on 12-19-2017

\*\* 40 units targeting households earning 50% AMI, 26 units targeting households earning 60% AMI. \$625,000 in City HOME funds subsidized this project to increase affordability by lowering the income affordability from 100% AMI