

## **Housing Committee Minutes of October 11, 2018 Meeting**

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

A meeting of the Portland City Council's Housing Committee (HC) was held on Thursday, October 11, 2018 at 5:30 P.M. in Council Chambers at Portland's City Hall. Councilors present at the meeting included Committee members Councilor Kimberly Cook, and Councilor Jill Duson, Chair of the Committee. City Council members present were Mayor Ethan Strimling, Councilor Belinda Ray and Councilor Spencer Thibodeau. City staff present included Mary Davis Housing and Community Development, Victoria Volent Housing Programs, Michael Sauschuck Assistant City Manager, Fire Chief Keith Gautreau, Michael Russell Permitting and Inspections Department Director, Jessica Hanscombe Licensing and Registration Coordinator, Jonathan Rioux Inspections Director, and Anne Torregrossa Associate Corporation Counsel.

### **Item 1: Review and accept Minutes of previous meetings held on September 24, 2018**

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

### **Item 2: Presentation, Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short term and Long-term Safety Inspections, and Program Budgets (Public Comment)**

Chief Keith Gautreau introduce the item to the Committee. He highlighted his memo recapping the bullet points, and changes since 2017. For approximately one year, the Fire Department (FD) has been working jointly with the Permitting and Inspections Department. The FD is now using new software (as is the Permitting and Inspections Department). The Fire Department assists the Permitting and Inspections Department. After the Noyes Street fire, inspections uncovered numerous violations. Working with landlords, the number of violations has come down. Chief Gautreau provided an overview of each chart, highlighting significant items.

Councilor Duson noted the activity of Assistant City Manager Sauschuck to meet with landlord stakeholders as well as tenant associations. Chief Gautreau was asked to confirm that the data from the Fire Department and Permitting and Inspections Department is entered into the same software to assist the

public with locating public information. Councilor Duson confirmed that the Life Safety Educational information with the Fire Department and Permitting and Inspections is similar.

Councilor Duson opened the meeting to public comment. Seeing none, the public comment period was closed.

**Item 3: Review, Discussion and Possible recommendation regarding Proposed Policy Changes to Chapter 6, Article VI, Residential Rental Unit Registration Requirements, as it applies to Short-term Rental Units. This is an actionable item and public comment will be taken.**

Councilor Duson announced that due to the absence of Councilor Ali, the Committee would hold off on an actual vote.

Councilor Duson began the meeting by introducing the memo prepared by Jessica Hanscombe. Mike Sauschuck explained the process of communication and collaboration during the past week and the development of the communication matrix.

Mayor Strimling would like to include the idea of a study, possibly completed by GPCOG, regarding the impact of STR on the housing market. Mike Sauschuck agreed to look into how that could be accomplished. Councilor Duson would like to make a recommendation on moving forward with the study on the agenda for the October 24 meeting to make a motion for the City Council to commission the study.

Jessica Hanscombe presented her memo to the Committee. Her research concluded that the city has 165 non-owner occupied mainland units registered for 2018. This is 135 units below the cap of 300. However, if the non-owner occupied units in an owner-occupied building (125) and the total “unknown” (30) units are added to the current cap total, then the updated total is 310 with 20 units being over the cap.

Councilor Cook asked for the memo to be clarified to read “165 non-owner occupied mainland units in non-owner occupied buildings”.

Mayor Strimling asked for an update to the number of STR chart (from the previous meeting). Councilor Duson would like this as a communication item for the next meeting. Mayor Strimling would like to know multi-room counts.

Councilor Duson asked if a moratorium is necessary to stop taking applications that may add to the count of non-owner occupied buildings. Councilor Ray would like to know if a moratorium or passage of updates could be made retroactive. Anne Torregrossa responded that land-use case law allows for retroactive if the applicant has not spend a significant among of money to apply the ordinance. Councilor Cook asked if the Council could pass a resolution to clarify definitions rather than pass a moratorium. She would like to see a means of ensuring the city does not accept applications that would possibly bring the number of non-occupied units over the 300 cap.

Councilor Duson requested a moratorium be brought the City Council's Monday meeting (October 15) from Corporation Council to discontinue accepting applications for non-owner occupied STR buildings until February 4, 2019. Per Anne Torregrossa, this could be effective Monday. A motion was made by Councilor Cook for a moratorium on accepting new short term rental applications on non-owner occupied mainland in non-owner occupied buildings effective October 15 through February 4, 2019. Councilor Duson seconded the motion. The motion was approved 2-0.

Councilor Duson requested a discussion of the matrix of information. Councilor Cook noted there are areas within the matrix that she is in agreement with "staff" recommendations. Anne Torregrossa presented the matrix. Councilor Duson requested a matrix of changes be presented to the Committee at the October 24 meeting.

Councilor Duson opened the meeting for public comment.

Arthur Fink (Peaks Island) - sees advantages and disadvantages of STR. Peaks Island has a separate issue from the Mainland. Does not believe renting a room takes a unit off the long-term rental market. Hopes the Committee is trying to define STR as within an owner-occupied unit as opposed to a non-owner occupied building.

Gabriel Zappia Local Landlord- The STR market keeps money in the local market rather than money spent on a hotel. Feels the issue is neighborhood related. If an owner would like multiple units, than the process should include site plan review by the Planning Board.

Marsha Campbell (108 Salem Street/AirBnb host). Has a room in her home she short-term rents. Supports owner-occupied STRs.

Ed Pontius (14 Cleaves Street/ STR host.). Asked Committee not to disrupt the positive side effects that the income from AirBnb and flexibility that STR availability provides. The income from STR stimulates the local economy

Scott Lindsay (111 and 136 Commercial St/ host of 4 non-owner occupied units). This meeting is moving the goal post. Feels this is a zoning ordinance item that can work. It is awful that owners like him have complied with everything but now it is back on the table. He supports grandfathering, or tweaking based on data. Is looking for consistency to help with long term planning.

Mark (Landlord in Portland) Council and Mayor do not understand what is going on. Is aware of property owners offering STR that are not registered. Regulating somebody's housing already is not adding any more units.

Chris Aceto (Landlord in Portland) Agrees with Scott that is feels like we are being scapegoated. Does not believe 4% of the rental market is causing the other 96% to increase rents. The desirability of Portland is why rents are going up. See the positive effect on buildings along Parkside because of the prevalence of STR.

Daniel Steele (52 Center Street/STR owner ) Feels “the train has left the station” on stopping STR. We should not described STR as AirBnbs. Cannot plan long term with annual changes.

Erna Koch (79 Vesper Street/STR owner) - would like a more participatory process to discuss STR. Owners have much to offer to the Committee regarding ideas to work together.

Gil Helmick (39 Cumberland/STR owner) - Would like to deliver a nine page letter to the Committee. Problems are in fact are not generated by the host community. Slum-lords have been bought out and replaced with STR owners who are fixing up these buildings and bring them up to code and making them safe. These investment need to be financed. Low wages are also to blame for the lack of housing affordable to workers. Supports higher fees.

Dan Mawhinney (12 Walker/STR owner) - Is renovating and living in the building they recently purchased. Respects goal of committee to address the issue of the failure of building owners to property identify themselves so they can be accountable to city officials. Supports comments concerning the perception that STR are going to eliminate long-term rental units. Just the opposite may happen if owners can capitalize on the income from STR to fix buildings for their long-term rental tenants. Does not want to convert rentals to condos. Short sided for the Committee to divide up owner and non-owner definition. Would like a hybrid. In the building and allow STR within the building. Would support workshops for a solution for the city and STR owners.

Katherine Palmer (62 Monument St and 70 Waterville/ STR owner)- feels strongly not to turn rental buildings or single family houses into condos. Supports being an entrepreneur and fixing up properties. Concerned with the point of withdrawing registration with two complaints. How will due process be protected?

Karen Snyder- (72 Waterville/ owns long term rentals) - recent city housing policy have not created workforce housing. Owner occupied units are acceptable. Washington DC, South Portland, Toronto and Montreal are all changing their STR ordinances to support owner-occupied units. Non-owner occupied units do not conserve residential housing and neighborhoods.

Ralph Baldwin (Commercial Street/ STR host in rental units) - long term participant in the STR process . The STR revisions seem premature on an ordinance that has only been in effect for ten months. The effect on LTR by STR is still unknown. The Strimling-Cook amendments violate rights to privacy of owners and guests. Concerned if the public record was altered; cannot find the STR presented by the Mayor. Would like the page returned to the public records.

Mike Webster (155 Sherwood St/STR owner) - Buildings as a whole were originally determined as owner-occupied. Does not support a moratorium. Requested additional data and consideration prior to overhaul.

Aaiyn Foster (10 New Island Avenue Peaks Island) - Supports the work of the Housing Committee. Airbnb works and is a great community. The guest reviews work to keep successful and

unsuccessful STR works. Would like to give time to allow the original ordinance to play out. Limits and caps work and should allow to remain in place and give it due time to work.

Ken Thomas (Danforth Street and Share Portland)- changing the ordinance now would be a shame as no significant concerns have come to light to justify changes. The changes recommends a dramatic shift in the ordinance. Would like to “hit the pause button” on moving forward. Neighborhoods have not been destroyed and rents have not been negatively effective. There is a need for consistency.

Richard Noyes (40 Woodmont/ STR owner). Enjoys being an AirBnb host. The income from hosting is turned back into the upkeep of the building. Supports regulations.

Councilor Duson closed the public comment period.

A lengthy discussion regarding proposed amendments to Chapter 6, Article VI, Residential Rental Unit Registration Requirements as it applies to short-term rentals units ensued. The results of the discussion will be presented to the Committee at the October 24 meeting.

Anne Torregrossa noted Corporation Counsel will provide language for a moratorium vote for the City Council on Monday or later, that is retroactive.

**Item 4: Committee Discussion re: 2018 Work Plan**

On a motion made by Council Cook and seconded by Councilor Duson (approved 2-0) the meeting was adjourned at 10:29 pm.

Respectfully submitted,

Victoria Volent