

Housing Committee Minutes of April 25, 2018 Meeting

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, April 25, 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, Councilor Pious Ali, Councilor Jill Duson, Chair of the Committee. 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, and Richard Bianculli, Jr., Esq., Neighborhood Prosecutor.

Item 1: Review and accept Minutes of previous meetings held on March 28, 2018

Councilor Cook motioned to amend the minutes by removing the additional public comment appended at the end of the minutes and requesting that they be placed separately in the public record. Motion was seconded by Councilor Ali and the amended minutes unanimously approved 3-0.

Item 2: Rental Markey Survey Presentation

Councilor Cook asked if the committee specifically asked staff to contract for this report. Mary Davis responded that the Committee raised several questions and concerns with the rental data contained in the Housing Report from last October and asked staff to find a better resource for this information. Staff solicited a consultant to conduct a rental housing survey. Michael LeVert, the consultant selected, presented the report. He explained that the task he was given was a straightforward task to sample the rents; a brief survey was conducted which received a high response rate. In addition he worked directly with several large landlords to collect rental data. Mr. LeVert clarified that this was a landlord survey not a tenant survey, a survey of actual rents without consideration of whether it is subsidized unit or an income controlled unit.

Councilor Ali asked if landlords that participated included Avesta and Portland Housing. Mr. LeVert indicated that Avesta did respond.

Councilor Cook stated that it appears the increase in rents from the end of 2016 to end of 2017 shows a 2% increase; Mr. LeVert stated that the median change of \$25 is a better analysis than looking at the average percentage; a better metric is the median. Councilor Cook indicated that trend data would be more helpful than point in time data. Mr. LeVert pointed out that the survey did ask for rent information from last year which does show short term trend detail and concludes that median rent has stabilized. Mr. LeVert also pointed out that the City now has a high quality data set that can be used as a base moving forward. He expressed his thanks to the landlords that provided private data and information for the report.

Councilor Duson asked if staff had any clarifying questions or comments; Mr. Levine indicated that this is the type of data set that the city may want to update every two or three years as it is the best data set

that the city has had in a while.

Councilor Duson indicates that this is an excellent report that provides a tool for tracking trends and a base line that is Portland specific. Councilor Duson expressed her appreciation for the report.

Mark Adelson of the Portland Housing Authority (PHA) stated that he was unaware information was requested from the PHA and that they did not respond. He indicates that public housing rent data would not have been helpful to this survey. PHA did a rental study in February.

Councilor Duson would like us to work with PHA when we do update this data to include the PHA comments.

Item 3: Review and Vote to Recommend to the City Council Amendments to Chapter 6 re: Disorderly House Ordinance.

Richard Bianculli, Jr Esq introduced the item. He explained that part of his role is to enforce the disorderly house ordinance and indicated that 95% of the time landlords are compliant. He indicated that the proposed changes are being recommended to avoid any due process issues in the future and explained that the changes would require notice to tenants in cases of disorderly house complaints and condemnation.

Councilor Duson acknowledged the collaborative work done with Pine Tree Legal in drafting the proposed changes.

No public comment was given.

Councilor Duson indicates that these changes confirms the approach the city has taken in ensuring housing safety.

On a motion made by Councilor Cook and seconded by Council Ali, the Committee vote unanimously 3-0 in favor recommending the changes to the City Council.

Item 4: Housing Trust Fund Annual

Jeff Levine and Mary Davis provided an overview of the annual plan. Councilor Duson asked for clarification regarding how much would be allocated this year – if the city maintains a \$500,000 balance would the plan allocate only \$413,000 this year? Mr. Levine explained that this is the premise but it flexibility is built in. Councilor Duson asked about the priority for the PHA implementation strategy if we are doing a competitive application process. Mr. Levine indicated that this priority does not rule out other developers but these are projects that are moving forward and we want to ensure that city meets its commitments to the neighborhoods.

Councilor Cook indicated that she could not find a copy of the 2017 plan online to use to make contextual comparisons.

Councilor Cook asked several clarifying questions and concerns:

(1) Can the Committee vote on this tonight as it does appear that the Committee has a recommended

plan to act on; Councilor Cook suggested that the vote be delayed until the next meeting which would allow the Committee to discuss and suggest changes that can be brought back for action as a recommended plan.

(2) The \$500,000 minimum balance seems like a large contingency and she would be more comfortable with a lower amount.

(3) Would like clarity as to the PHA priority, what does being a priority mean and why did staff make that recommendation? Would like more explanation of these things in the public document. Mr. Levine explained that staff wanted to focus on projects that are ready to move forward, are already in the implementation phase and have identified financing gaps; next year staff might recommend a different focus area. Councilor Cook would prefer to see report amended to provide some of that clarity

(4) Note in plan that selection criteria and allocation of points are detailed in the application.

(5) Add a definition for adaptive reuse.

(6) Provided in the plan an explanation of how and when the city would provide to retain deed restrictions and how the right to cure defects would be documented. Define right of first refusal, when it applies and how it is secured.

(7) Explain the term “resource of last resort” in the plan.

(8) Include an explanation of how the maximum award per unit amount was determined; include background information as an addendum to the plan.

(9) Explain the reasons behind the income targeting.

Public Comment:

Mark Adelson – PHA is pleased to be recognized as a priority; the Front Street project is unique and not one that a normal developer would take on. He asked for clarification on how they might incorporate the 80-120% income targets; he also explained that Front Street will pursue the 4% tax credits and not the competitive 9% tax credits so they do have the constraints of the deadlines associated with the 9% application.

Tyler Norod of Avesta Housing; indicated that the focus of the plan should be on permanent uses which would be the best use of limited resources; it is difficult for Portland to score well in the tax credit allocation process and these types of resources make Portland developers more competitive. The city may want to defer restrictions or ongoing oversight to other funding sources that may be more restrictive.

Tom Watson states that if the fund has \$900,000 the City should use as much as you can to get units on the market;

Brit Vitalius of the Southern Maine Landlord Association is confused about the priority for PHA projects and is happy that it is being clarified; he believes full disclosure will benefit everyone, particularly other applicants.

Steve Perazone of 47 Bolton Street asked that the reason for the \$15,000 maximum award per unit be clarified.

Christine Grabowy of Falmouth, a Portland rental property owner asked that the equitable balance be explained, assuming that means single family homes.

Mr. Levine explained that equitable balance is explained in the implementing regulations for homeownership units. Mr. Levine also indicated that \$280,000 of the current balance in the Housing Trust Fund has come from Inclusionary Zoning fee-in-lieu payments. He also explained that the maintaining a minimum balance is a national best practice and staff is proposing it as a policy not a requirement.

Councilor Duson indicated that she liked the idea of a minimum balance in theory but sees it as specific to this year only; suggested that a statement be added to the plan that the minimum balance is for 2018

Councilor Cook asked how implementing regulations are created and do they come back to the Committee or Council for approval. Mr. Levine explained that generally regulations are approved by board implementing the policy (for example the Planning Board approved the Inclusionary Zoning (IZ) implementing regulations). He indicated that staff would use the IZ regulations as a starting point and would bring the proposed regulations back to the Committee for approval.

Councilor Cook indicated that she would need to better understand the gap facing the PHA projects in order to be okay with the PHA priority. Mark Adelson stated that they will know if there is gap at the Boyd Street project very soon. The current design for Front Street is over budget but they do not have an exact dollar amount yet.

Councilor Duson indicated that the Committee would like to see a revised draft next month; the Committee will take additional public comment and then make a recommendation to the City Council.

Councilor Cook indicated that it was worth noting in the plan that there is unknown timing with Front Street project so that other applications could be considered and the plan should clarify that mix income projects are eligible.

Item 5: Tax Acquired and City-Owned Property Analysis

Mr. Levine outlined the memo and gives brief background on this site; Victoria Volent gave more insight into the background analysis done that resulted in the staff recommendation not to pursue this site.

Councilor Cook asked if the current zoning (R1) was the determining factor. Mr. Levine stated that the current zoning is not the most significant challenge to the site.

Councilor Cook asked if a map of city owned land would be part of the item on the work plan for the end of June? Mr. Levine indicated that it would be included.

Item 6: Committee Discussion re: 2018 Work Plan

Councilor Duson asked staff to provide a copy of the 2018 Council Goals at the next meeting so that the Committee can review the goals and work plan together.

On a motion made and seconded (approved 3-0) the meeting was adjourned at 7:50 pm.

Respectfully submitted, Mary Davis