Beyond the Feds: Other Tools for Affordable Housing Production

Jeff Levine, AICP
Planning & Urban Development Director
City of Portland

RESULTS TO DATE

PORTLAND
INCLUSIONARY ZONING
TRENDS
HOUSING TRUST
ZONING

Jeff Levine
jlevine@portlandmaine.gov
• CDBG funding nationally was $3.0 billion in 2015, down 61% since 1982 inception

• HOME funding nationally was $935 million in 2015, down 63% since 1992 inception

• LIHTC 9% funding is $2.75 per capital in 2017, up from $1.25 in 2000
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4. **HOUSING IN PORTLAND**

- Widely perceived housing challenges in the City
- Reality is more nuanced – shortages in some types of housing stock that are essential to the economy of the region
- 2015 Workforce Housing Demand Study: Concluded market is supplying 29 out of every 100 units of housing as affordable at 100% AMI, needs to double that
- 2016 Council Housing Committee research raised concerns about housing rights for tenants
- 2017 Comprehensive Plan recommends building on existing programs and adopting measurable objectives to monitor success
- Rent Stabilization Referendum in the background
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Two key studies:

“Inclusionary Housing” (Lincoln Institute of Land Policy)
http://www.lincolninst.edu/publications/policy-focus-reports/inclusionary-housing

“The Economics of Inclusionary Development” (Urban Land Institute)
Luminato: 26 unit condominium project

2 inclusionary units in abutting triple-decker managed by Community Housing of Maine
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• Primary concern relates to whether the requirements might dampen overall housing production
• Interest rates or softening market could also impact
• Research suggests little or no effect on housing production
• Flexibility is key to effectiveness
• Need to commit to staff support, clear regulations, consistency
• Existing ordinance includes sunset provision in 2021 to evaluate effectiveness through one cycle

### In Practice

Developers have used all the options available

- On site
- Off site
- Fee in lieu
- Rental
- Home ownership

#### Inclusionary Zoning Development Projects: December 2015 - June 2017

<table>
<thead>
<tr>
<th>Address</th>
<th>Status</th>
<th># of Units</th>
<th>Workforce Units</th>
<th>On-site</th>
<th>Off-site</th>
<th>Fee in lieu</th>
</tr>
</thead>
<tbody>
<tr>
<td>169 Newbury Street</td>
<td>Under Construction</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>62 India Street</td>
<td>Under Construction</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$390,000</td>
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<tr>
<td>443 Congress Street</td>
<td>Under Construction</td>
<td>28</td>
<td>4</td>
<td>4</td>
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<td>-</td>
</tr>
<tr>
<td>70 Anderson Street</td>
<td>Approved</td>
<td>30</td>
<td>1</td>
<td>1</td>
<td>-</td>
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</tr>
<tr>
<td>75 Chestnut Street</td>
<td>Approved</td>
<td>55</td>
<td>5</td>
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</tr>
<tr>
<td>20 Thanes Street</td>
<td>Approved</td>
<td>28</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$180,000</td>
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<tr>
<td>221 Congress Street</td>
<td>Under Review</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$170,000</td>
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<tr>
<td>218-220 Washington St</td>
<td>Under Review</td>
<td>45</td>
<td>5</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>161 York Street</td>
<td>Under Review</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$110,000</td>
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<tr>
<td>153-165 Sheridan Street</td>
<td>Under Review</td>
<td>19</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 Joy Place</td>
<td>Under Review</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rufus Deering Ph 1</td>
<td>Under Review</td>
<td>82</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>362</strong></td>
<td><strong>28</strong></td>
<td><strong>26</strong></td>
<td><strong>2</strong></td>
<td><strong>$850,000</strong></td>
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</table>

*58 Fore Street is also expected with approximately 600 housing units
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• Portland adopted a housing trust about 10 years ago, initially funded through the Housing Replacement Ordinance

• Again, a best practice nationally applied for local needs

• Inclusionary zoning may offer an ongoing way to capitalize the fund via the fee-in-lieu of $100,000 per unit

• Council has discussed allocating other funds, such as from property sales, to Housing Trust as well

• Current balance is $468,551

  65 Munjoy Street
  Final est. TDC: $2.3-2.4 m.
  Units marketed for $279,000-$330,000
  $175,000 from Housing Trust

<table>
<thead>
<tr>
<th>DEPOSITS</th>
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</thead>
<tbody>
<tr>
<td>Maine Medical Center 2002-2003</td>
<td>$315,580</td>
</tr>
<tr>
<td>Sportsman's Grill 2002</td>
<td>$40,000</td>
</tr>
<tr>
<td>Berlin City Auto 2009</td>
<td>$116,000</td>
</tr>
<tr>
<td>Stop and Shop 2010</td>
<td>$289,250</td>
</tr>
<tr>
<td>Rockbridge/Eastland Park 2012</td>
<td>$42,500</td>
</tr>
<tr>
<td>Riverwalk/Ocean Gateway 2012</td>
<td>$250,000</td>
</tr>
<tr>
<td>118 Congress LLC April 2014</td>
<td>$3,500</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>INTEREST EARNED</td>
<td>$51,556</td>
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</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Avesta Oak Street Lofts 2011</td>
<td>$(380,585)</td>
</tr>
<tr>
<td>Housing First Pre-Development RFP</td>
<td>$(75,000)</td>
</tr>
<tr>
<td>65 Hanover St</td>
<td>$(9,250)</td>
</tr>
<tr>
<td>65 Munjoy St</td>
<td>$(175,000)</td>
</tr>
<tr>
<td>Balance</td>
<td>$468,551</td>
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</table>
65 Munjoy Street

Final est. TDC: $2.3-2.4 m.

Units marketed for
$279,000-$330,000

$175,000 from Housing Trust
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ENCOURAGE
Increased density allowed along key nodes and corridors

ENSURE
Inclusionary zoning (including 25% density bonus)
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