



2022 HOUSING REPORT PORTLAND, MAINE

June 2023

Part I prepared by the Department of Planning & Urban Development

Part II prepared by the Department of Housing & Economic Development

The 2022 Housing Report has been prepared at the request of the City Council's Housing & Economic Development Committee. This report is designed to give an overview of housing development activity, funding sources, and projects benefitting from funding subsidies in the 2022 calendar year.

Cover art courtesy of Arlo M., Grade 4, East End Community School

PART I

1. EXISTING HOUSING SNAPSHOT

In 2021, the most recent year for which housing characteristic data is available from the U.S. Census Bureau's American Community Survey, the City of Portland contained an estimated 35,356 housing units. Per the ACS, a slight majority (52%) of these estimated units were renter-occupied, with the remaining 48% owner-occupied. The city's vacancy rate in 2021 was estimated at 8.3%, well under the rate for the state of Maine and the country as a whole.

Figure 1: City of Portland Dwelling Units by Units in Structure (2021)

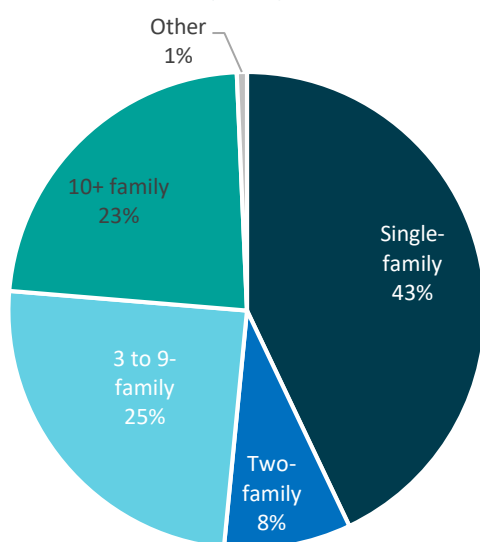
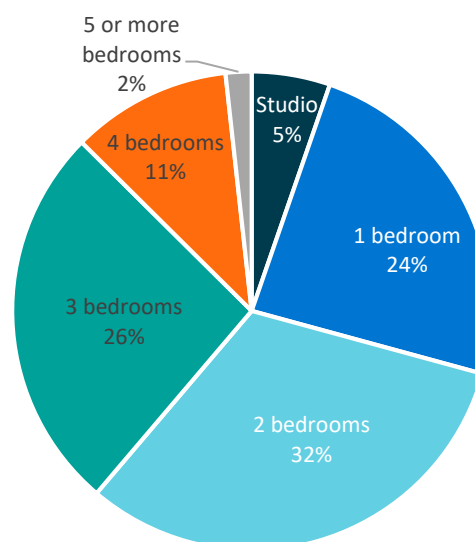


Figure 2: City of Portland Dwelling Units by Bedroom Count (2021)



In 2021 the largest percentage (43%) of the city's estimated units were categorized as single-family units; the ACS also reported large percentages of units within mid-sized buildings of 3-9-units (25%) and 10+ units (23%) (*Figure 1*). In terms of unit size, the city's units generally trend small; most units in the city (61%) were estimated to contain 0-2 bedrooms in 2021, and another 26% contained 3 bedrooms (*Figure 2*).

2. 2022 HOUSING DEVELOPMENT

A. RESIDENTIAL APPROVALS

In 2022, the Planning Board approved 10 new multi-family development projects totaling 322 units (*Table 1*); another 21 single- and two-family projects totaling 22 units were permitted administratively (*Table 2*). Of the multi-family projects approved, there were three projects with more than 10 units and seven with unit counts between three and nine (*Figure 3*).

2022 HOUSING DEVELOPMENT AT A GLANCE

322 multi-family housing units **approved**
22 single- and two-family units **permitted**
232 ownership units (**62** coop units)
112 rental units
108 affordable units
145 new multi-family units **completed**
32 single- and two-family units **completed**
59 new multi-family rental units
86 new multi-family ownership units
28 affordable multi-family units
2 affordable single-family units

Table 1: Multi-Family (3+ Unit) Approvals (2022)

| Address | Type | Units Approved | Affordable Units Approved | Affordability Level |
|---|----------------------|-------------------|---------------------------------|---------------------|
| 65 McAuley Way (Building 2) | Ownership | 28 | 0 | Market rate |
| 65 McAuley Way (Building 3) | Ownership | 42 | 0 | Market rate |
| 65 McAuley Way (Building 4) | Ownership | 28 | 0 | Market rate |
| 65 McAuley Way (Building 5) | Ownership | 42 | 0 | Market rate |
| 387 Deering Ave. | Rental | 8 | 0 | Market rate |
| 50 Exchange St. | Rental | 4 | 0 | Market rate |
| 102 State St. (aka 39 Winter) | Ownership | 9 | 0 | Market rate |
| 94 Portland St. | Rental | 4 | 0 | Market rate |
| 54 York St. | Rental | 14 | 0 | Market rate |
| 392 St. John St. | Rental | 9 | 0 | Market rate |
| Douglass Commons (91 Douglass St.)(aka 45 Dougherty) | Rental | 63 | 46 | 60% AMI |
| Dougherty Court (91 Douglass St. (aka 43 Douglass St.)) | Ownership (Coop) | 62 | 45/17 | 100% AMI/ 80% AMI |
| 7 Marion St. | Rental/ Ownership | 3 | 0 | Market rate |
| 26 E. Oxford St. | Rental | 6 | 0 | Market rate |
| Total | | 322 | 108 | |

Table 2: Single- and Two-Family Permits Issued (2022)

| Address | Type | Units Approved |
|-----------------------|---------------|----------------|
| 8 University St. | Single-Family | 1 |
| 8 Lane Ave. | Single-Family | 1 |
| 96 Murray St. | Single-Family | 1 |
| 62 Hicks St. | Single-Family | 1 |
| 55 Trailhead Way | Single-Family | 1 |
| 17 Massachusetts Ave. | Two-Family | 2 |
| 154 Belfort St. | Single-Family | 1 |
| 58 Trailhead Way | Single-Family | 1 |
| 78 Black Sparrow Dr. | Single-Family | 1 |
| 50 E. Kidder St. | Single-Family | 1 |
| 43 Howard St. | Single-Family | 1 |
| 1 Maple St. | Single-Family | 1 |
| 299 Summit St. | Single-Family | 1 |
| 126 Morrill St. | Single-Family | 1 |
| 4 Highland Ave. | Single-Family | 1 |
| 827 Ocean Ave. | Single-Family | 1 |
| 113 Reed Ave. | Single-Family | 1 |
| 37 Pamela Rd. | Single-Family | 1 |
| 56 Lower A St. | Single-Family | 1 |
| 59 Chesley Ave. | Single-Family | 1 |
| 91 Sheridan St. | Single-Family | 1 |
| Total | | 22 |

Of the total approved units for 2022, the majority (232) are anticipated as ownership units, with 62 of those ownership units proposed under a cooperative housing model (*Figure 4*). 112 units are anticipated as rental units. The largest percentage of ownership units were approved as part of the Stevens Square development in Deering Center. A large percentage of the anticipated rental units were approved within the Libbytown neighborhood on former City-owned property, with additional rental units approved for Downtown, Valley Street, and Oakdale (*Figure 6*).

A total of 108 of the approved units for 2022 will be deed-restricted for affordability to households earning at or below 100% Area Median Income (AMI) (*Figure 5*). 45 of these units will remain affordable to households earning at or below 100% of AMI, 17 will remain affordable at 80% AMI, and 46 will be affordable at 60% AMI. The 108 approved affordable units are all multi-family units, and all will be located on former City-owned property at 43 and 91 Douglass Street.

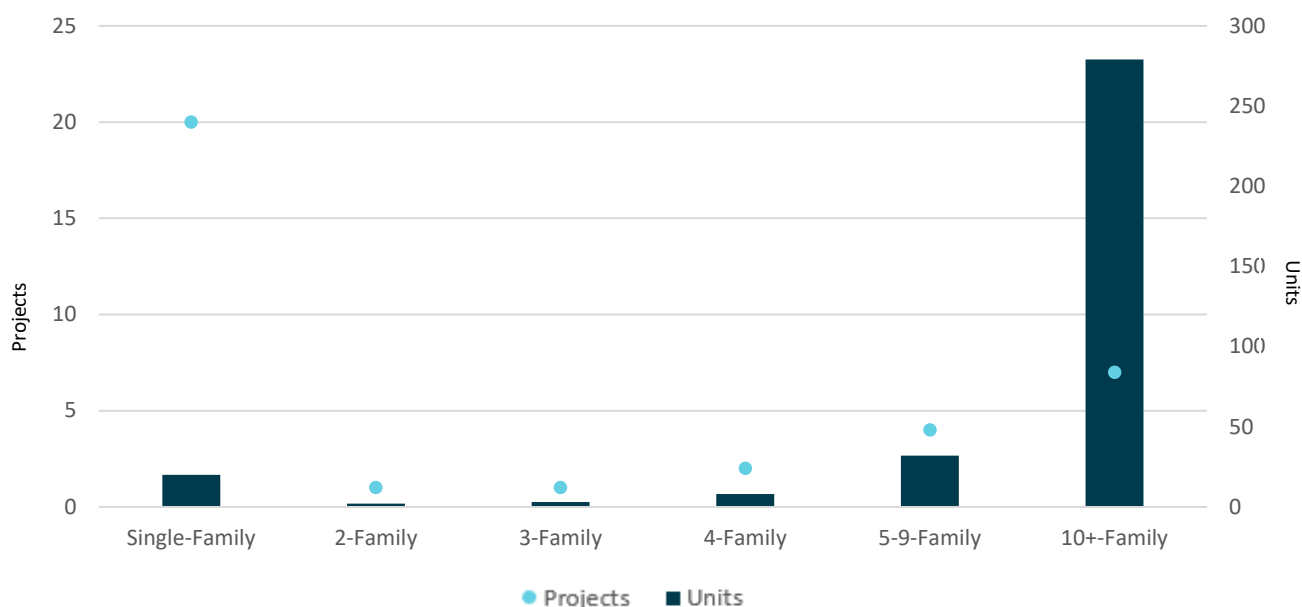
Figure 3: Projects and Units Approved by Building Size (2022)

Figure 4: Units Approved by Ownership/Rental Status¹ (2022)

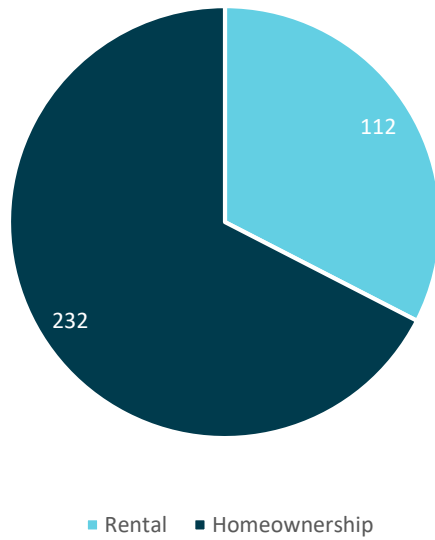


Figure 5: Units Approved by Affordability Level (2022)

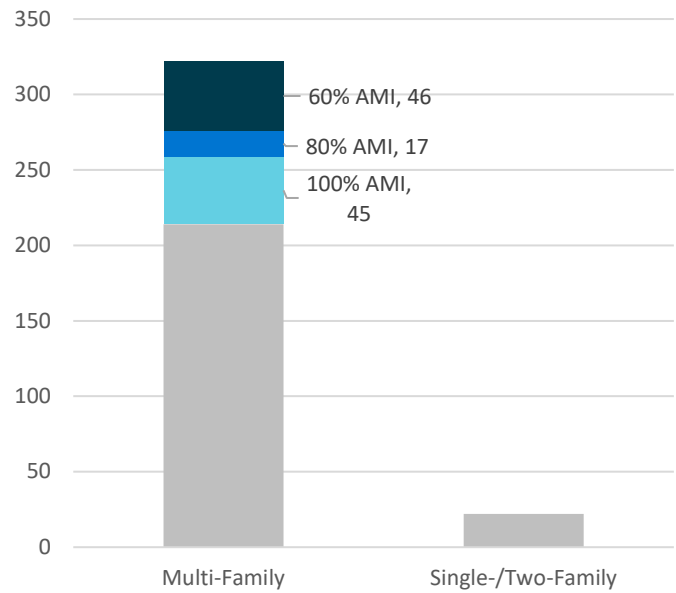
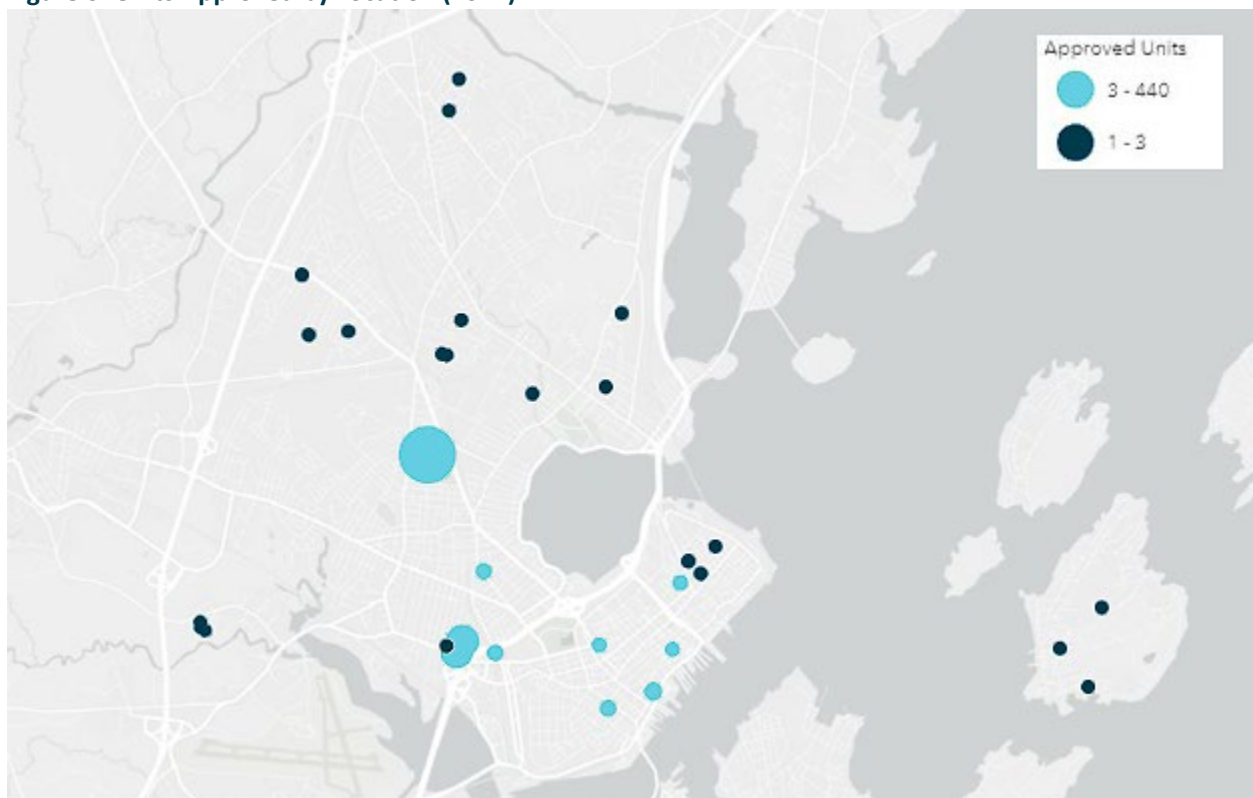
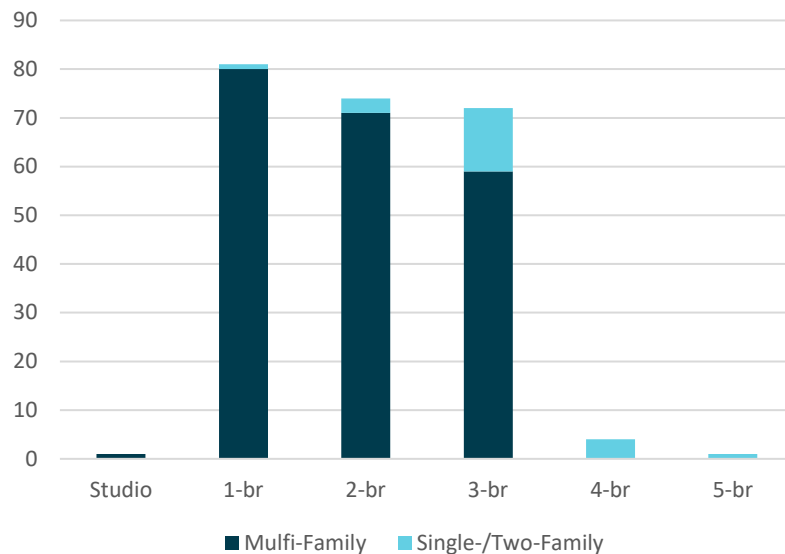


Figure 6: Units Approved by Location (2022)



**Note that the four McAuley Way projects are shown as one development for the purposes of this map.*

Figure 7: Units Approved by Bedroom Count (2022)



Of the approved units for which bedroom mix data is available, the highest proportion were one-bedroom, with similar numbers of two- and three-bedroom units (*Figure 7*). Significantly fewer of the approved units in 2022 contained four or five bedrooms. Generally, units approved in multi-family buildings tended to be smaller in size, and single- and two-family units tended toward larger, with 4- and 5-bedroom units exclusively contained to single- and two-family dwellings.

B. RESIDENTIAL CERTIFICATES OF OCCUPANCY

In 2022, eight multi-family residential projects totaling 145 units received certificates of occupancy, meaning that construction concluded and their units became available for use (*Table 3*). Of these, the majority (86) were ownership units, and the remainder (59 units) were rentals. 28 of these units were deed-restricted affordable units. An additional 30 single-family units and one two-family unit totaling 32 units also received certificates of occupancy in 2022. Two of these units were deed-restricted affordable units, both the product of the City's inclusionary zoning ordinance.

Table 3: Certificates of Occupancy Issued for Multi-Family Projects (2022)

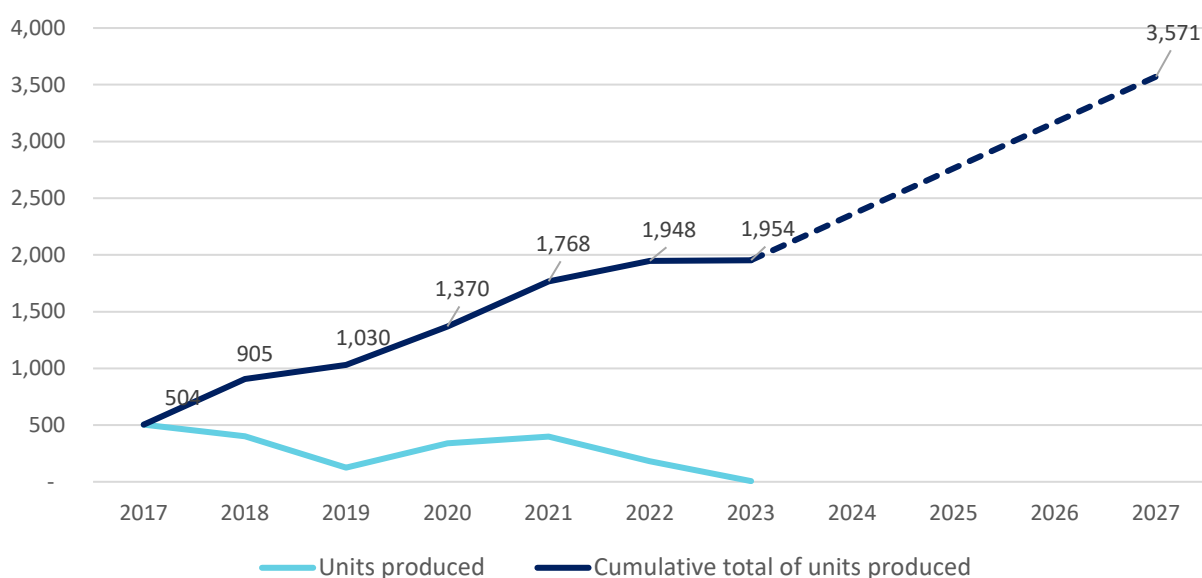
| Address | Type | Total Units | Affordable Units | Affordability Level |
|------------------------------|-----------|-------------|------------------|---------------------|
| 5-7 India St. | Rental | 24 | 0 | Market |
| 104 Grant St. | Ownership | 23 | 12 | Market/110-120% |
| 30 Mellen St. | Rental | 6 | 0 | Market |
| 148 Newbury St. | Ownership | 3 | 0 | Market |
| 128 R North St. | Ownership | 6 | 1 | Market/120% |
| 1006 Congress St. | Rental | 16 | 2 | Market/100% AMI |
| 75 Chestnut St. | Ownership | 54 | 0 | Market |
| 37 Front St. (Building 2) | Rental | 13 | 13 | 50% AMI |
| Total | | 145 | 28 | |

3. HOUSING DEVELOPMENT TRENDS

A. TOTAL PRODUCTION

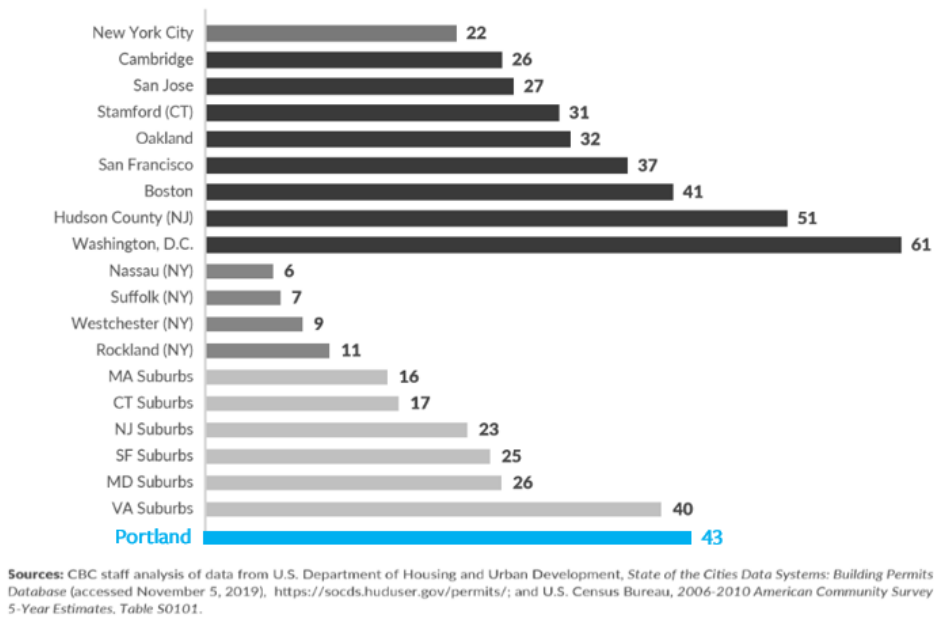
On the premise that “all who work in Portland should have the option of living in Portland,” *Portland’s Plan*, the City’s comprehensive plan, sets a goal of 2,557 new housing units between 2017 and 2027, or an average of 256 new units per year. Recent building permit data shows that the City is on track to exceed the housing production goal of *Portland’s Plan* by a significant margin (*Figure 8*). Since the adoption of the plan, the City has issued certificates of occupancy for 1,954 dwelling units, or 76% of the *Portland’s Plan* target. If the current pace continues, the city will meet the target by 2025 and exceed its 2027 comprehensive plan goal by more than 1,000 units.

Figure 8: Housing Production by Certificates of Occupancy Issued (2017-projected)



The City also performs well when compared to some national housing production metrics. For instance, a recent Slate analysis on housing production trends in New York state compiled census data across U.S. metro areas to compare approvals on a per capita basis; when local data is evaluated using the same metric, Portland outperforms its larger peers such as New York City, San Francisco and Boston, in some cases by significant margins (*Figure 9*), evidence that the City’s numerous housing policies and programs are succeeding in fostering housing creation.

Figure 9: Housing Approvals per 1,000 Residents (2010-2018)



Source: Original graph from <https://slate.com/business/2023/01/kathy-hochul-housing-new-york-zoning.html> with City of Portland Permitting & Inspections data added.

When reviewing housing approvals in Portland over time, the trend is also generally positive. Over the last 12 years, the City has approved an average of 387 units per year, with over 80% of those units approved from 2015 on (*Figure 10*). 2022 generally held with recent trends; while total 2022 approvals represent a fraction of those for 2021, 2021 saw an unusually high number of units approved, and the 2022 approval figures are consistent with the previous five-year average. Year over year, the vast majority of units are the result of multi-family development; multi-family units as a percentage of the annual total generally hovers around 90%.

Figure 10: Single-, Two-, and Multi-Family Units Approved (2010-2022)

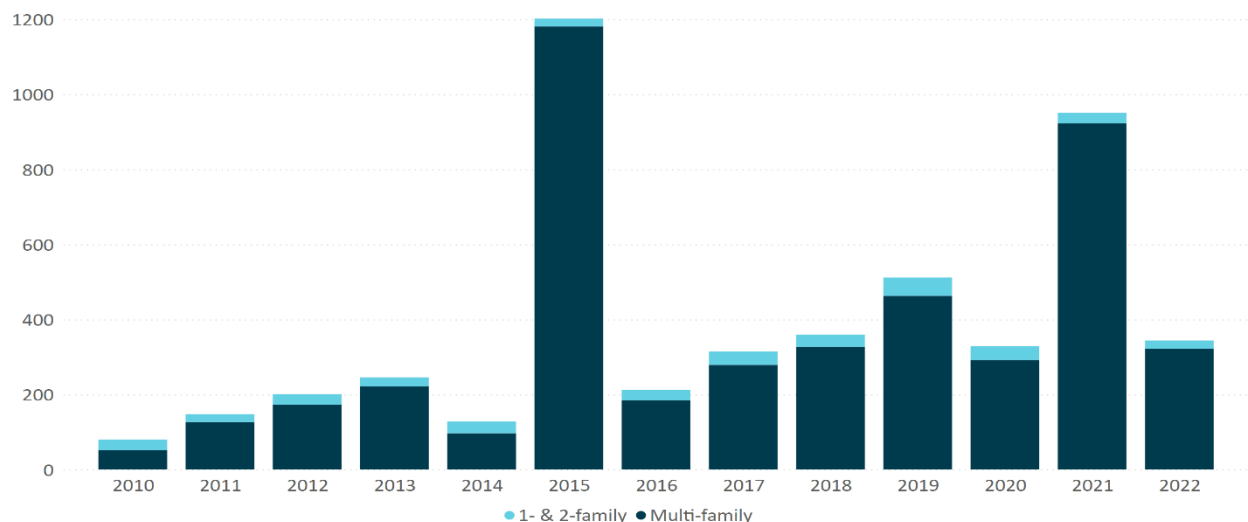
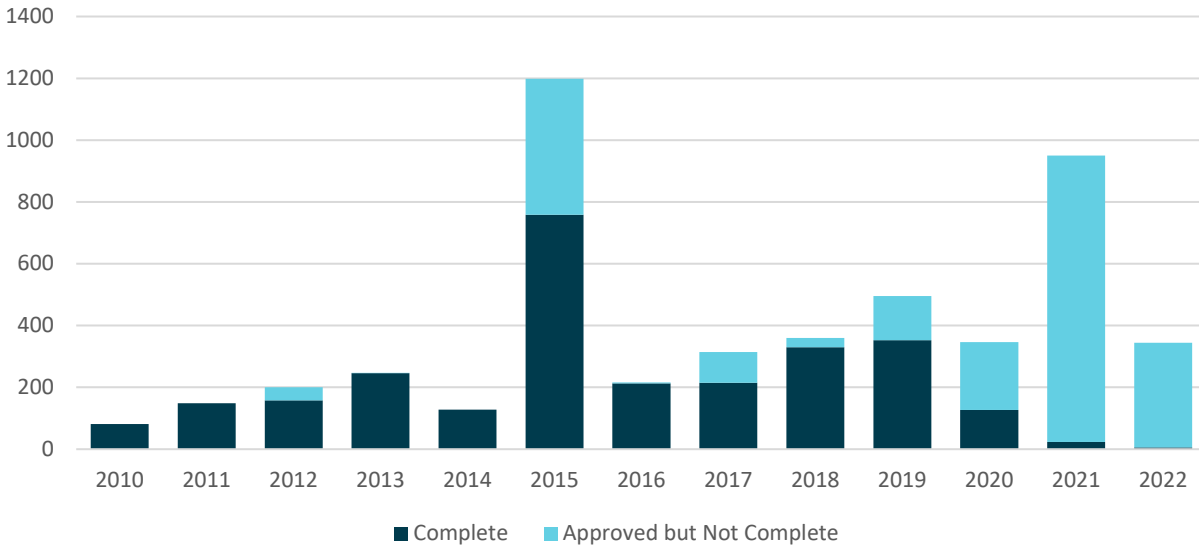


Figure 11: Completed and Approved Units by Year of Approval (2010-2022)



When looking year over year, the data generally shows high rates of completion, meaning that approved units in Portland are generally being constructed and receiving certificates of occupancy (*Figure 11*). There are some notable exceptions; a large number of units approved in 2015 were not constructed, for instance, but generally the completion rates through 2019 range from 60% to 100%. More of the 2020-2022 approvals remain to be built; this reflects the reality of the development pipeline.

B. RENTAL/HOMEOWNERSHIP

Significantly more of the units approved in the last twelve years have been rental units than owner-occupied units, and in any given year, the number of rental units approved generally exceeds homeownership units by a large margin (*Figure 12*). However, as with several years in the mid-2010s, 2022 diverged from this trend, with significantly more ownership units approved than rental units. A large percentage of these ownership units were the product of two developments – Stevens Square and 43 Douglass Street – and 62 of those units were approved as cooperative units, a relatively new ownership model for the City of Portland.

Figure 12: Approved Multi-Family Units by Unit Type (2010-2022)

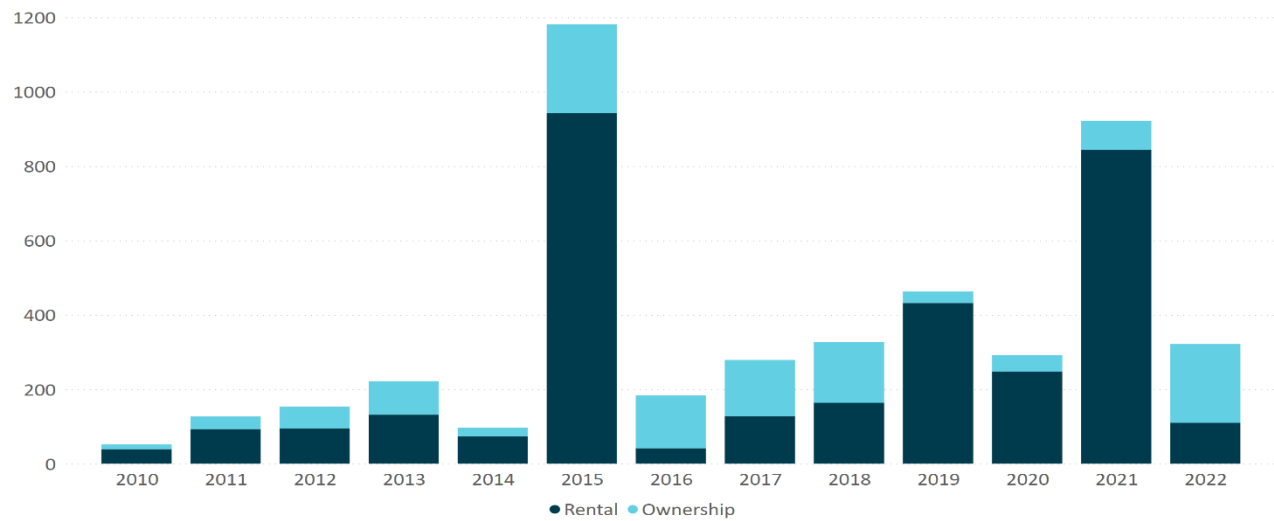
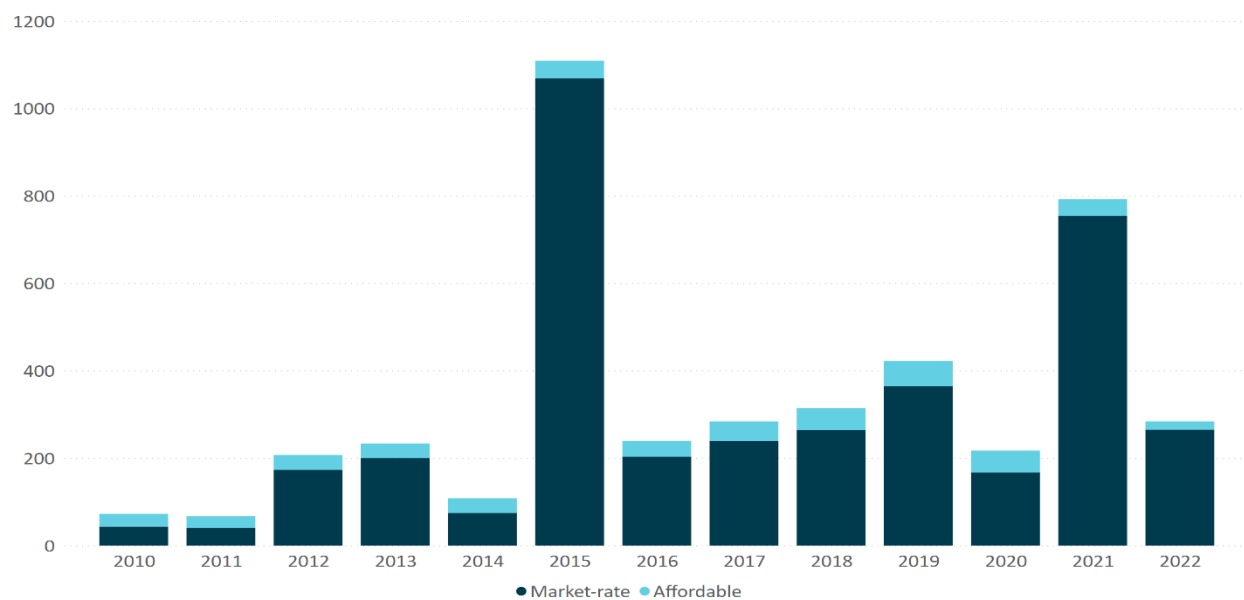


Figure 13: Approved Multi-Family Units by Affordability Level (2010-2022)



C. AFFORDABILITY

Even as production figures exceed the City's own housing target, the cost of housing in Portland continues to escalate. As one means of addressing this challenge, the City continues to support deed-restricted affordable housing; since 2010, over 23% of the approved multi-family units within the city qualify categorically as affordable units with rents or purchase prices limited to households earning below 120% of the area median income (*Figure 14*). Of these units, the majority were designated for households earning less than 80% of Area Median Income (AMI). In 2022, the proportion of deed restricted affordable housing units approved was higher than for the last 12 years as a whole, at 31%. Of these units, 42% will be deed-restricted to families earning 60% or less of AMI, 16% will be deed-restricted to families earning 80% or less of AMI, and the remaining 42% will go to families earning 100% of AMI.

Figure 14: Approved Multi-Family Units by Affordability Level (2010-2022)

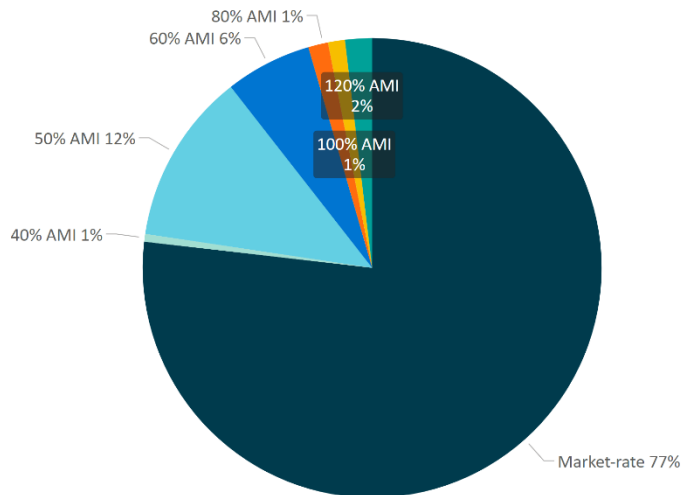
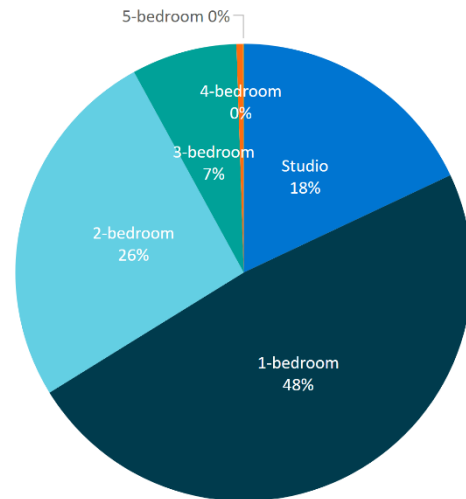


Figure 15: Approved Multi-Family Units by Bedroom Mix (2010-2022)



D. UNIT SIZE

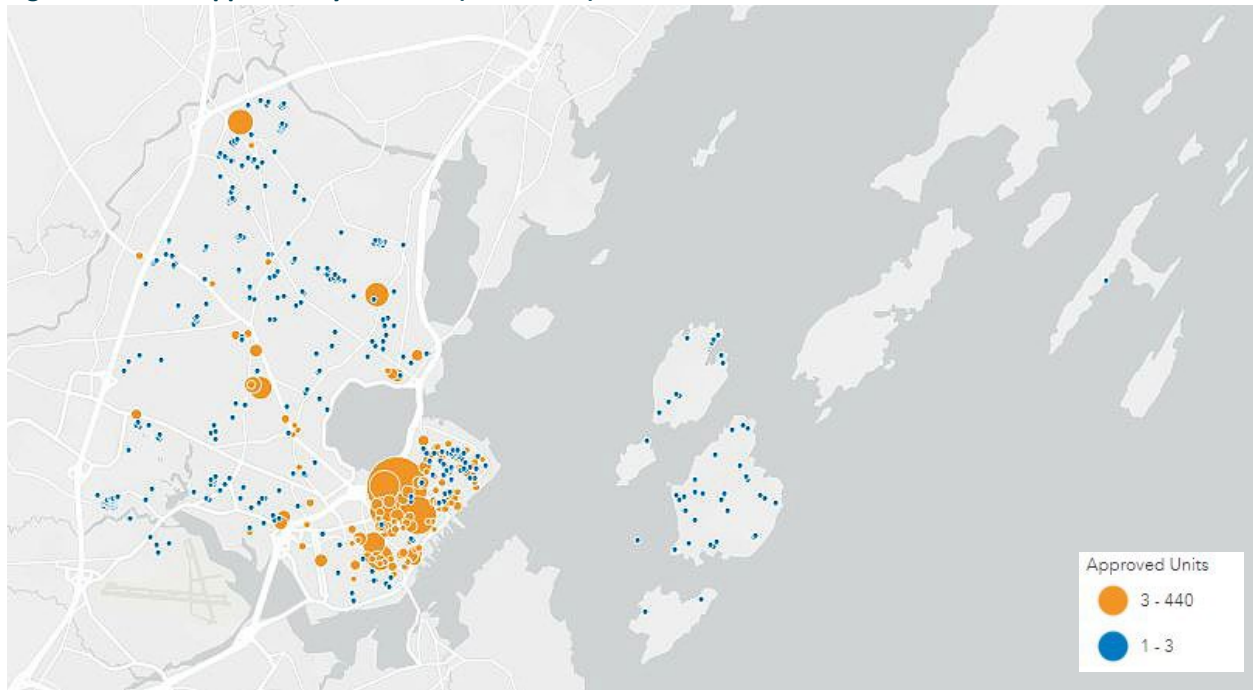
When looking at unit size, data from the last 12 years shows that a large percentage of approved units are small – studios, one-bedroom, or two-bedroom units, particularly when looking at the multi-family context (*Figure 15*). Altogether, these unit types constitute 92% of all new multi-family units created in the past 12 years. 2022 was generally consistent with this trend.

E. LOCATION

In the past 12 years, the areas of the city with the most approved new housing have generally been Bayside, Downtown, and the West End (including recent developments at the former Mercy Hospital campus and in the vicinity of York/High Streets) (*Figure 16*). New housing, particularly multi-family housing, is significantly more common in on-peninsula neighborhoods, where the zoning generally allows additional density and there is easier access to public transit, jobs, and services. Some on-peninsula neighborhoods have seen virtually no single- and two-family housing construction in the past twelve years, while this type of housing is the only residential development common in some off-peninsula neighborhoods.

2022 saw a different pattern of residential development, with more development approved for off-peninsula than for on. As noted above, this pattern is largely the product of several large developments, two in Libbytown (43 & 91 Douglas Street) and one multi-building development in Deering Center (Stevens Square on McAuley Way).

Figure 16: Units Approved by Location (2010-2022)



F. INCLUSIONARY ZONING

The City's inclusionary zoning (IZ) policy requires that all residential projects of 10 or more dwelling units either create affordable units or pay an in-lieu fee to the Housing Trust Fund. This policy represents an attempt to leverage the private market to create affordable housing.

2022 saw 10 multi-family approvals, three of which were more than 10 units in size and thus theoretically subject to inclusionary zoning. One of the three projects is an affordable housing project exceeding the inclusionary zoning requirements by nature; another met IZ requirements with sixteen off-site units through a prior agreement, and the remaining project agreed to pay the fee-in-lieu (\$649,356). As of June 1, 2023, only one multi-family project (not subsidized by the City) has triggered the Inclusionary Zoning Ordinance; they have chosen to pay the fee-in-lieu of creating workforce housing.

4. HOUSING-SUPPORTIVE LAND USE POLICY

The City's guiding policy documents place a strong value on housing creation, diversity, and affordability. These concepts are a centerpiece of *Portland's Plan 2030*, and have been Council priorities for many years. The housing component of *Portland's Plan* states, "[w]hile Portland has welcomed much needed new housing construction in recent years, both the lack of sufficient housing supply and the affordability of that housing for a healthy socio-economic cross-section of the population remain urgent challenges." It goes on to assert that the city must "recognize that [its] vitality rests on the availability of diverse, secure housing options for existing residents, new arrivals, and all stages of life" (p. 47).

A. EXISTING LAND USE CODE

POLICIES TO ENCOURAGE HOUSING PRODUCTION

In keeping with *Portland's Plan*, Portland's existing land use code includes a number of provisions designed to support the production of housing of a wide range of types and sizes, as well as the creation of legally-binding affordable and workforce housing targeted specifically for residents of low or moderate incomes. These provisions include:

1. *Housing replacement ordinance.* The City's land use code has included provisions since the early 2000s that require any development proposals that remove existing housing to replace those units, either within the same geographic area or by contributing to the City's Housing Trust Fund. These provisions help to counter any potential net losses in housing supply associated with development.
2. *Base zoning to encourage housing creation.* In the past decade, the City has adjusted base zoning in several districts to support greater housing creation, modifying dimensional standards to allow for higher densities and smaller lots. These provisions have been targeted towards higher density residential zones and mixed-use zones well-served by transit, including the B-1, B-2, B-3, and R-6, on the grounds that they create opportunities for housing development in areas of the city that are particularly well-prepared for them. Generally, these adjustments have been successful in producing housing; when looking at production by zone, the City's mixed-use zones and higher density residential zones regularly outpace other zoning districts in terms of housing creation.
3. *Accessory Dwelling Units (ADUs).* Under ReCode Phase I, the city revised Accessory Dwelling Unit (ADU) standards in the interest of eliminating barriers to ADU creation. The 2020 revisions streamlined ADU regulations, eliminated restrictive dimensional and parking requirements, removed procedural hurdles, and increased the number of ADUs permitted per lot (up to two ADUs), making it not only significantly easier to build an ADU in the city, but significantly easier to build significantly more ADUs. ADUs don't have affordability restrictions or requirements, the result of a deliberate policy decision to focus these recently revised regulations on paving the way for smaller, naturally affordable units across the city. Though total number of ADUs remains relatively modest, ADU permits have roughly tripled since the new ADU framework was implemented, from an average of less than five a year prior to 2020 to 15 per year in 2022.
4. *Parking exemptions.* Off-street parking requirements are often cited as a barrier to housing production, forcing housing developers to devote valuable lot area to vehicles, rather than housing units. The City's land use code has long included a great deal of flexibility for developers

when it comes to parking, including but not limited to exemptions in certain zones, shared parking provisions, and off-site parking allowances. As of December 2020, the City's land use code includes lower residential parking requirements city-wide and offers an off-street parking exemption to any use within a ¼ mile of a transit route, essentially freeing much of the city from parking requirements altogether.

POLICIES TO SUPPORT AFFORDABLE HOUSING

1. *Affordable housing bonuses.* As of the mid-2000s and as refined in the late 2010s, the City's land use code has included dimensional bonuses for affordable and workforce housing in many of the City's mixed-use zones and for PRUDs in residential zones, scaled to the level of affordability provided. These bonuses allow increased height, increased density, and reduced setbacks for affordable housing projects.
2. *Expedited permitting for affordable housing.* In addition, affordable housing applications have been eligible for a reduction in fees and priority review since the mid-2000s. With the passage of the impact fee ordinance, the affordable housing fee reductions were extended to include these fees.
3. *Inclusionary zoning.* As noted above, in 2015 the City adopted inclusionary zoning, which requires that projects of 10 or more dwelling units provide a share of workforce housing or make a contribution to the City's Housing Trust Fund. A second inclusionary zoning policy was adopted in 2019 for hotels. These policies are intended to ensure that affordable housing is constructed in tandem with market rate housing and hotel development, and to support the creation of this housing in a mixed-income setting. The inclusionary zoning policy was modified by referendum in 2020 to increase the affordable housing share and to target lower median incomes.

B. CURRENT AND ONGOING INITIATIVES

Additional land use work focused around housing creation, diversity, and affordability city-wide is ongoing. At present, this work includes:

NYU HOUSING SOLUTIONS LAB & HOUSING SUPPLY BOOT CAMP

Throughout 2022, the City of Portland participated as a member of the Peer Cities Network of the [Housing Solutions Lab](#) at NYU. The network was a group of small and mid-size cities with housing strategies in various stages of development. The group was led by an interdisciplinary team from NYU's Furman Center, who provided the city with housing data, technical assistance, professional development, and facilitated discussion on housing policy throughout the year. Staff from the City's Department of Planning & Urban Development, who prepared the application to be selected for the network, and well from Housing and Economic Development, and the Assistant City Manager participated throughout. The goal of the City's participation in the network was to provide opportunities for staff across departments to reflect on the City's existing housing policy and programs, consider best practices in housing policy and programs that address the city's current needs around supply, diversity, and affordability, and coordinate on a broad plan for housing moving forward.

At the conclusion of the year-long cohort, representatives of the Housing Solutions Lab facilitated a one-day intensive ‘housing supply boot camp’ with a range of stakeholders invested in creating housing in Portland. The event was designed to help the City gain a broader understanding of challenges and opportunities around housing creation. It brought together 14 external stakeholders representing the development, architecture, construction, finance, affordable housing, and real estate industries for a facilitated discussion with housing policy experts from the Lab, with City staff in a supporting role. The discussion resulted in a [list of ideas](#) to encourage additional housing production in Portland. In the time since the boot camp, staff has been incorporating some of these ideas into its ongoing work, particularly through the ReCode lens. The work of pursuing concepts from the boot camp is expected to continue over the coming months and years.

RECODE PHASE II

The City also continued its housing work under ReCode Phase II in 2022. The early part of the year focused on public engagement around the City’s [land use code evaluation](#). Engagement opportunities included a web-based code evaluation comment portal, public forums, surveys, and Planning Board and Council workshops. Generally, the [findings](#) from this engagement showed widespread agreement on many of the housing-related policy concepts from the code evaluation. For instance, there was significant support for the concept of aligning housing opportunities with transit investments through transit-oriented zoning and for changing use permissions and dimensional standards to promote housing more generally.

Throughout the second half of 2022, the City worked with the ReCode consultant to begin drafting amendments to the land use code, integrating principles from the code evaluation. The first stage of drafting will conclude in the coming month with the release of several revised articles of the land use code, including Definitions, Zones, Use Standards, and Dimensional Standards. These core elements of the code are central to housing potential, as they establish the basis for what types of housing can be built, how it can be built, and where. Public engagement around these elements is expected to proceed through the summer.

L.D. 2003

In April 2022, Governor Mills signed into law L.D. 2003, or “An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions.” This law intends to remove local regulatory barriers to housing production in Maine and, to this end, includes requirements around minimum densities, Accessory Dwelling Units (ADUs), parking, affordability, and residential uses.

In March of 2023, staff summarized the City’s existing status with respect to L.D. 2003 compliance in a memo to the City Council. This memo found that, by and large, Portland’s existing land use code meets and in most cases exceeds many of the requirements of L.D. 2003. For instance, parking requirements are already lower than that outlined in L.D. 2003 in most respects, Portland’s ADU ordinance is more permissive than the L.D. 2003 standard, and in many areas of the city, maximum residential densities far exceed anything that L.D. 2003 contemplates or sets for state minimums. However, there are several areas where Portland’s code addresses the goals of L.D. 2003 in slightly different ways than required by the state law, and these will need to be addressed.

Following discussion in the legislature on L.D. 2003 and state rule-making that concluded this spring, the deadline for compliance with L.D. 2003 has been extended to January 1, 2024. In the intervening time, staff intends to bring a slate of short-term changes to the land use code to comply with LD 2003. These will dovetail with work on ReCode Phase II, drafts of which will begin public review in summer 2023.

PART 2

1. HOUSING PROGRAMS

A. FEDERAL REVENUE SOURCES

The U. S. Department of Housing and Urban Development's (HUD) mission is to "create strong, sustainable, inclusive communities and quality affordable homes for all." To fund this mission, HUD allocates money directly to state and local governments for community planning and development projects through a variety of programs such as HOME Investment Partnership Program (HOME), Community Development Block Grants (CDBG), and Housing Development Services (HDF).

HOME

HOME is a federal block grant program that provides funding to states and localities to be used exclusively for affordable housing activities to benefit low-income households. Funds for HOME are appropriated annually to the Department of Housing and Urban Development (HUD), which in turn distributes funding to participating jurisdictions. HOME is also designed to expand the capacity of states and localities to meet their long-term affordable housing needs by leveraging federal funding to attract state, local, and private investment in affordable housing and by strengthening the ability of government and nonprofit organizations to meet local housing needs.

2022 HOUSING PROGRAMS AT A GLANCE

63 rental units (46 affordable units and 17 market rate units) supported with Affordable Housing Tax Increment Financing

\$864,764 deposited into the Jill C. Duson Housing Trust Fund from Inclusionary Zoning

\$649,356 Inclusionary Zoning fee-in-lieu payments designated for deposit into the Jill C. Duson Housing Trust Fund

Table 4: HOME Funding (FY 09-10 to FY 22-23)

| Fiscal Year | Total Funding | Portland | Cumberland County |
|-------------|---------------|-----------|-------------------|
| FY 23-24 | \$1,037,237 | \$635,826 | \$401,411 |
| FY 22-23 | \$1,070,677 | \$656,325 | \$414,352 |
| FY 21-22 | \$991,679 | \$607,899 | \$383,780 |
| FY 20-21 | \$1,053,039 | \$645,647 | \$407,611 |
| FY 19-20 | \$1,020,693 | \$625,685 | \$395,008 |
| FY 18-19 | \$1,151,710 | \$705,998 | \$445,712 |
| FY 17-18 | \$824,856 | \$505,637 | \$319,219 |
| FY 16-17 | \$832,642 | \$510,410 | \$322,232 |
| FY 15-16 | \$820,832 | \$473,597 | \$347,236 |
| FY 14-15 | \$913,178 | \$543,341 | \$369,837 |
| FY 13-14 | \$866,153 | \$515,216 | \$350,937 |
| FY 12-13 | \$898,543 | \$533,230 | \$365,313 |
| FY 11-12 | \$1,221,812 | \$752,982 | \$468,830 |
| FY 10-11 | \$1,379,749 | \$850,155 | \$529,594 |
| FY 09-10 | \$1,387,142 | \$853,921 | \$533,221 |

Table 5: Portland Housing Projects Subsidized with HOME Funding (2012 - 2022)

| | Project Type | Appropriation Year | Units | Low-/ Moderate-Income Units | HOME Funding |
|-----------------------|------------------------|---------------------------|--------------|------------------------------------|---------------------|
| 409 Cumberland | New Construction | 2013 | 57 | 46 | \$500,000 |
| Bayside Anchor | New Construction | 2013 | 45 | 36 | \$500,000 |
| Thomas Heights | New Construction | 2014 | 18 | 18 | \$522,448 |
| Rosa True | Rehabilitation | 2015 | 10 | 10 | \$149,500 |
| Motherhouse | Rehabilitation | 2017 | 88 | 66 | \$627,223 |
| 58 Boyd Street | New Construction | 2018 | 55 | 44 | \$200,000 |
| Deering Place | Rehab/New Construction | 2018 | 75 | 45 | \$500,000 |
| 37 Front Street | New Construction | 2018 | 60 | 60 | \$306,104 |
| 63 Front Street | New Construction | 2018 | 45 | 45 | \$204,070 |
| 178 Kennebec Street | New Construction | 2018 | 51 | 40 | \$370,000 |
| 83 Middle Street | New Construction | 2019 | 45 | 45 | \$193,266 |
| 155 Danforth Street | New Construction | 2019 | 30 | 30 | \$299,999 |
| 577 Washington Avenue | Rehabilitation | 2020 | 100 | 100 | \$400,000 |
| 73 Winter Street | New Construction | 2021 | 43 | 43 | \$400,000 |
| 91 Winter Street | New Construction | 2021 | 52 | 52 | \$200,000 |
| Total | | | 774 | 680 | \$5,372,610 |

Portland has been a participating jurisdiction in the U.S. Department of Housing and Urban Development (HUD) HOME Program since its inception by Congress in 1992. Prior to 2009, Portland received an annual allocation of HUD HOME funds but the communities of Cumberland County did not. The creation of the Portland/Cumberland County HUD HOME Consortium in 2009 brought additional funding for affordable housing activities into the region. HOME funds are awarded annually as formula grants to participating jurisdictions.

HOME has been the largest funding source for the City, helping to develop approximately 1,321 units of housing, 84% as affordable housing, through the allocation of approximately \$10.6 million in funds since 2000. In the last ten years (2012-2022), the City has invested \$5.3 million in HOME funds which leveraged the creation of 782 units of housing, 680 of which were designated for households with low or moderate incomes.

CUMBERLAND COUNTY HOME CONSORTIUM

- 547 housing units proposed, rehabilitated, or created from July 2009 to December 2022
- 521 low and moderate-income units
- \$2,574,887 invested over twelve years

Portland and Cumberland County have formed a HOME Consortium to receive an annual allocation of HOME Investment Partnership funds through the U.S. Departments of Housing and Urban Development (HUD). The HOME funds are used for the creation of affordable housing development throughout Cumberland County, but outside of Portland.

Table 6: Cumberland County HOME Consortium Funding (2009 – 2022)

| Owner/Project | Community | Project | Appropriation Date | Low/Mod Units | Total Units | HOME |
|---------------------------------------|-------------------|---------------------|--------------------|---------------|-------------|--------------------|
| Oak Leaf 2 | Freeport | 3 new mobile homes | 2011 | 3 | 3 | \$118,994 |
| Sandy Creek | Bridgton | Rehabilitation | 2013 | 20 | 20 | \$125,000 |
| Steeple Square | Westbrook | Rehabilitation | 2014 | 73 | 73 | \$173,650 |
| Bartlett Woods | Yarmouth | New Construction | 2015 | 28 | 28 | \$122,236 |
| Blackstone Apartments | Falmouth | 19 New (39 total) | 2016 | 19 | 19 | \$123,125 |
| Larrabee Commons/ Dr. Berry Apts | Westbrook | New Construction | 2017 | 38 | 38 | \$220,000 |
| Riverview Terr/Larrabee Commons | Westbrook | Rehabilitation | 2017 | 83 | 83 | \$240,000 |
| West End Phase I | South Portland | New Construction | 2018 | 50 | 64 | \$246,046 |
| Larrabee Heights/Harnois Apts | Westbrook | New Construction | 2018 | 61 | 61 | \$100,000 |
| West End Phase II | South Portland | New Construction | 2019 | 40 | 52 | \$423,225 |
| 15 Harrison Road | Bridgton | New Construction | 2020 | 48 | 48 | \$150,000 |
| 16 Hancock Street | Gray | New Construction | 2020 | 27 | 27 | \$132,611 |
| Village Commons | Scarborough | New Construction | 2021 | 31 | 31 | \$275,378 |
| County Sub Totals | | | | 521 | 547 | \$2,450,265 |

B. LOCAL SOURCES OF REVENUE

JILL C. DUSON HOUSING TRUST FUND

- \$5,348,324 was deposited during 2022
- \$941,886 in expenditures were spent during 2022
- Remaining balance of \$9,314,156 (as of 12/31/22)

The Housing Trust fund was established to promote, retain, and create an adequate supply of housing, particularly affordable housing, for very-low, low, and median-income households. The remaining balance in the Housing Trust Fund includes City Council appropriations of \$5,110,000 in American Rescue Plan Act (ARPA) funding for housing development.

Table 7: Sources of the Jill C. Duson Housing Trust Fund

| Year | Source | Type | Amount |
|---------|--------------------------------|-------------------------------|-------------|
| 2002/03 | Maine Medical Center | Housing Replacement | \$315,580 |
| 2002 | Sportsman's Grill | Housing Replacement | \$40,000 |
| 2009 | Berlin City Auto | Housing Replacement | \$116,000 |
| 2010 | Stop 'n' Shop | Housing Replacement | \$289,250 |
| 2012 | Rockbridge/Eastland Park | Housing Replacement | \$42,500 |
| 2012 | Riverwalk/Ocean Gateway | Housing Replacement | \$250,000 |
| 2012 | 118 Congress LLC | License | \$3,500 |
| 2017 | 91 & 97 Belfort Street | Sale of Tax-Acquired Property | \$86,424 |
| 2017 | 116 Upper A Street | Sale of Tax-Acquired Property | \$78,527 |
| 2017 | 443 Congress Street | Inclusionary Zoning | \$280,000 |
| 2018 | 62 India Street | Inclusionary Zoning | \$276,500 |
| 2018 | Short Term Rental fees | Short-Term Rental Fees | \$33,139 |
| 2018 | 0 Thames Street sale | Sale of City-Owned Property | \$1,000,000 |
| 2019 | 20 Thames Street | Inclusionary Zoning | \$270,000 |
| 2019 | 20 Thames Street | License | \$7,500 |
| 2019 | 17 Sumac Street) | Sale of Tax-Acquired Property | \$79,618 |
| 2019 | Short Term Rental fees | Short-Term Rental Fees | \$176,118 |
| 2019 | Short Term Rental penalty fees | Penalty Fees | \$15,200 |
| 2020 | Short Term Rental penalty fees | Penalty Fees | \$7,700 |
| 2019 | 56 Hampshire Street | License | \$12,123 |
| 2019 | 121 Middle Street | Hotel Inclusionary Zoning | \$41,866 |
| 2020 | 99 Capisic Street | Sale of Tax-Acquired Property | \$163,169 |
| 2020 | Short Term Rental fees | Short-Term Rental Fees | \$122,965 |
| 2020 | 22 Bramhall Street | License | \$3,799 |
| 2020 | 50 Monument Square | Inclusionary Zoning | \$222,789 |
| 2020 | 121 Middle Street | Hotel Inclusionary Zoning | \$30,448 |
| 2020 | Council Order 89 20/21 | Appropriation | \$500,000 |
| 2021 | 56 Hampshire | Inclusionary Zoning | \$198,928 |
| 2021 | 40 Free Street | Inclusionary Zoning | \$10,609 |

Table 7 (continued): Sources of the Jill C. Duson Housing Trust Fund

| Year | Source | Type | Amount |
|-----------------------|---|-------------------------------|---------------------|
| 2021 | 1 Center Street | Hotel Inclusionary Zoning | \$513,810 |
| 2021 | Short Term Rental fees | Short-Term Rental Fees | \$109,681 |
| 2021 | Newell Street | Sale of Tax-Acquired Property | \$900 |
| 2021 | 10 Hammond Street | Inclusionary Zoning | \$169,744 |
| 2021 | 22 Hope Avenue | Inclusionary Zoning | \$150,000 |
| 2021 | American Rescue Plan, Council Order 84 21/22 | Appropriation | \$1,000,000 |
| 2022 | 5 India Street | Inclusionary Zoning | \$261,086 |
| 2022 | 18 Luther Street | Loan Repayment | \$36,000 |
| 2022 | Short Term Rental fees | Short-Term Rental Fees | \$79,460 |
| 2022 | City Manager Appropriation | Appropriation | \$250,000 |
| 2022 | American Rescue Plan, Council Order 100 22/23 | Appropriation | \$4,110,000 |
| 2022 | Newell Street | Sale of Tax-Acquired Property | \$8,100 |
| 2022 | Stroudwater Development | Inclusionary Zoning | \$16,234 |
| 2022 | 75 Chestnut Street | Inclusionary Zoning | \$587,444 |
| | Previous Interest Earned | Interest | \$51,556 |
| Total Deposits | | | \$12,018,266 |

Table 8: Uses of the Jill C. Duson Housing Trust Fund

| Year | Expenditure | Amount |
|---------------------------|--|---------------------|
| 2011 | Avesta Oak Street Lofts | -\$380,585 |
| 2014 | Housing First Pre-Development Request for Proposal | -\$75,000 |
| 2015 | 65 Hanover & 52 Alder Streets Feasibility Study | -\$9,250 |
| 2017 | 65 Munjoy Street | -\$175,000 |
| 2018 | 60 Parris down payment Assistance | -\$24,000 |
| 2018 | 37 Front Street (not spent yet) | -\$55,500 |
| 2019 | 63 Front Street (not spent yet) | -\$370,000 |
| 2019 | 977 Brighton Avenue | -\$300,000 |
| 2020 | Affordable Rental Housing Incentive | -\$1,000 |
| 2019 | 83 Middle Street (not spent yet) | -\$136,734 |
| 2020 | 200 Valley Street (not spent yet) | -\$49,154 |
| 2021 | 18 Luther Street | -\$36,000 |
| 2021 | 155 Danforth Street (not spent yet) | -\$150,000 |
| 2022 | 37 Front Street | -\$499,500 |
| 2022 | 200 Valley Street | -\$442,386 |
| Total Expenditures | | -\$2,704,109 |

INCLUSIONARY ZONING FEE IN LIEU

During 2022, the Planning Board approved a \$649,356 fee-in-lieu payment at 54 York Street for the Jill C. Duson Housing Trust fund.

Fee-in-lieu payments are paid and deposited into the Housing Trust Fund when the certificate of occupancy is issued, which typically occurs at the time tenants or homeowners move into the building. Hotel fee-in-lieu payments are also paid and deposited when the certificate of occupancy is issued at the time the hotel is completed.

Table 9: Residential Inclusionary Zoning Projects (2015-2022)

| | Status | Units | Type | IZ Units | Location | Fee-in-lieu |
|-------------------------------|---------------------|-------|-----------|----------|----------|-------------|
| 169 Newbury St. | Completed | 26 | Ownership | 2 | Off-site | \$0 |
| 62 India St | Completed | 29 | Ownership | - | - | \$276,500 |
| 443 Congress St. | Completed | 28 | Rental | - | - | \$280,000 |
| 20 Thames St. | Completed | 27 | Ownership | - | - | \$270,000 |
| 1 Joy Place | Completed | 12 | Ownership | 1 | On-site | \$0 |
| 60 Parris St. | Completed | 23 | Ownership | 2 | On-site | \$0 |
| 70 Anderson St. | Completed | 10 | Rental | 1 | On-site | \$0 |
| 132 Marginal Way | Completed | 196 | Rental | 23 | On-site | \$0 |
| 50 Monument Square | Completed | 21 | Rental | - | - | \$222,789 |
| 605 Stevens Ave. (Building 1) | Completed | 21 | Ownership | 2 | Off-site | \$0 |
| 383 Commercial St. | Completed | 85 | Ownership | 8 | Off-site | \$0 |
| 56 Hampshire St. | Completed | 29 | Ownership | 1 | Off-site | \$198,928 |
| 40 Free St. | Completed | 51 | Rental | 5 | On-site | \$10,609 |
| 10 Hammond St. | Completed | 16 | Ownership | - | - | \$169,744 |
| 1006 Congress St. | Completed | 16 | Rental | 2 | On-site | \$0 |
| 5 India St. | Completed | 24 | Rental | - | - | \$261,086 |
| 104 Grant St. | Completed | 23 | Ownership | 3 | On-site | \$0 |
| 75 Chestnut St. | Completed (in 2023) | 54 | Ownership | - | - | \$587,444 |
| Winchester Woods | Under Construction | 48 | Rental | 12 | On-site | \$0 |
| 1700 Westbrook St. (Phase 1) | Under Construction | 44 | Ownership | 4 | On-site | \$0 |
| 201 Federal St. | Under Construction | 266 | Rental | 27 | On-site | \$0 |
| 52 Hanover St. | Under Construction | 171 | Rental | 20 | On-site | \$0 |
| 387 Commercial St. | Under Construction | 64 | Ownership | - | - | \$707,130 |
| 65 McAuley Way (Building 2) | Under Construction | 28 | Ownership | 3 | Off-site | \$0 |
| 120 State St. | Under Construction | 165 | Rental | 17 | On-site | \$0 |
| 45 Forest Ave. | Under Construction | 81 | Rental | 21 | On-site | \$0 |
| 218-220 Washington Ave. | Under Construction | 45 | Ownership | - | - | \$461,250 |
| 22 Hope Ave. Subdivision | Under Construction | 16 | Ownership | - | - | \$150,000 |
| 54 York St. | Under Construction | 14 | Rental | - | - | \$649,356 |
| 1700 Westbrook St. (Phase 2) | Approved (2017) | 41 | Ownership | 4 | On-site | \$16,234 |
| 1700 Westbrook St. (Phase 3) | Approved (2017) | 25 | Ownership | 3 | On-site | \$0 |
| 86 Newbury St. | Approved (2018) | 10 | Rental | 1 | On-site | \$0 |
| 58 Fore St. | Approved (2020) | 14 | Rental | 2 | On-site | \$0 |
| 126 North St. | Approved (2020) | 6 | Rental | 1 | On-site | \$21,757 |
| 19 Willis St. | Approved (2021) | 12 | Rental | - | - | \$132,588 |
| 65 McAuley Way (Bldgs. 3-5) | Approved (2022) | 112 | Ownership | 13 | Off-site | \$0 |

HOTEL INCLUSIONARY ZONING

- 477 Congress Street, Planning Board approved pending fee-in-lieu of \$707,916

Table 10: Hotel Inclusionary Zoning Development Projects (2019-2022)

| Address | Status | Rooms | Fee-in-lieu |
|---|-------------------------|-------|--------------------|
| 121 Middle Street (3rd floor) | Completed | 11 | \$41,866 |
| 121 Middle Street (2nd floor) | Completed | 8 | \$30,448 |
| 1 Center Street (Canopy by Hilton) | Completed | 135 | \$513,810 |
| 754 Congress Street (Longfellow Hotel) | Building permit 12-6-21 | 48 | \$182,688 |
| 477 Congress Street (Time and Temperature) | Approved | 186 | \$707,916 |
| Total | | | \$1,476,728 |

AFFORDABLE HOUSING TAX INCREMENT FINANCING (TIF)

MaineHousing, the state's Housing Authority, created the Affordable Housing Tax Increment Financing (AHTIF) program in 2004 as a tool for jurisdictions to finance affordable housing. Municipalities may designate up to two percent of their land in an AHTIF district. This creates a funding source for housing by allowing municipalities to capture the new property tax revenue generated in the AHTIF district. A portion of that revenue can be used to support affordable housing in the district. Through AHTIF, rental units must be maintained as affordable for 30 years and homeownership units must remain affordable for 10 years.

The approval process to establish an AHTIF district involves four steps. The process begins with the request for funding through submission of a completed Affordable Housing Development and Tax Increment Financing application to the City of Portland. Then the City Council's Housing and Economic Development Committee provides a recommendation to the City Council regarding the establishment of an Affordable Housing TIF district. If the City Council approves the recommendation, the City submits an application to the Maine State Housing Authority. After reviewing the application from the City to ensure compliance with the Affordable Housing Tax Increment Financing Statute, MaineHousing issues a Certificate of Approval.

During 2022, the City Council approved Affordable Housing Tax Increment Funding for the Douglass Commons project (also known as 45 Dougherty), which will create 63 units of rental housing; 46 of which will be reserved for households earning at or below 60% AMI (i.e. \$67,000 for a family of four). The remaining 17 units will be leased at market rate. The AHTIF for 45 Dougherty was approved by the City Council during their October 17, 2022 meeting.

2. SUBSIDIZED HOUSING DEVELOPMENT

The City has leveraged \$17,866,366 in federal and local funding, and invested \$42,302,265 in newly created tax revenue from the increase in the property value of 18 affordable housing development districts to subsidize the creation of 1,760 units of affordable housing since 2000.



45 Dougherty: Maine Workforce Housing

63 new units of affordable and market rate housing

46 units affordable to households earning up to 60% AMI

35 one-bedroom units, 18 two-bedroom units, and 10 three-bedroom units

Rendering: Archetype Architects



83 Middle Street (Phoenix Flats), approved in 2020, is a five-story mixed-use building of 45 affordable apartments consisting of 27 efficiency units and 18 one-bedroom units for age 55+ residents. 27 units will be affordable to households earning up to 50% of the area median income (\$39,100 for one person; \$44,700 for two people), and 18 units will be affordable to households earning up to 60% of the area median income (\$46,900 for one person, \$53,000 for two people). Eleven units will be set-aside for long-term stayers from a local City shelter. This project, on formerly city-owned property, includes a commercial storefront along Middle Street, and a covered parking garage. The City Council approved \$499,066 in HOME funding, \$200,000 in CDBG, \$136,734 in Housing Trust funding, and Affordable Housing Tax Increment Funding for this India Street neighborhood development.

Anticipated opening date June 2023.



155 Danforth Street (Phoenix at Danforth), approved in 2019, is a four-story building with 30 affordable rental units comprised of 15 efficiency units and 15 one-bedroom units within the West End. 23 units will be affordable to households earning up to 50% of the Area Median Income (\$39,100 for one person; \$44,700 for two people), and 7 units will be affordable to households earning up to 60% of the Area Median Income (\$46,900 for one person, \$53,000 for two people). Three units will be set-aside for long-term stayers from a local City shelter.

This new building creates a transitional opportunity for the residents of 66 State Street. 66 State Street (Freedom Place) is a 38-unit lodging house for women experiencing homelessness, addiction, and related challenges, operated by Amistad. The City Council approved an Affordable Housing TIF for 66 State, and approved \$299,999 in HOME funding and \$150,000 in Housing Trust Funding for 155 Danforth Street.



Washington Gardens Apartments is a renovation of 100 affordable apartments within fifteen two-story garden-style residential buildings serving seniors and persons with disabilities. The unit mix includes 60 studios, 36 one-bedroom, and 4 two-bedroom apartments. Ten units are set-aside for long-term stayers from a local City shelter. 60 units will be affordable to households earning up to 50% of the Area Median Income (\$39,100 for one person; \$44,700 for two people), and 40 units will be affordable to households earning up to 60% of the Area Median Income (\$46,900 for one person, \$53,000 for two people).

Built in 1973, the buildings were in fair-to-poor condition with major systems nearing the end of their useful life. The scope of work included: installing new siding and insulated sheathing, replacing windows and exterior doors, selectively replacing plumbing lines, improving building ventilation, creating new accessible units, upgrading sidewalks and accessible ramps, replacing cabinets and countertops, replacing flooring, repainting units, installing new energy-efficient light fixtures and appliances, remediating asbestos, removing chimneys, and installing rooftop solar photovoltaic (PV) panels. Upgrades were made to the Community Center and laundry facility to modernize and made them more accessible.

The City Council approved \$400,000 in HOME, \$184,150 in CDBG and an Affordable Housing TIF to assist with subsidizing this major renovation project in East Deering.



200 Valley Street (Porter Station), approved in 2020, is a five-story, 60 mixed-income housing apartments comprising of 11 studio, 25 one-bedroom, 14 two-bedroom, and 10 three-bedrooms units in the St. John Valley neighborhood. 36 units affordable to households earning up to 50% of the area median income (\$39,100 for one person; \$44,700 for two people), 12 units affordable to households earning up to 60% of the area median income (\$46,900 for one person, \$53,000 for two people), and 12 market rate units. Six units will be set-aside for long-term stayers from a local City shelter. The name Porter Station was chosen in honor of the St. John Valley neighborhood's history, specifically the countless railroad workers who lived in the neighborhood and worked at the former Union Station. The City Council approved \$491,540 in Housing Trust Funding and an Affordable Housing TIF for Porter Station.

Anticipated opening August 2023.



37 Front Street: Building 2, 13 Rental Apartments opened on December 2, 2022

Located in the East Deering neighborhood, Phase 1 of the Front Street Redevelopment project will create 60 apartments (3 studio, 11 one-bedroom, 12 two-bedroom, 22 three-bedroom, 10 four-bedroom, and 2 five-bedrooms) in four buildings. 43 units will be affordable to households earning up to 50% of the area median income (\$39,100 for one person; \$44,700 for two people), 5 units affordable to households earning up to 60% of the area median income (\$46,900 for one person, \$53,000 for two people), and 12 units will be at market rate. Six units will be set-aside for long-term stayers from a local City shelter.

The City Council approved \$306,104 in HOME funding, \$250,000 in CDBG funding, \$555,000 in Housing Trust Funding, and an Affordable Housing TIF for 37 Front Street.

Table 11: Subsidized Housing Development in Portland (2000-2022)

| Owner/Project | Date | Units | HOME | HDF | CDBG | HTF | TIF | NSP |
|---------------------------|------|--------------|---------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Unity Village at Bayside | 2000 | 33 | \$86,500 | \$0 | \$363,863 | \$0 | \$0 | \$0 |
| Island View Apartments | 2001 | 70 | \$71,015 | \$192,639 | \$136,346 | \$0 | \$0 | \$0 |
| St. Dominic's | 2002 | 12 | \$0 | \$436,500 | \$0 | \$0 | \$0 | \$0 |
| Brannigan House | 2002 | 10 | \$93,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Wellesley Estates | 2002 | 45 | \$0 | \$256,000 | \$0 | \$0 | \$0 | \$0 |
| Logan Place | 2003 | 30 | \$435,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Yale Court | 2002 | 30 | \$150,000 | \$200,000 | \$0 | \$0 | \$0 | \$0 |
| Peninsula Community I | 2003 | 12 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Peninsula Community II | 2004 | 16 | \$307,700 | \$0 | \$0 | \$0 | \$0 | \$0 |
| IRIS Park Apartments | 2004 | 30 | \$0 | \$250,000 | \$0 | \$0 | \$0 | \$0 |
| Fay Garman House | 2004 | 12 | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Peninsula Community III | 2005 | 10 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Walker Terrace | 2004 | 40 | \$382,000 | \$220,000 | \$0 | \$0 | \$0 | \$0 |
| Fore River | 2006 | 20 | \$388,474 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Valley Apts. | 2006 | 24 | \$320,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Pearl Place I Apartments | 2007 | 60 | \$427,000 | \$0 | \$0 | \$0 | \$615,502 | \$0 |
| Bayside East | 2007 | 20 | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 53 Danforth Street | 2008 | 43 | \$325,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Florence House | 2008 | 25 | \$240,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Oak Street Lofts | 2011 | 37 | \$0 | \$0 | \$0 | \$380,585 | \$0 | \$0 |
| Pearl Place II Apartments | 2011 | 54 | \$400,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Elm Terrace | 2011 | 38 | \$403,795 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 409 Cumberland | 2013 | 57 | \$500,000 | \$0 | \$0 | \$0 | \$759,392 | \$0 |
| Adams School | 2013 | 16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,710,000 |
| Thomas Heights | 2014 | 18 | \$522,448 | \$0 | \$0 | \$0 | \$207,116 | \$0 |
| Bayside Anchor | 2015 | 45 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 17 Carleton Street Apts. | 2015 | 37 | \$0 | \$0 | \$0 | \$0 | \$726,000 | \$0 |
| Rosa True School | 2015 | 10 | \$149,500 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Motherhouse | 2017 | 88 | \$627,223 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 65 Munjoy | 2017 | 8 | \$0 | \$0 | \$0 | \$175,000 | \$0 | \$0 |
| 58 Boyd Street | 2018 | 55 | \$200,000 | | \$30,000 | | \$2,144,566 | |
| 977 Brighton Avenue | 2018 | 40 | \$0 | \$0 | \$0 | \$300,000 | \$1,954,486 | \$0 |
| Deering Place | 2018 | 75 | \$500,000 | \$0 | \$0 | \$0 | \$4,185,757 | \$0 |
| 37 Front Street | 2018 | 60 | \$306,104 | \$0 | \$250,000 | \$555,000 | \$6,056,916 | \$0 |
| 63 Front Street | 2018 | 45 | \$204,070 | \$0 | \$0 | \$370,000 | \$0 | \$0 |
| 178 Kennebec Street | 2018 | 51 | \$370,000 | \$0 | \$0 | \$0 | \$2,889,164 | \$0 |
| 83 Middle Street | 2019 | 45 | \$499,066 | \$0 | \$200,000 | \$136,734 | \$1,559,287 | \$0 |
| 66 State Street | 2019 | 38 | \$0 | \$0 | \$0 | \$0 | \$2,672,169 | \$0 |
| 155 Danforth Street | 2019 | 30 | \$299,999 | \$0 | \$0 | \$150,000 | | \$0 |
| 18 Luther Street | 2019 | 2 | \$0 | \$0 | \$0 | \$36,000 | \$0 | \$0 |
| 200 Valley Avenue | 2020 | 60 | \$0 | \$0 | \$0 | \$491,540 | \$4,092,269 | \$0 |
| 337 Cumberland Ave. | 2020 | 60 | \$0 | \$0 | \$220,000 | | \$2,722,057 | \$0 |
| 577 Washington Ave. | 2020 | 100 | \$400,000 | \$0 | \$184,150 | \$0 | \$3,809,991 | \$0 |
| 104 Grant Street | 2020 | 23 | \$0 | \$0 | \$0 | \$0 | \$2,749,457 | \$0 |
| 73 Winter | 2021 | 43 | \$400,000 | \$0 | \$0 | \$0 | \$1,337,426 | \$0 |
| 91 Winter | 2021 | 52 | \$200,000 | \$0 | \$0 | \$0 | \$1,473,978 | \$0 |
| 45 Dougherty | 2022 | 63 | \$0 | \$0 | \$0 | \$0 | \$2,347,832 | \$0 |
| Total | | 1,792 | \$10,607,894 | \$1,555,139 | \$1,384,359 | \$2,594,859 | \$42,303,365 | \$1,710,000 |

3. 2022 INCOME AND RENTAL DATA

A. 2022 INCOME LIMITS- PORTLAND HUD METRO AREA

- HUD describes households in the 30% AMI bracket as extremely low-income households
- 80% AMI households are described as low-income households

Table 12: 2022 Income Limits - Portland HUD Metro FMR Area

| AMI | Household Size | | | | | | |
|------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 30% | \$23,450 | \$26,800 | \$30,150 | \$33,500 | \$36,200 | \$38,900 | \$41,550 |
| 50% | \$39,100 | \$44,700 | \$50,300 | \$55,850 | \$60,350 | \$64,800 | \$69,300 |
| 60% | \$46,900 | \$53,000 | \$60,300 | \$67,000 | \$72,400 | \$77,750 | \$83,100 |
| 80% | \$62,550 | \$71,500 | \$80,450 | \$89,350 | \$96,500 | \$103,650 | \$110,800 |
| 100% | \$78,200 | \$89,400 | \$100,550 | \$111,700 | \$120,650 | \$129,600 | \$138,550 |
| 110% | \$86,000 | \$98,300 | \$110,600 | \$122,850 | \$132,700 | \$142,550 | \$152,350 |
| 120% | \$93,850 | \$107,250 | \$120,650 | \$134,050 | \$144,800 | \$155,500 | \$166,250 |

The U.S Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI). Portland applies HUD's income limits to determine and monitor household eligibility with the City's Inclusionary Zoning and Low-Income Housing programs.

B. 2022 MAXIMUM MONTHLY RENT LIMITS- PORTLAND HUD METRO AREA

- HUD's measure of housing affordability is spending 30% or less of gross monthly income towards housing expense

Table 13: Maximum Rent Limits

| AMI | Bedroom Count | | | | | |
|------|---------------|------------|------------|------------|------------|------------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 30% | \$586.25 | \$670.00 | \$753.75 | \$837.50 | \$905.00 | \$972.50 |
| 50% | \$977.50 | \$1,117.50 | \$1,257.50 | \$1,396.25 | \$1,508.75 | \$1,620.00 |
| 60% | \$1,172.50 | \$1,325.00 | \$1,507.50 | \$1,675.00 | \$1,810.00 | \$1,943.75 |
| 80% | \$1,563.75 | \$1,787.50 | \$2,011.25 | \$2,233.75 | \$2,412.50 | \$2,591.25 |
| 100% | \$1,955.00 | \$2,235.00 | \$2,513.75 | \$2,792.50 | \$3,016.25 | \$3,240.00 |
| 120% | \$2,346.25 | \$2,681.25 | \$3,016.25 | \$3,351.25 | \$3,620.00 | \$3,887.50 |

The chart above presents the maximum rent limits (which includes rent plus utilities) broken down by household size and area median income levels.

4. MONITORING

The City of Portland’s Housing and Community Development Division administers, monitors, and supports the creation of affordable housing. Monitoring occurs throughout the development process; however, this section of the report refers specifically to the annual monitoring that takes place after the project is completed. Monitoring requirements vary based on the type of housing (workforce housing versus affordable housing), and the type of funding in the project.

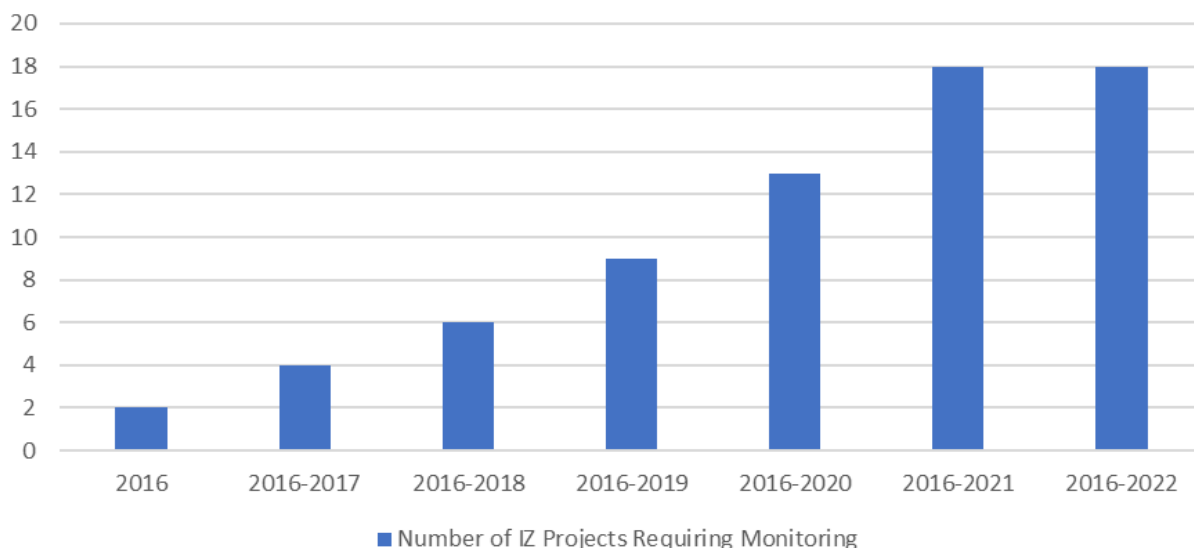
As discussed below, the monitoring of Inclusionary Zoning, HOME, Housing Trust Fund, and Affordable Housing Tax Increment Funding (TIF) units is dramatically increasing.

A. INCLUSIONARY ZONING: WORKFORCE HOUSING

Before a tenant is approved for a workforce rental unit, the household must be “income qualified” to ensure the household’s income is at or below income requirements. The City works with property managers to collect all relevant information needed to assess a household’s income at the time of lease-up and annually thereafter. The City also works with the property manager to ensure the rent is within the maximum rent guidelines based on bedroom count and tenant-paid utilities.

For workforce homeownership projects, staff works with the developer to determine the maximum sale price of each workforce unit. The maximum sale price calculation consists of the mortgage payment, less real estate taxes, less mortgage insurance, less condo fees, less homeowner's insurance, less utilities. During the resale of a unit, staff recalculates the maximum sale price for the seller. And as with rental units, each household is “income qualified” to ensure compliance with income guidelines.

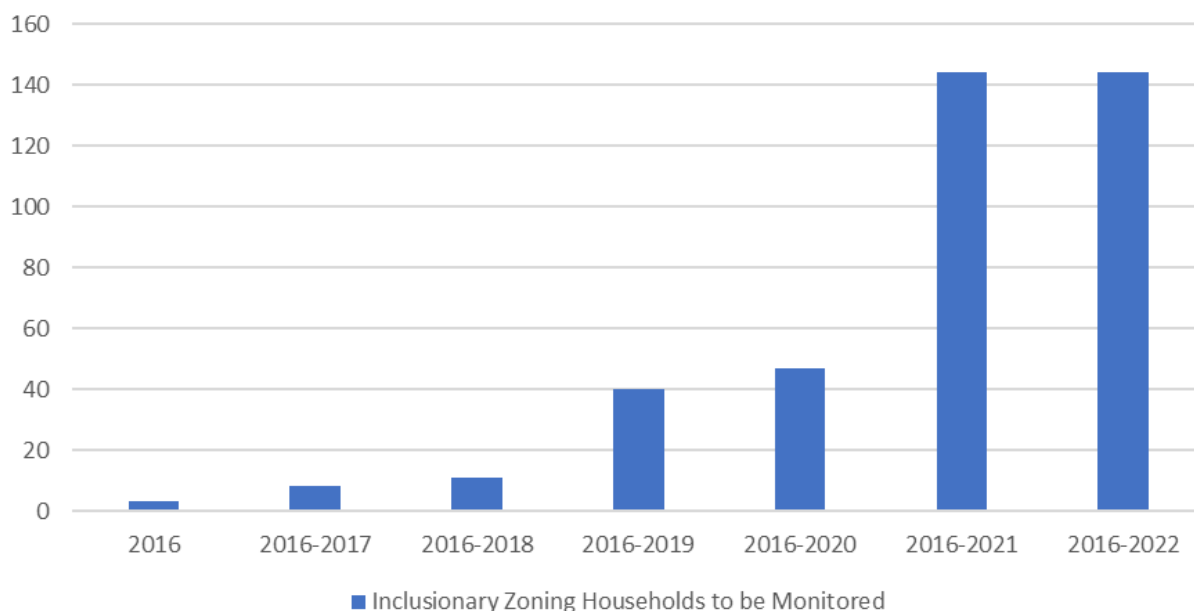
Figure 17: Number of Inclusionary Zoning Housing Development Projects Requiring Monitoring by Year



Based on the above chart, from 2016 to 2021, the number of Inclusionary Zoning housing projects that require monitoring has grown from 2 projects in 2016 to a total of 17 projects by year end 2021 (no projects requiring inclusionary zoning monitoring were approved in 2022). The number of households in those projects that require annual income and rent monitoring has grown from 3 households in 2016 to a total of 144 households.

Prior to adoption of the Citizens Initiative, also known as the Green New Deal, ten percent of the units in a housing development project of ten or more units were required to be set-aside as workforce units to be sold or rented to households that income-qualify. With the adoption of the Green New Deal, twenty-five percent of the units are now set-aside as workforce units, greatly increasing the number of households required to be monitored at lease up/sale and annually/re-sale. The Green New Deal applies to all residential development projects that had not received workshop review by the Planning Board as of December 6, 2020. The total number of households required to be monitored from 2016 to 2020 grew from 5 to 47 over five years. The total number of households monitored for just 2021 is 97 (more than double the number of households from just the year before), for a total of 144 households. The percentage increase from the first five years of monitoring to the sixth year of monitoring is a one year increase of 67%.

Figure 18: Inclusionary Zoning Households to be Monitored

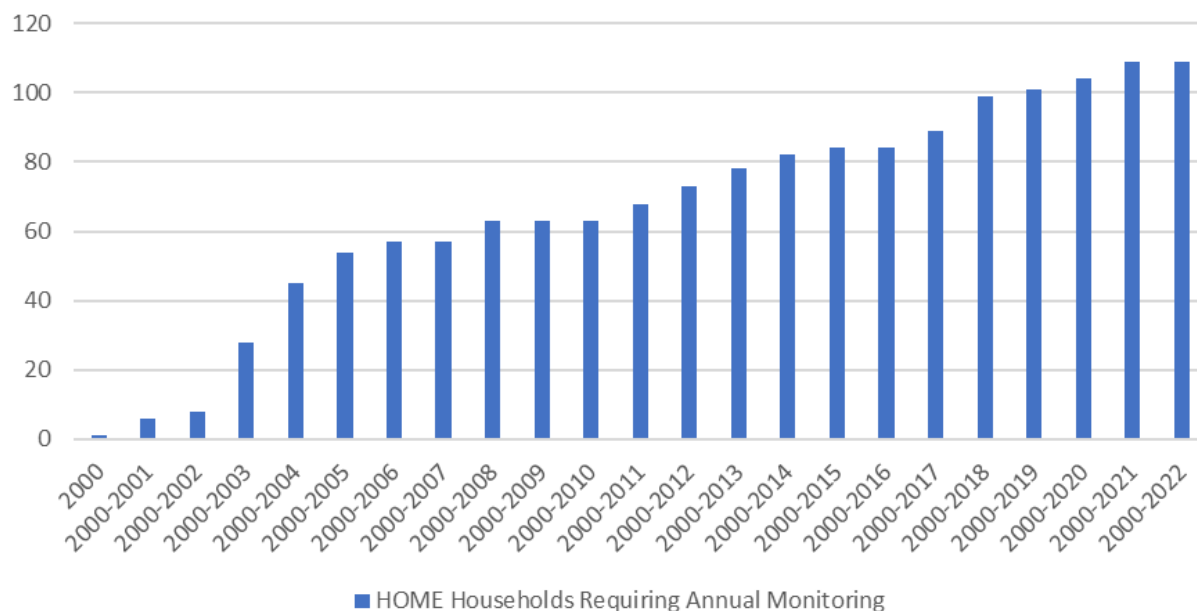


B. HOME

Affordable housing projects that receive HOME funding are required to be monitored by the City to ensure compliance with regulations established by the Department of Housing and Urban Development (HUD). Monitoring includes confirming the number and type of HOME assisted units, confirming units are leased to households at or below the HOME income limits for their household size, ensuring the rents plus tenant-paid utilities do not exceed rent limits, ensuring utilities costs are accurate, and ensuring exceptions are only allowed when households also receive project-based vouchers.

The total number of households requiring annual monitoring has grown from two households in 2000 to 109 households in 2022.

Figure 19: HOME Households Requiring Annual Monitoring



C. HOUSING TRUST FUND AND AFFORDABLE HOUSING TAX INCREMENT FINANCING UNITS

Though not as extensive as the monitoring required for HOME units, affordable housing projects that receive Housing Trust Funds and/or Affordable Housing Tax Increment Financing (TIF) are also required to be monitored by the City to ensure compliance. Compliance for rental units includes ensuring units are leased to households at or below set income limits for their household size, and ensuring the rents plus tenant-paid utilities do not exceed rent limits. For homeownership units, potential homebuyers are required to establish income eligibility.

From 2005 to 2022, four unique residential housing projects were approved for a subsidy from the Housing Trust Fund. For a period of thirty years, a total of 114 households are monitored annually to ensure apartments are occupied by households that earn at or below the agreed-upon area median income (typically 50% or 60% AMI) and the rent is restricted in a similar manner. Similarly, from 2005 to 2022, 18 residential housing projects received Affordable Housing Tax Increment Financing. At least thirty three percent of the households in these projects are also required to be monitored annually to ensure apartments are occupied by households that earn at or below the agreed-upon area median income (typically 50% or 60% AMI) and the rent is similarly restricted.

D. ON-SITE MONITORING

The financial health and physical maintenance of the property are also monitored for projects with ten or more HOME units. Financial reviews require the property manager to provide the most recent operating budget, income statement and balance sheet. Regular on-site inspections of the property are conducted to ensure the property continues to meet the required property maintenance standards.

Figure 20: Housing Inspection Scoring Mythology

| HOME Monitoring Rent and Occupancy Report | | | |
|---|--|------------------|--------------------------|
| Property Name | | Reporting Period | 1-1-2022 thru 12-31-2022 |
| Property Address | | Date | |
| Manager Name | | | |
| Total Units | | | |
| HOME Units Required | | | |
| Total HOME Units | | | |
| Low HOME Units | | | |
| High HOME Unit | | | |
| Fixed or Floating | | | |

| Unit # | No. of Bedrooms | Low or High HOME Rent Unit Designation | Tenant Name | House hold Size | Annual (Gross) Income | Low- or Very Low- Income (L or VL) | Date of Initial Income Examination | Date of Last Income Re- Examination | Unit has a TBV (Y or N)? | Unit has a PBV (Y or N)? | Unit has a Low Income Tax Credit (LIHTC) (Y or N) ? | Low or High HOME Rent | Utility Allowance | Maximum Actual Rent |
|--------|-----------------|--|-------------|-----------------|-----------------------|------------------------------------|------------------------------------|-------------------------------------|--------------------------|--------------------------|---|-----------------------|-------------------|---------------------|
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| <u>Finding- Level of Violation:</u> | | |
|--|---|--------------|
| C: | A Critical Violation of health/safety, and/or building inspection standards has occurred. <u>Correct within 24 hours.</u> | |
| F: | A single item has Failed inspection. <u>A plan for corrective action is due to MaineHousing within 30 days.</u> | |
| M: | A Major violation of health, safety, and/or building inspection standards has occurred. <u>Correct within 10 days.</u> | |
| P: | In general, a pattern of minor violations exists. | |
| O: | Other findings not represented by "C", "M", or "P" above. | |
| NF: | Indicate that No Findings or Violations were noted | |
| <u>Scoring Ranges:</u> | | |
| • Level 5: | Superior | 100-95 |
| • Level 4: | Above Average | 94-86 |
| • Level 3: | Satisfactory | 85-71 |
| • Level 2: | Below Average | 70-60 |
| • Level 1: | Unsatisfactory | 59 and below |
| NOTE: a Below Average score may require a re-inspection and an Unsatisfactory score will require re-inspection, generally within 30 to 60 days. | | |
| <u>Scoring Parameters (PPF = Points(s) Per Finding):</u> | | |
| • Critical Findings: | 1 to 20 Units Inspected: | 4 PPF |
| • Critical Findings: | 21 or More Units Inspected: | 2 PPF |
| • Major Findings: | 1 to 20 Units Inspected: | 2 PPF |
| • Major Findings: | 21 or More Units Inspected: | 1 PPF |
| • Problematic Findings: | | 3 PPF |
| • Other Findings: | 1 to 5 Units Inspected: | 1.5 PPF |
| • Other Findings: | 6 to 210 Units Inspected: | 1 PPF |
| • Other Findings: | 11 to 20 Units Inspected: | .75 PPF |
| • Other Findings: | 21 to 30 Units Inspected: | .5 PPF |
| • Other Findings: | 31 or More Units Inspected: | .25 PPF |