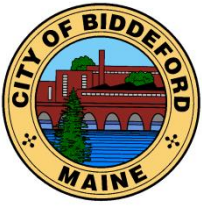


City of Biddeford
Mayor's Affordable Housing Task Force
September 27, 2022 5:30 PM Biddeford Council Chambers & Zoom
<https://biddeford.zoom.us/j/91370014744?pwd=SkZWYiROdzVoUHdiRTJ2OTZVSTgrUT09>
Webinar ID#913 7001 4744 Passcode: 486718

Status: Mayor's Affordable Task Force-September 27, 2022 5:30PM-City Council Chambers

- 1. Call to Order**
- 2. Consent Agenda**
 - 2.1. Approval of Meeting Minutes from August 23, 2022
[082322-Draft.pdf](#)
- 3. Discussion**
 - 3.1. 1. Discuss and approve the interim report
[Interim.Report.Sept.2023.draft.2.0 -FINAL DRAFT.pdf](#)
[9.26.22 Interim.Report.Sept.2023.draft.2.0.pdf](#)
 - 3.2. 2. Discuss details of Inclusionary Zoning

[IZ.pdf](#)
 - 3.3. 3. Next Steps
- 4. Adjourn**



CITY OF BIDDEFORD

Planning and Development Department

Mayor's Affordable Housing Task Force Meeting Minutes **DRAFT**

Date: August 23, 2022
Time: 5:30 PM
Location: Hybrid Meeting: City Council Chambers & Remote Access Meeting (1MRSA § 403-B permits public proceedings through remote access during the declaration of state of emergency due to COVID-19).

Committee Members in Attendance:

Doris Ortiz, Reverend Shirley Bowen, Dan Boucher, Marty Grohman (via zoom), Ian Garcia-Grant, Dominic Deschambault, Ciel Caldwell (via zoom), & Seth Harkness
Staff Present: Jim Bennett & Nan Whitten

Chair Ortiz brought the meeting to order at 5:30

1. Acceptance of minutes from 6-28-22 and 7-26-22

MOTIONS:

Minutes were accepted by a unanimous vote

2. Affordable Rental Units-5 Year Goal

- Jim Bennett discussed the Task Force's decisions of last month's meeting to go from 450 new housing units to 900 from 2023-2028 with 12.5 % affordable by 2028. He told the committee if the City just maintained what there is now Biddeford would become less affordable and lose the Blue Collar Community dynamics.
- The committee discussed how Mr. Bennett arrived at the 12.5% and how \$500,000.00 given to the City for affordable housing will make a difference.
- Mr. Bennett talked about an affordable housing trust where once a year it will be used for various goals.

MOTIONS:

Deschambault-Motion-to create 900 rental units between 2023 and 2028

Boucher-Second

Chair Ortiz called for a vote-motion passed unanimously

Boucher-Motion-to have 12.5% of rental units be affordable housing by 2028

Garcia-Grant-Second

Chair Ortiz called for a vote-motion passed unanimously

- The definition of affordable housing was discussed

- Some of the committee members did not want to include the moderate-income ratio of 81%-125% in the definition, as it is counterproductive to the goals of the committee. They would prefer instead to say up to 80%.
- Others felt that using up to 125% would give more flexibility and allow some to be able to purchase a home and not be house poor.
- There is also the fear that going up to 125% would allow developers and those less needy to come in and purchase any inventory leaving the lower levels out in the cold.
- There is a housing crisis and committee members want to send a message to the City Council that young families cannot afford to stay in the communities and must move to other areas.

MOTIONS:

Garcia-Grant-Motion-have the wording on the memo going to Council say “up to 80%”

Caldwell-Second

Chair Ortiz called for a vote-motion passed 5-2 (Deschambault, Bowen, Boucher, Caldwell & Garcia-Grant in favor; Harkness & Grohman opposed)

3. Inclusionary Zoning

- Mr. Bennett went through the 2022 Greater Portland Market Outlook by the Boulos Company. He told the committee that Inclusionary Zoning is when a housing project of a certain size comes to the city a certain percentage of the new units must be affordable housing. The developer can avoid having any affordable housing units by paying a fee directly to the city.
- The City of Portland instituted this policy and it was very effective until the referendum in November of 2020. The result was that high end rentals were the only things being built and it pushed the lower end out.
- This can be an effective tool but push back should be expected.
- Greg Mitchell will do a presentation on Inclusionary Zoning and will be able to answer any questions the committee may have.

4. Unhoused Recommendation

- Different recommendations to assist the unhoused were discussed:
Hire a consultant who is laser focused on the issue and has a proven track record, create and utilize rooming houses
- There were some concerns about hiring a consultant such as how the specialist would be chosen and that it could be a lengthy process if they have to do an RFP.
- Mr. Bennett was asked about the turnaround time for finding a consultant. He told the committee to put together a statement to the council saying that there is a need to tackle this issue permanently and that you would like them to hire experts in the field. The minimum requirement for general assistance, which is being done, is not working for this community.

MOTIONS:

Deschambault-Motion-to create a declaration for Council asking them to deal With the issue of the unhoused.

Garcia-Grant-Second

Chair Ortiz called for a vote-motion passed unanimously

5. Affordable Housing Fund

The Committee talked about various ways to manage funds donated or raised for affordable housing. Mr. Bennett told them how something like this usually worked.

MOTIONS:

Deschambault-Motion-to create an Affordable Housing Fund

Boucher-Second

Chair Ortiz called for a vote-motion passed unanimously

6. Competitive Process for Projects

The committee talked about the process of jumping the line for approvals when your project is offering affordable housing.

7. Non-Monetary Recommendations

The Committee talked about non-monetary ways to assist affordable housing such as jumping the approval line, using bonus density, offering discounts when no parking is needed.

8. Rent Control

Mr. Bennett discussed the White paper on Rent Control, he suggested each committee member read the documents and make recommendations at the next meeting. He also discussed 2 rent control studies and talked about the impact on the market and the results when the units went back to market rate.

9. Brainstorm for recommendations to the Council:

Use the blighted, abandoned properties, give tenants the first right of refusal when property is to be sold, the City helps facilitate Co-ops, use the old courthouse for the homeless at least for the winter, Community Land Trusts to purchase the structure not the land, use City owned properties to house people at least on a temporary basis, tiny home village, pallet housing, talk to Habitat for Humanity, and boarding houses.

10. Next Meeting: September 27, 2022, work on action items.

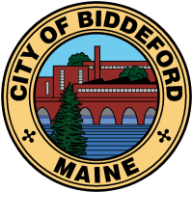
11. Adjourn: 7:04 PM

Task Force Chair

Date

These minutes are summary and are not intended to be verbatim. Archived meetings are viewable on the City's website: www.biddefordmaine.org.

City of Biddeford, Maine



MEMORANDUM

TO:	Honorable Mayor Casavant Honorable City Council
FROM:	Mayor's Affordable Housing Task Force Councilor Doris Ortiz, Chairperson
DATE:	September 21, 2022
RE:	Interim Report

Pursuant to the City Council's directive at the time of the creation of this Task Force, please find this memo that will serve as the interim report. The report will focus primarily on the current recommendations that have been supported by the Committee. For the sake of brevity, it will not provide the same level of information as the final report. The Council should be acutely aware that the interim report glosses over the majority of the process part of the Task Force's work, which will be covered in the final report. Also intentionally left out of the interim report is the large outreach effort that the Task Force has used.

The following recommendations are listed by those that are being officially made at this point and those that will be formally made at the time of the final report. Beyond that distinction, there is no other preference being express by the listing.

Immediate Recommendation

1. **Unhoused Involvement:** The task force considered a multitude of complexities that cause individuals to be unhoused. The nation-wide issue exists in Maine and in Biddeford. With the lack of a national, state and/or regional plan(s) to compliment local efforts, outcomes vary. The task force is recommending that the City Council:
 - a. Take immediate action to change the existing policy of doing essentially the state minimum required; so that unhoused individuals dos not face a winter night on the street.
 - b. Develop and implement a city wide unhoused strategy that provides complete services to assist the unhoused so they may break the cycle of being unhoused. The policy should be adopted by Spring of 2023.
 - c. Seek additional technical assistance in developing options for the City Council to explore as they develop a new policy for unhoused.

Recommendations to Be Included in Final Report

2. **Adopt an Inclusionary Zoning (IZ) Ordinance:** Inclusionary zoning will require new housing projects to actively participate in the creation of new affordable housing units. While the details are still to be worked out, IZ will require all projects over a certain size to either build a percentage of the units to meet the City's affordable housing goals or in some cases, it will allow

205 Main Street

Biddeford, ME 04005

Phone: 207.284.9313

Fax 207.571.0678

*The City of Biddeford is an equal opportunity provider. To file a complaint, write to
Diana Depaolo, Human Resource Director, 205 Main Street Biddeford, ME 04005, or call (207) 286-0593.*

a cash payment into the affordable housing fund instead of creating the units. The task force has received information about the impact of the City of Portland's IZ, most especially the impact of increasing the contribution standards. The task force is looking to establish the rates that the current market can effectively pay without driving investment away. The Council can expect the final report will include the specific details that are being recommended. The TF has more work to be done on this recommendation.

3. Affordable Housing Fund: The TF will be making a recommendation to create a special account for affordable housing initiatives. Funds that are generated for affordable housing would go into the account. The account would include any affordable housing TIF proceeds, the donation from the Devine project, IZ payments, grants or other funds. Annually, the fund would seek proposals for affordable housing projects. More details are to be developed for the final recommendation.
4. Rent Control: The TF will be making a recommendation that any sort of rent control is not a desired solution to address affordable housing units within the community. You can expect a complete report on their rationale for that recommendation.
5. Targeted Affordable Housing Definitions: The committee has identified that the main goal of affordable housing work will be at the 80% of AMI (annual median income).
6. Modify the amount of the affordable housing goal: The TF is recommending that the current Council goal of creating/preserving 450 affordable units over a five year period (beginning in 2021). The new goal that the TF has voted on is to create and/or preserve 900 affordable rental units from 2023 to 2028. In addition, the TF is recommending an additional goal that 12.5% of all rental units will be affordable by 2028.

Future Task Force Work

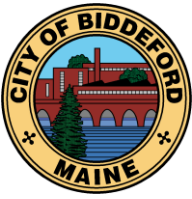
The Task Force has a couple of meetings left to conclude their work. In addition to the above items, it plans to:

- Look at several non-monetary tools to assist meeting the affordable housing goals such as density bonuses, relaxation of parking requirements, streamlining of the permit process, having affordable housing projects receiving priority in the approval process as well as others.
- Exploration of rooming houses
- Use of abandoned, underutilized and city owned properties
- Creation of incentives to give tenants the right of first refusal to purchase apartment buildings
- Encourage co-operatives ownership
- Use community land trust for the construction of affordable housing units
- Seeking short term solutions for unhoused
- Explore tiny house villages

Conclusion

The Task Force used an intentional outreach strategy to see community input and engagement before making any recommendation. Following the presentation of this interim report to the City Council, the task forces expects to issue its final report by the end of the year. The members appreciate the opportunity to serve and provide recommendations on this important issue.

City of Biddeford, Maine



MEMORANDUM

TO:	Honorable Mayor Casavant Honorable City Council
FROM:	Mayor's Affordable Housing Task Force Councilor Doris Ortiz , Chairperson
DATE:	September 26, 2022
RE:	Interim Report

Pursuant to the City Council's directive at the time of the creation of this Task Force, please find this memo that will serve as the interim report. The report will focus primarily on the current recommendations that have been supported by the Committee. For the sake of brevity, it will not provide the same level of information as the final report. The Council should be acutely aware that the interim report glosses over the majority of the process part of the Task Force's work, which will be covered in the final report. Also intentionally left out of the interim report is the large outreach effort that the Task Force has used.

However, the Task Force would like to share one of the key findings during their work prior to the recommendations. The median income for all renters in the community increased 51.8% from 2017 to 2020 (\$47,140 compared to \$31,067).

Using the typical government measures of affordability, Biddeford's rental affordability has actually improved dramatically on the macro level. Using the same three year horizon (2017 to 2020), the rental affordability index has improved by 36.6% (0.97 in 2020 compared to 0.71 in 2017). This occurred while the average cost of rents have increase by 10.3%. The improvement is totally driven by the higher average income levels of the residents.

Behind the macro analysis is the micro experience. Residents that have lived in the community for some time are ~~or~~ unlikely, on average, to see their income increased by the 51.8% that the macro analysis reports. The observation of importance for the City Council to consider is the affordability issue as it relates to rents is probably summed up in one simple factor; the length of tenure of the renter in the community.

The following recommendations are listed by those that are being officially made at this point and those that will be formally made at the time of the final report. Beyond that distinction, there is no other preference being express by the listing.

Immediate Recommendation

1. **Unhoused Involvement:** The task force considered the multiple of complexities that cause individuals to be unhoused. The nation-wide issue exists in Maine and in Biddeford. With the lack of a national, state and/or regional plan(s) to compliment local efforts, outcomes vary. The task force is recommending that the City Council:

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Recommendations to Be Included in Final Report

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Future Task Force Work

The Task Force has a couple of meetings left to conclude their work. In addition to the above items, it plans to:

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Conclusion

The Task Force used an intentional outreach strategy to see community input and engagement before making any recommendation. Following the presentation of this interim report to the City Council, the task forces expects to issue its final report by the end of the year. The members appreciate the opportunity to serve and provide recommendations on this important issue. Included with the report is the ‘Rent Control White Paper’ that was prepared for the Task Force.

Biddeford Housing Inventory:

The following is the current housing inventory of the City

- Of 10,576 housing units in Biddeford as of 2020, 4,512 are owner-occupied, 4,919 are renter-occupied, and 1,145 are vacant.
- A renter household in Biddeford must earn \$23.27, or \$48,397 to afford the median rent and not pay more than 30% of their income for rent.
- 43% of renter households (2,091 households) pay 30% or more in rent.
- 51% of renter households are unable to afford the median rent in Biddeford.
- The median renter household can afford a monthly rent of \$1,178.
- 9.0% of Biddeford children experience poverty.
- Housing Choice Voucher Rent Payment Standard as established by Biddeford Housing Authority and approved by U.S Department of housing and Urban Development for 2022 are as follows:
 - Efficiency – \$- 950
 - 1-bedroom \$1,050
 - 2-bedroom \$1,300
 - 3-bedroom \$1,600
 - 4-bedroom \$1,900
- BHA administers 153 Housing Choice Vouchers.

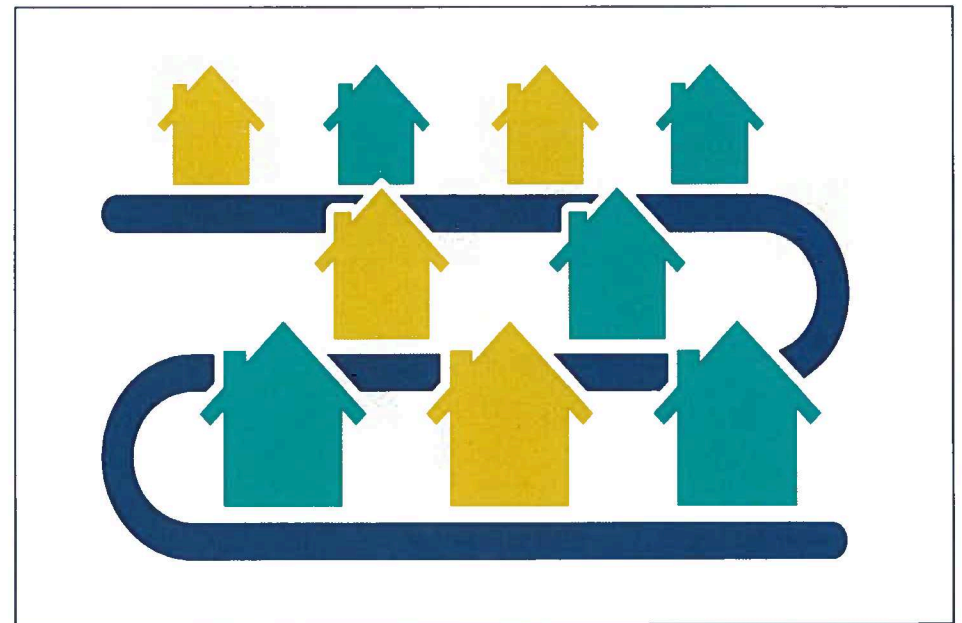
Inclusionary Zoning

Mayor's Affordable Housing Task Force
September 27, 2022



Inclusionary Zoning (IZ)

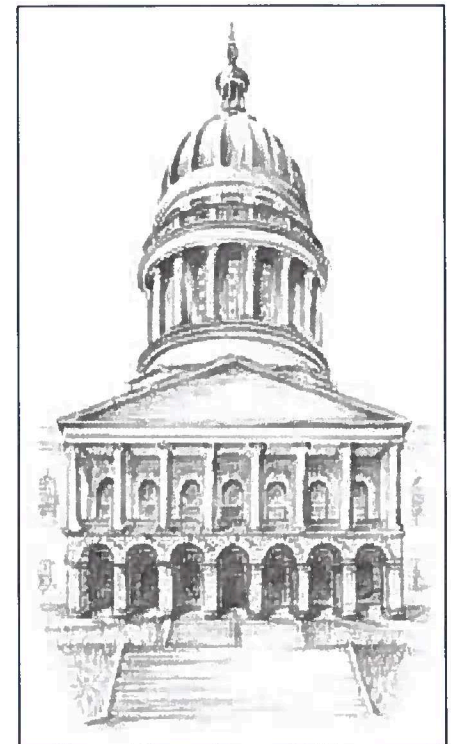
*Inclusionary zoning (IZ), also known as **inclusionary housing**, refers to municipal and county planning ordinances that require a given share of new construction to be affordable by people with low to moderate incomes. IZ is a regulatory approach without financial assistance.*



Maine LD 2003

- **Current State Law – Effective July, 2023**
- **Rule making Process Under Way**
- **Changes May Be Coming**

Affordable Level (AMI)		Min. Term
Rental	Ownership	
80%	120%	30 Years



State of Maine Community IZ Regulations and Proposals

<u>Community</u>	<u>Existing Regulations</u>	<u>Affordability Level (AMI)</u>	<u>Affordable Units</u>	<u>Term (years)</u>	<u>Fee-in Lieu</u>
<i>Portland</i>	10 or more units	80%	25%	30	\$150,000
<i>Kittery</i>	5 or more units	80%	10%	30	\$100,000
<i>Yarmouth</i>	<u>Proposed</u> 10 + rental; 5 + ownership	100% 120%	10%	in perpetuity	\$150,000

Mayor's Affordable Housing Task Force Recommendations



New Residential Units (2023 – 2028)	Recommended Affordable Units
900	113

Biddeford IZ Proposal (Three Options for Discussion)

<u>Affordable Level</u>	<u>Affordable Units</u>	<u>Term (years)</u>	<u>Fee-in-Lieu</u>
80%	3 – 5%	15	\$100,000
100%	4 – 6%	20	\$120,000
120%	5 – 7%	30	\$150,000

