

# Housing, affordability emerge as key issues in Portland mayor's race

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By Randy Billings Staff Writer

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Throughout Portland, candidates for mayor face questions about how they plan to solve the housing crisis in Maine's largest city and help make it more affordable to people who work here, especially those in a service industry that's vital to supporting the city's tourist economy.

And it's no wonder. Portland is among many U.S. cities struggling with affordability, as the high costs of land and labor are leaving developers with two ways to make money: high-end condominiums or compete for scarce government subsidies to build low-income housing units. Housing for young working people rarely gets built, and the tight supply of existing housing amid strong demand means the prices keep going up.

## What they would do to address housing?

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- Mayor **Ethan Strimling** would pursue a \$10 million local housing bond that would have to be repaid by Portland taxpayers with interest to build more affordable housing, add protections for tenants, increase the number of affordable housing required in certain developments and clamp down on short-term rentals like those advertised on Airbnb.
- City Councilor **Spencer Thibodeau** would advocate for a statewide \$25 million affordable housing bond, identify five city-owned parcels of land to offer for affordable housing development within his first year, offer height and density bonuses for affordable housing and work with the University of Southern Maine to create more student housing.
- Former School Board Chairwoman **Kate Snyder** would focus on rezoning efforts to open up industrial areas to housing uses, encourage more housing development along busy traffic arterials and make it easier for residents to build in-law apartments, also known as accessory dwelling units.
- **Travis Curran**, a restaurant waiter, would crack down on unhosted short-term rentals like those advertised on Airbnb, double the amount of affordable housing required in certain developments and increase the fees developers must pay to avoid building those units.

Nearly half of Portland renters and nearly a third of homeowners now spend 30 percent or more of their incomes on housing, a threshold that is not considered affordable, according to a recent city report. And the average home now costs twice what the average household can afford.

And housing cost is just one of the factors making Portland unaffordable for some. Property taxes have gone up, too, as have trash fees and parking costs.

Four candidates for mayor are hearing a lot about those pressures as they speak to voters ahead of the Nov. 5 election: 52-year-old incumbent Ethan Strimling, 33-year-old City Councilor Spencer Thibodeau, 49-year-old nonprofit head and former school board chairwoman Kate Snyder and 31-year-old waiter Travis Curran. And each has some ideas about what they would do to address the issues that have come up in candidate forums, on the streets downtown and on the doorsteps of people's homes.

Housing and affordability issues have been raised at mayoral forums sponsored by neighborhood groups all over the city and recent forums hosted by the Portland Community Chamber of Commerce and WGAN News Radio.

Candidates are also hearing about it on the campaign trail.

Snyder got an earful from one resident while canvassing in Libbytown last month.

"Where you stand on taxes?" 49-year-old Dale Hansen asked shortly after opening his door. "They keep going up and up and up. Where's this money going?"

Strimling listened as 40-year-old Michel Butera, who lives in Munjoy South, a low-income housing complex, said "the city is getting expensive."

Libbytown resident Kathy MacVane, 67, told Thibodeau that the city is being too "liberal" with taxpayer money.

And when Curran told several restaurant cooks that his rent had only increased once in the last 10 years, 29-year-old Sam Helmke replied, "You're the luckiest man in the city."

## **HOUSING PROPOSALS**

A [recent report on the city's housing market](#) said 47 percent of renters and 29 percent of homeowners pay 30 percent or more of their income on housing – a threshold that is not considered affordable. Low-income families comprise 20 percent of city households, surviving on either fixed incomes or pay from jobs such as office administration, sales, and food preparation and service. Yet a household would have to earn at least \$102,000 a year – twice the area median income – to afford a median priced home in the city: \$316,000.



Portland Mayor Ethan Strimling is seeking election to a second term. *Derek Davis/Staff Photographer*

The Planning Board has approved about 2,300 units of housing over the last four years, according to data provided by the city. Of those, 1,065 have been built and 461 are under construction. The rest are in between their approvals and permitting process.

But very little of that new housing has been affordable to workers or low-income families. Avesta Housing built the 30-unit Huston Commons on Bishop Street for the chronically homeless and Thomas Heights on Washington Avenue. The nonprofit also has the 75-unit Deering Place approved and under construction in Parkside.

Meanwhile, the Portland Housing Authority has built the 45-unit Bayside Anchor and has the 55-unit Boyd Street development under construction. It also has approvals for the 113-unit Front Street development.

Strimling's housing plan centers on a \$10 million housing bond that he'd ask Portland taxpayers to pay for – plus interest. He'd set a goal of investing \$2 million annually into affordable housing projects proposed by nonprofit developers like Avesta and Community Housing of Maine, which could use the money as gap financing, along with other governmental subsidies, like tax credits. He said that bond could help create 1,000 units of affordable housing.

"When you build housing like that it's deed-restricted – it's rent control," said Strimling. He also supports tenant protections like mandatory leases, extending the required notice to terminate an at-will tenancy from 30 days to 90 days and requiring landlords to accept Section 8 vouchers, which is currently a voluntary program.

Thibodeau said the city should take a more regional approach to solving the housing crisis. While Portland may have had to confront more issues on its own under former Republican Gov. Paul LePage, Thibodeau said the city doesn't need to under Democratic Gov. Janet Mills, on whose transition team Thibodeau served. He wants to advocate for a statewide \$25 million affordable housing bond, rather than only asking Portland taxpayers to shoulder additional debt.

"That \$10 million (local) housing bond that's being talked about actually raises people's property taxes," Thibodeau said in reference to Strimling's proposal at a forum sponsored by the chamber. "The LePage era is over. Portland doesn't have to do everything on its own. We need to collaborate with our state partners and I will do that as your next mayor."



Portland mayoral candidate and City Councilor Spencer Thibodeau in front of the house on Bradley Street in Portland where he grew up. *Gregory Rec/Staff Photographer*

Snyder also thinks the city should take a regional approach and ensure families with children can afford to live here. She said the high cost of land on the peninsula makes off-peninsula traffic arterials such as Washington, Brighton and others more attractive areas because of their access to public transportation. The city needs to make those areas more attractive to housing developers through zoning and other plans that should be adopted with developer input.

She said the city should also open up nontraditional areas for housing development, including industrial zones on the outskirts of the city, and then increase public transit options, including bus service and bike lanes. Making it easier to build in-law apartments, also known as accessory dwelling units, could also provide additional housing, while also allowing homeowners to take in extra money, she said.



Portland mayoral candidate Kate Snyder while campaigning door-to-door in the Libbytown neighborhood. *Ben McCanna/Staff Photographer*

“I’m very afraid we’re going to miss the component of people who actually have kids in our school system,” Snyder said, highlighting the danger of Portland becoming a place for only the wealthy and low-income. “I think part of the vibrancy of the city of Portland is that we have families here who send their kids to school.”

Thibodeau has also proposed what he calls a “missing middle” housing plan. Within his first year in office, he said, he would work with the City Council’s Housing Committee to identify five city-owned parcels for affordable housing development. That land could be offered at low-to-no cost, via a sale or lease, to a developer in exchange for deed restrictions guaranteeing housing affordability, he said.

The city also needs to work closely with the University of Southern Maine to create more student housing, both on and off campus, said Thibodeau, who also supports height and density bonuses for affordable housing.

Strimling and Curran would like to add more requirements to development projects.

Portland adopted so-called inclusionary zoning in 2015, requiring that 10 percent of units in larger developments be affordable to a middle-income family. Developers can opt out by instead paying into a city affordable housing fund. Since then, the zoning rule has mandated the creation of 59 units. Only six have been built, because most developers have instead paid a fee that’s currently around \$105,000 for each unit not built.

Both Strimling and Curran support at least doubling the number of affordable units required to 20 percent or more. Curran said he wants the city to increase the fees developers must pay to avoid building those units. And Strimling has advocated for lowering the price that's considered affordable.

Strimling and Curran also favor a crackdown on short-term rentals, by prohibiting non-owner-occupied, or unhosted, rentals. Those more lucrative rentals siphon year-round housing off the market, they say. Snyder is also open to tightening short-term rental rules, but Thibodeau has said he wants to see more information about the city's current rules, which have already been modified, before making any additional changes.

As of mid-October, Portland had 882 registered short-term rentals, including 400 non-owner-occupied units. Another 320 short-term rentals were owner-occupied units, 31 were tenant-occupied and 131 rentals were on the city's islands.

### **PROPERTY TAXES AND FEES**

The two major factors that determine a city's affordability are household incomes and cost of living. The city plays a direct role in the latter through the annual budget approved by the mayor and city councilors. While the mayor gets one out of nine votes, he or she has some additional tools when it comes to setting the budget, including an annual budget address and veto authority over budgets, something that so far hasn't happened.



Mayoral candidate Travis Curran, who works as a waiter. *Ben McCanna/Staff Photographer*

## If you want to buy a house in Portland

The median home price is **\$316,000** ... which requires a household income of **\$102,173** ... but the median income is **\$51,799**



SOURCE: MaineHousing 2018 Portland-South Portland MA housing Market/Housing Facts & Affordability Index

STAFF GRAPHIC | MICHAEL FISHER

Property taxes, including city, school and county assessments, have increased by 13 percent over the last four years, increasing the annual tax bill of a median homeowner from \$6,520 to nearly \$7,360. That's an average of \$213 a year since the last mayoral election.

Those increases come at a time when other revenue – including auto excise taxes, revenue from the state and property taxes from new development – have also increased.

Annual excise tax revenue has gone up from \$9.9 million in fiscal 2016 to a projected \$11.6 million this year. Revenue sharing from the state has gone up from \$4 million to nearly \$4.6 million. And new development has added about \$6.1 million in property taxes over the last four years.

About half of each tax dollar goes toward the school budget, which is routinely approved by voters. The school budget has increased property taxes by 15.5 percent over the last four years, largely because of increased costs, reductions in state aid and new investments. Enrollment, however, has dropped from 6,829 students in fiscal 2016 to 6,768 last fiscal year.

But taxes aren't the only costs of living set directly by the council – it also sets fees as part of the budget.

Parking meter rates have been increased by 25 cents an hour in each of the last three years, from \$1 an hour in 2017 to \$1.75 an hour this year. Business license and permitting fees have also gone up. And trash bags increased in July by 15 cents to \$1.50 for a 15-gallon bag and 30 cents to \$3 for a 30-gallon bag. That's on top of increases of 35 cents and 70 cents, respectively, in 2015.

Curran says he wants to focus on parking, saying that 25 cents for nine minutes at a meter is too high. He would like the city to build more publicly operated parking lots or garages and make them affordable. He suggested building them off-peninsula and shuttling people downtown.

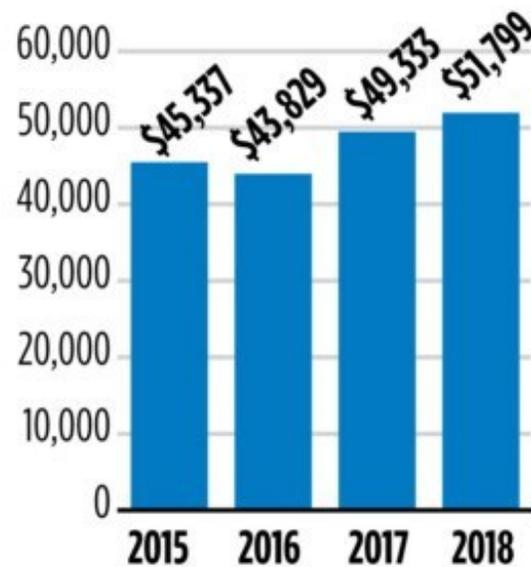
All of the candidates are advocating for the city to find additional sources of revenue to offset the pressure on property taxes, including convincing the state to allow communities to have a local option sales tax to generate more revenue from visitors. Thibodeau said he'd like to assess a per-passenger fee on cruise ships to raise money for neighborhood infrastructure projects.

Snyder describes herself as "fiscally disciplined" and thinks philanthropy can help ease budget pressure. She believes property taxes are too high, because they can prevent young families from being able to purchase a home in Portland. In addition to advocating for more assistance from the state, Snyder points to her six years of experience on the school board, which involved closing a \$2 million budget deficit and building budgets during the Great Recession, when the city saw a \$2.7 million midyear cut in state funding.

Strimling says that asking whether property taxes are too high is "not the right question" and the city should be looking to increase wages. He said he'd

## Income

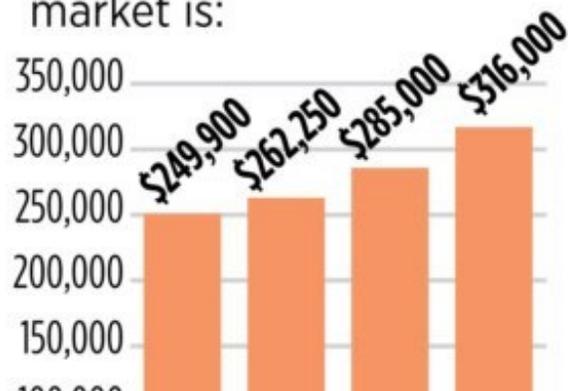
The median income for the Portland housing market is:



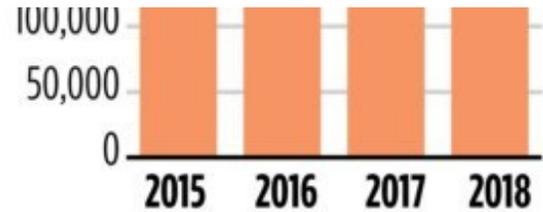
SOURCE: MaineHousing; Claritas LLC  
STAFF GRAPHIC | MICHAEL FISHER

## Home prices

The median home price for the Portland housing market is:



“push through” a \$15-an-hour minimum wage during a second term and look to expand the city’s senior property tax and rent rebate program to all low-income residents, although those costs would have to be absorbed by other taxpayers.



SOURCE: Department of Housing and Urban Development; Maine Real Estate Information Systems

STAFF GRAPHIC | MICHAEL FISHER

Strimling said that the city needs to make affordable housing construction a priority when selling its land. He

believes that 1,000 units of housing could have been built on the former public works department land in Bayside, which instead was sold to developers for a variety of mixed uses.

Curran also supports a \$15-an-hour minimum wage. Thibodeau and Snyder said they’re open to the discussion about raising the minimum wage, but criticized Strimling’s surprise announcement calling for a \$15 minimum wage at a chamber’s mayoral forum because business input is necessary and Strimling unnecessarily alienated businesses with his approach.

Thibodeau said he could not promise to lower taxes. However, he said the city should begin planning for 2026, when it no longer has to pay its pension obligation bond, which is currently \$15.5 million and increases by \$1 million annually until it’s retired. He would like the city to devote at least half of the pension debt payments to property tax relief.

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