

Affordable housing agencies warn against Portland rent control proposal

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By Randy Billings

Leaders of several affordable housing groups say they're concerned that a proposal to limit rents and protect renters in Portland will worsen problems that low-income renters face.

Say No to Rent Control, which is opposing Question 1 on the Nov. 7 city ballot, released statements Wednesday from leaders of Avesta Housing, Community Housing of Maine, Shalom House, New England Investment Fund and MaineHousing, saying they are worried about unintended consequences of the citizen initiative, which would establish an ordinance aimed at stabilizing rents in Maine's largest city.

Cullen Ryan, executive director of Community Housing of Maine, the largest housing provider for homeless people in Maine, said the ordinance could make it more difficult for low-income and homeless people to find a landlord willing to rent to them.

"If this ordinance passes, we believe landlords will refuse to take chances on tenants – because their tenants are not going to move," Ryan said in an email. "This means landlords are likely to rent to only the most financially stable people and those with the best perceived long-term prospects."

The proposed ordinance would limit annual rent increases to the rate of inflation and create a rent board to oversee rent increases, evictions, mediate disputes between renters and landlords and assess fines for ordinance violations, among other things.

Jack O'Brien, an organizer for Fair Rent Portland, which drafted the ordinance and collected signatures to put it on the ballot, said the group was disappointed by the opposition from affordable housing professionals. He said other communities have successfully used rent stabilization to retain affordable housing and preserve economic diversity as neighboring communities gentrified.

"We are very disappointed that this development community has taken in this market-driven ideology so uncritically," O'Brien said. "While increased supply is an important component, to our knowledge, no city has successfully combated this issue solely by bringing supply online, which is a slow process that does nothing to improve affordability in the short term or protect current tenants."

The proposal comes after average rents increased by nearly 40 percent in the five years ending in 2015. Rents have leveled off since then and apartments are a little easier to find, but there is still a considerable gap between what renters can afford and what they're actually paying.

The maximum affordable rent, defined as 30 percent of household income, for a median-income renter in Portland should be around about \$867 a month, based on state income data. That's more than \$700 less than the average rent for a two-bedroom apartment, according to [a recent Press Herald survey](#).

Avesta Housing, the state's largest nonprofit affordable housing developer, said the ordinance would increase registration fees on rental units from \$35 a unit to \$65, adding to the costs faced by landlords, including affordable housing landlords such as Avesta. It also would make evicting problem tenants more difficult and time consuming.

"One might think that Question 1 is going to help with housing affordability," Avesta President and CEO Dana Totman said in a written statement. "Question 1 is not the way to do it."

The ordinance would allow landlords to ask a seven-member rent board to grant additional rent increase, up to 10 percent, to pay for major investments in their properties. But landlords have cautioned that they won't make that expense without a guarantee of being able to recover costs.

"At first glance rent control might seem to offer a solution, but it rarely if ever works the way it was planned and can have adverse effects on the people it was intended to help," said Bill Shanahan, president of Northern New England Housing Investment Fund.

Say No to Rent Control has a [significant funding advantage](#) over Fair Rent Portland. According to 11-day pre-election finance reports, opponents had \$113,330 to spend before Election Day, while proponents had only \$3,000.

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