

Commentary: Question C would be a bad new deal for affordable housing in Portland

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By Cullen Ryan
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Portland is largely united in recognizing the urgent need for affordable housing. We simply don't have enough places people can afford to live. The lack of affordable housing affects businesses and their ability to find and retain employees, Portland's general prosperity and livability, and perhaps most obviously, homelessness – something everyone wants to solve.

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It is telling that the Maine Affordable Housing Coalition, which brings people together to cure Maine's affordable housing crisis, was forced to take a stand against Question C, urging Portland voters to vote "no."

ABOUT THE AUTHOR

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Although I expect there were good intentions, the issue with the referendum question is the lack of collaboration with affordable-housing experts. The same applies to Question D (the rent control referendum).

Complex policies created in a vacuum without broad discussion and input are ripe grounds for unintended consequences.

Written without public input and without consultation with those of us involved in building affordable housing, Question C would devastate housing construction in Portland. Hundreds of affordable-housing units currently in the pipeline would be put at risk.

Worse still, the City Council would be helpless to correct things for five years.

It's clear that most Portland residents take climate change seriously and want the city to firmly act to reduce fossil fuel use and improve efficiency. Affordable-housing developers do, too, and they already adhere to smart-growth principles and energy-efficiency design standards.

But Question C actually sets a lower environmental standard for buildings over 50,000 square feet, while driving up the labor costs of construction on affordable housing, schools and other city projects. Projects over four stories would have to pay prevailing construction wages for the Boston market, something quite out of reach for Portland.

Calling Question C “A Green New Deal” was clever marketing, but the 5-plus pages of the proposed ordinance don’t focus on the environment, and the effort would do very little to produce new, renewable energy.

It would, however, rewrite the rules for affordable housing and worsen Portland’s housing crisis.

Here is how. Affordable housing requires the bulk of the costs of the housing development to be offset, accomplished primarily through tax credit financing. Once those costs have mostly gone away, rents can cover the pure operating costs of the property, including utilities, while building reserves for the long-term upkeep and proper maintenance of the building so it won’t deteriorate. Without much amortizing debt service, rents can be kept low for the life of the project, often the next 99 years.

But the funding sources that make affordable-housing creation possible come with many strings. One of them is cost caps – the overall cost of the development must fit within an artificial limit set as one size for the entire state. Because building or land acquisition costs in Portland are extremely high, it is already nearly impossible to fit under those cost caps, and often it takes “value engineering”: a synonym for eliminating desirable design features in favor of cheaper, less desirable (and less durable) ones. Question C overlays affordable housing with sudden, inflexible and expensive expectations, ones that will tip the balance and make the development impossible to do at all.

We need more housing of all kinds in Portland. Solving the lack of affordable housing is a tremendous challenge that we must all work together to fix.

Flawed policies will not help, and in this case, they will frankly stop us in our tracks.

If Question C passes, Portland will lose out in an intensely competitive process, and affordable and workforce housing will be pushed out of the city. People will live farther away from work and services, creating sprawl as development spreads out away from the city. This will disproportionately hurt Portland’s most vulnerable populations, including people experiencing homelessness who don’t have cars.

We need more housing of all types for Portland to remain a city in which people can live, work and thrive. Housing is a social determinant of health. Our ability to keep people healthy and safe in Maine depends on our ability to expand affordable housing for people who need it, and they need it right here.

I support policies to advance smart growth, affordable housing and green building. And I’m voting “no” on Question C.