

Order 134-18/19
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AMENDMENT TO PORTLAND CITY CODE CHAPTER 14
RE: HOTEL PROJECT INCLUSIONARY ZONING

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

That Chapter 14, Sections 14-484, 14-485 and 14-488.1 is hereby amended to read as follows:

Sec. 14-484. Purpose.

It is in the public interest to promote an adequate supply of affordable housing for the city's residents. The purpose of this division therefore is to offer incentives to developers to include units of affordable housing within development projects, thereby mitigating the impact of market rate housing construction, or the demonstrated increase in affordable housing needs resulting from the creation of new lower-income jobs, on the limited supply of available land for suitable housing and helping to meet the housing needs of all economic groups within the city. The city believes that this division will assist in meeting the city's comprehensive goals for affordable housing, in the prevention of overcrowding and deterioration of the limited supply of affordable housing, and by doing so promote the health, safety and welfare of its citizens.

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Sec. 14-485. Definitions.

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Eligible project means a development project:

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- (d) Projects shall not be considered "eligible projects" solely because they are subject to Section 14-487 ("Ensuring Workforce Housing").

Hotel Project is any hotel, inn or motel, as defined in Section 14-47 of Chapter 14 of the Portland City Code, consisting of 10 or more guest rooms for rent. Any such development that exists prior to the effective date of this Section but expands by 10 or more rooms within any 5 year period will also be considered a hotel project.

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14-488.1 Inclusionary Zoning for Hotel Projects

(a) **Purpose:** This section is based on City analysis, most specifically the analysis documented in the Greater Portland Council of Government study "Proposed Hotel Linkage Fee: Supportable Range" dated August 29, 2018, that finds that new hospitality developments create a need for new affordable housing. This need is the result of the fact that hospitality developments necessarily create a number of jobs that do not pay employees at a rate sufficient to allow those employees to afford market-rate housing in the City of Portland.

(b) **Hotel Projects Conditional Uses:** Notwithstanding anything to the contrary in Chapter 14, all hotel projects are conditional uses subject to Planning Board review on the condition that they comply with the requirements of this Section 14-489.

(c) **Low Income Housing Minimum.** All hotel projects shall provide one unit of Low Income Housing for rent in the City of Portland for every 28 rooms in the hotel project which shall meet the standards outlined in Section 14-487 and in the implementing regulations governing Low Income Units. This amount shall be rounded up to the nearest increment of 28 rooms. These units shall be deed restricted for the longest period permitted by law; shall not be used for Short Term Rentals of less than 30 days; and must be provided with distinct entrances from the street to delineate them from the hotel itself.

(d) **Fee-in-Lieu Alternative:** As an alternative to providing Low Income Housing units under subsection (c) above, a Hotel Project may pay a fee-in-lieu of \$3,806 per hotel guest room. This amount shall be paid into the City's Housing Trust

and used for the purposes set forth in the ordinance and regulations applicable to that trust.

(e) **Annual Adjustments:** The amounts in (d) above shall be adjusted annually in the same way as the fee under Division 29 for Housing Replacement.

(f) **Regulations:** The Planning Board may promulgate implementing regulations based on this ordinance.

(g) **Applicability:** Notwithstanding the provisions of 1 M.R.S. § 302, Sec. 14-489 shall apply retroactively and include any and all actions and proceedings pending on September 26, 2018 or thereafter.