



Trends in Portland's Historic Districts

An Assessment of the
Relationship Between the City's
Historic Preservation
Ordinance and Neighborhood
Demographics, the Built
Environment, and Sustainable
Development Goals

Report Produced for The City of Portland
By Jon Stover & Associates

September 2023



**TRENDS IN PORTLAND'S
HISTORIC DISTRICTS**

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Portland's rich history is told through its historic buildings, neighborhoods, and parks. Portland's twelve historic districts contain – and help preserve – some of the City's most important cultural assets and structures that define Portland.

This report explores key trends throughout Portland's historic districts to better understand how historic district designation impacts the City's demographic composition, built environment, and sustainability goals.

INTRODUCTION

ABOUT THIS REPORT

PURPOSE OF THIS REPORT

The historic nature of Portland’s buildings and neighborhoods is a defining characteristic of the city. In 1990, the City of Portland adopted its historic preservation ordinance aimed at preserving exceptional historic buildings, landscapes, and districts within the city.

Historic district designations have the potential to have a complicated blend of impacts, both related to their core objectives, such as preserving historic resources, as well impacts unrelated to their core objectives, such as limiting new housing supply, increasing housing costs, and displacing residents. At the same time, historic district designation may also have positive impacts outside of their core objectives, such as those related to economic development and sustainability. Ultimately, whether historic designations bring positive or negative impacts depends on multiple factors, such as the particulars of historic preservation ordinances, market conditions, and other land use policies. Given this potential and the direct impact they have on the lives of Portland residents, the City seeks to understand the economic, social, and environmental trends within the city’s twelve designated historic districts.

The purpose of this report is to provide a comprehensive assessment of trends within and outside of Portland’s historic districts and summarize potential implications. Commissioned by the City of Portland’s Planning & Urban Development Department, the analysis and report was completed by Jon Stover & Associates (JS&A), an Economic Development Consulting firm that specializes in conducting economic, fiscal, and community impact analyses across the US. This report communicates study findings and is intended to be understandable and useful for both City decisionmakers and the broader stakeholder community alike.

METHODOLOGY

Findings shared throughout this report reflect an in-depth quantitative assessment of demographic, market, and development trends since the origination of the city’s historic preservation ordinance in 1990. This analysis leverages a geospatial assessment of the geographic coverage areas of Portland’s twelve historic districts using US Census Block, Block Group, and Census Tract data as available. Key data sources include the decennial US Census, building and development permit data provided by the City of Portland, and leading environmental impact calculators cited in this report. Information provided in recent publicly available planning documents supplemented this analysis. A comprehensive range of demographic, housing, real estate, and market indicators were analyzed both individually and collectively across the city’s historic districts, the city’s peninsula, and Portland as a whole. This comparative assessment explored ten-year increments between 1990 and 2020. The analysis tracked impact metrics before the designation of historic districts and after designation, comparing these trends over time with other areas of Portland both with and without historic district designation.

Limitations

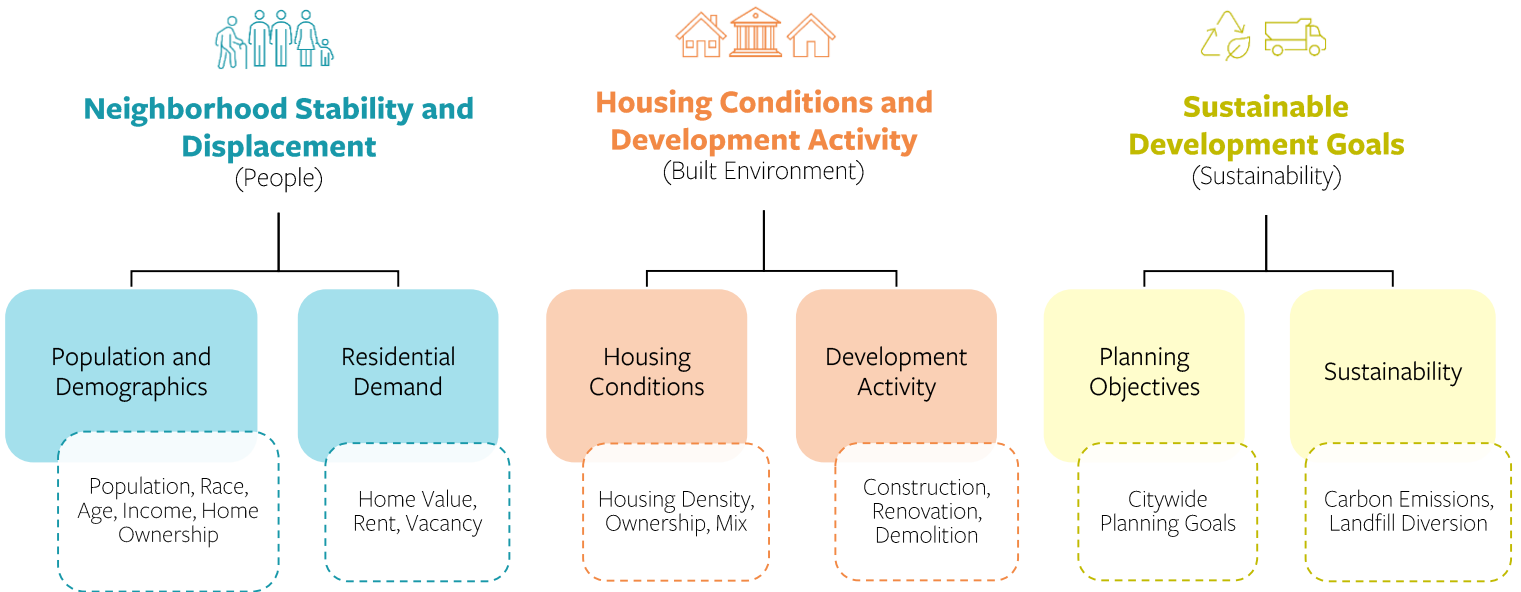
There are countless factors that influence development activity, demographic trends, housing affordability, and market conditions. As such, it is impossible to draw a direct, causal relationship between the implementation of a historic preservation ordinance and these complex micro- and macrosocioeconomic trends. Rather, this study is an objective evaluation of trends within and outside of historic districts, and thoughts on the implications drawn by comparing these trends.

TREND OVERVIEW AND KEY METRICS

This study evaluates trends within Portland’s historic districts within three key categories: (i) neighborhood stability and displacement, (ii) housing conditions and development activity, and (iii) sustainable development goals.

These categories align with the theme of how historic districts impact Portland’s (a) people, (b) built environment, and (c) sustainability objectives. Key metrics were evaluated within each of these categories to assess how conditions in historic districts evolve over time compared with elsewhere in Portland.

Importantly, because historic districts are largely concentrated on the peninsula, metrics are also compared with peninsula-wide trends to provide additional insights.



Other factors intermingled with historic preservation that affect neighborhood stability, development patterns, and other concerns include, but are not limited to:

Zoning & Land Use

Market Forces & Macroeconomic Trends

Location, Desirability, & Historic Character

KEY FINDINGS

TRENDS IN PORTLAND'S HISTORIC DISTRICTS



People Neighborhood Stability and Displacement

- Historic districts and the city at large have experienced moderate population growth since 1990. All areas of the city have become more racially diverse.
- Historic housing stock, both designated and not designated, is valued by Portland residents and has a price premium. The peninsula area has experienced significant increases in housing value and rents, both within and outside of historic districts.
- This study finds no evidence that historic district designation impacts displacement, home prices, household incomes, household tenure, and overall demographic composition.



Built Environment Housing Conditions and Development Activity

- Historic districts are successfully preserving historic buildings and neighborhood character, and they offer a unique blend of housing types and high housing densities.
- Significant development activity occurs on the peninsula, the majority of which is outside of historic districts.
- Historic districts have a much higher proportion of renovation as opposed to new construction. Correspondingly, far less demolition occurs in historic districts.
- Despite lower levels of construction, the retention of existing housing has led housing densities in historic districts to increase at similar rates as elsewhere. This is accounted for through a mix of new construction, retention of existing residential units, and repurposing of historic structures for higher densities (single family to two family or commercial to residential conversions, for instance).



Sustainability **Carbon Emissions and Landfill Diversion**

- The lower level of demolition in historic districts diverts waste from area landfills.
- The increased rate of renovation over demolition and new construction lowers the use of building materials and creates a reduction in carbon emissions.

City Sustainability Objectives

Two recent major planning initiatives, Portland's Plan 2030 and One Climate Future, identify sustainability as a key goal and priority for the City's future. These planning efforts target housing affordability and inclusivity as key considerations as demographics and market conditions evolve over time. The Portland region has a goal to reduce carbon emissions by 80% by 2050.



BACKGROUND INSIGHTS

ABOUT PORTLAND'S HISTORIC DISTRICTS

Since 1990, the City of Portland's historic preservation ordinance has expanded to designate twelve historic districts across the city, each with their own identity, characteristics, and historical value. Nowadays, nearly 2,000 buildings lie within the districts, one out of every four Portland residents live within a historic district, over 19,400 people work in the districts, and many of these areas are highly frequented by Portland's tourists and visitors.

The City of Portland's Historic Preservation Program supports and manages changes to the historical assets, valued architectural features, and physical character of Portland's many neighborhoods. City staff and the Historic Preservation Board work with property owners and developers to ensure that building maintenance and new development remains consistent with the surrounding landscape and historical assets within these districts.

Many of the City of Portland's twelve local historic districts are also listed in the National Register of Historic Places. Each building within a local district is classified as a Landmark, Contributing, or Non-contributing structure. These classifications determine the type and extent of review for alterations and new construction, as well as protection against demolition. The standards for the alterations and new construction of Landmark and Contributing structures are also subject to design review, as well as protection against demolition. Signage installations in historic districts are also reviewed. New construction within districts, whether on undeveloped parcels or new building on existing built parcels, is also subject to review under the historic preservation ordinance's review standards. The Historic Preservation Board as well as preservation staff review how proposed construction projects in historic districts relate to building characteristics such as scale and form, facades, and the relationship between buildings and the street.

209-213 Commercial Street in 1990, a now flourishing street in the Waterfront (Old Port) Historic District

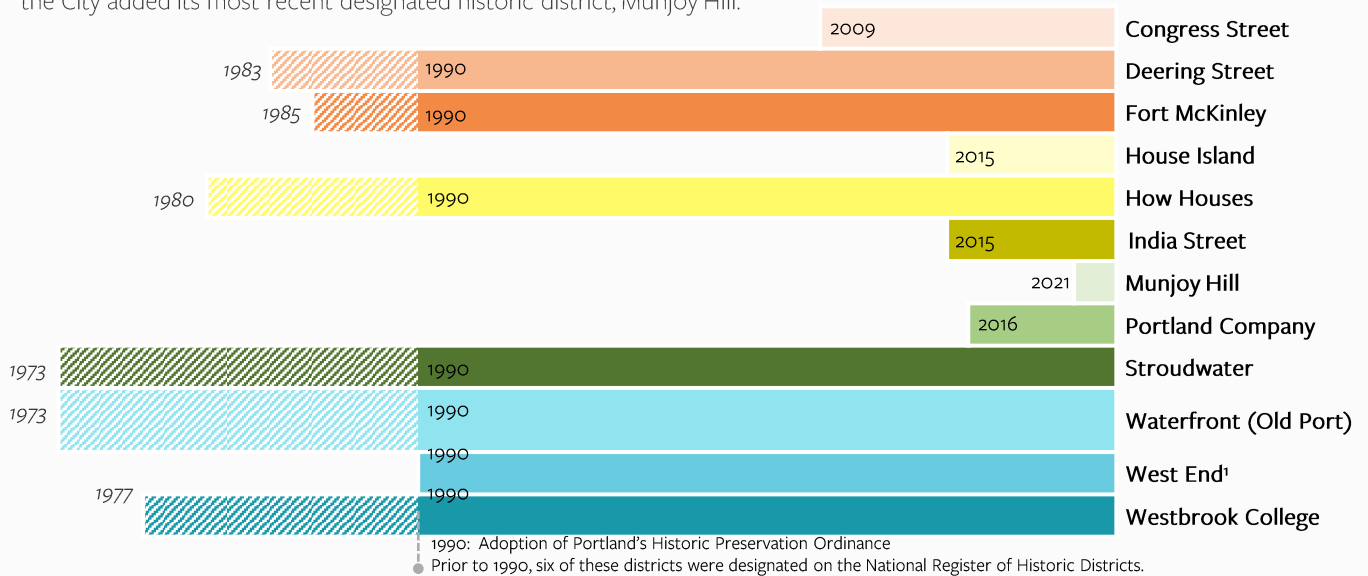
PORTLAND'S HISTORIC DISTRICTS

Portland's historic districts span the city and are heavily concentrated within the city's peninsula. More than half, a total of eight, historic districts are clustered on the peninsula. Two of the twelve districts are located on the islands, including part of Fort McKinley and the entirety of House Island. Westbrook College and Stroudwater Historic Districts lie west of Portland's peninsula.



DESIGNATION TIMELINE

In 1973, the first districts in Portland were listed on the National Register of Historic Districts. In 1990, the City of Portland adopted its historic preservation ordinance. The City has continued to expand its historic districts over the past three decades. In 2021, the City added its most recent designated historic district, Munjoy Hill.



(1) West End Historic District was created in 1997, combining two local districts designated in 1990.

Note: Six of the historic districts are site-specific as opposed to covering a broader geographic area and are not included in the data analysis within this study: Fort McKinley, House Island, How Houses, Portland Company, and Westbrook College. The remaining districts are referred to as district-based historic districts throughout this report.



HISTORIC DISTRICT TRENDS

PEOPLE

Population, Demographics, and Housing Demand

The relationship between the designation of Portland's historic districts and the residential population living within those districts was the first trend assessed in this study. This analysis explores whether and to what extent policy decisions that impact a neighborhood's urban patterns, identity, and ability to build or renovate housing can lead to unwanted externalities such as a decline in affordability and residential displacement. Alternatively, City policies can play a role in enhancing inclusivity, access, and supply of affordable housing, and this study evaluates the relationship of preservation to other City goals.

Two types of factors related to the residential population were compared within and outside of Portland's historic districts: demographics (including factors such as race, income, and age) and housing desirability (including factors such as home value, rent, and vacancy).

KEY FINDINGS

Portland has seen a small, stable level of population growth. The city has become more racially diverse, the number of people in an average household is getting slightly smaller, and home values have risen significantly across the city and especially on the peninsula.

The peninsula area has experienced home value and rent increases. There has been significant

change in historic districts, but most of that change is attributable to larger trends throughout the peninsula, not specific to historic districts. The peninsula has undergone a significant amount of real estate investment and construction – both within and outside of historic districts. This is in keeping with broader national trends where downtowns experienced an outsized capture of growth between 2000 and 2020, and reflects the range of desirable amenities the peninsula offers, including trails, water access, shopping, employment, and diverse housing options.

Historic housing stock in and out of historic districts is valued by Portland residents and has a price premium. However, there is not a noticeable increase in comparative home prices, rents, or household incomes after a historic district designation goes into effect.

There is no evidence that historic district designation leads to displacement. This analysis found no evidence that the presence of a historic district impacts displacement, home prices, household incomes, household tenure, and other characteristics related to population, demographics, and housing demand or value. Each of these indicators is influenced by the types of conditions found on the peninsula but to date has not become more pronounced in areas after a historic district designation.

KEY HOUSING DEMAND AND AFFORDABILITY TRENDS

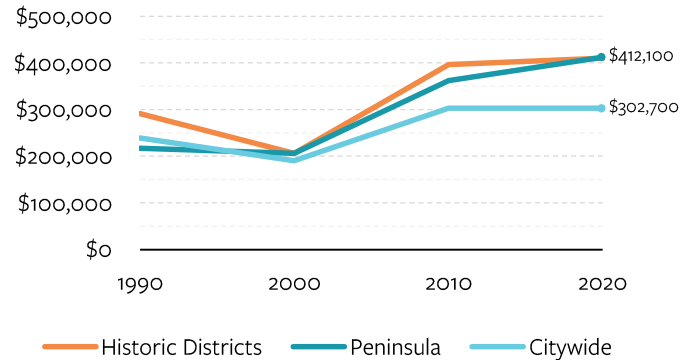
HOME VALUES

Home values on the peninsula and in historic areas have increased at a higher pace than the city average, but it does not appear to be due to the designation of a historic district.

In 2020, the median home value on the peninsula was over \$100,000 higher than the citywide average, both within and outside of historic districts. The average annual growth rate of home values after local historic district designation is 1.3%, compared with a growth rate of 2.8% prior to historic district designation, which may indicate that designation is more frequently a result of heightened interest in a neighborhood rather than a cause of it.

Median Home Values

Adjusted for Inflation



Note: According to the 2020 US Census, the median home value was \$353,000 in Cumberland County, \$232,000 in the state of Maine, and \$284,000 across the US.

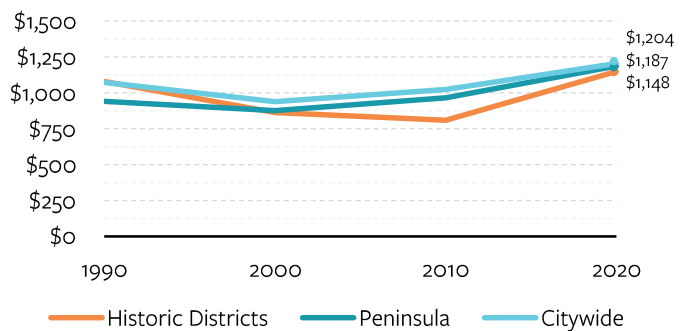
RENT

Median gross rent rates in Portland's historic districts have grown at a nearly identical rate as the city overall since 1990.

Between 1990 and 2020, median gross rents in historic districts and across the city at-large have grown annually at an average rate of 0.4%, with a slight decline in rents from 1990 to 2010 in historic districts. In 2020, median gross rent rates were nearly the same in historic districts, the peninsula, and citywide at around \$1,200.

Median Gross Rent

Adjusted for Inflation

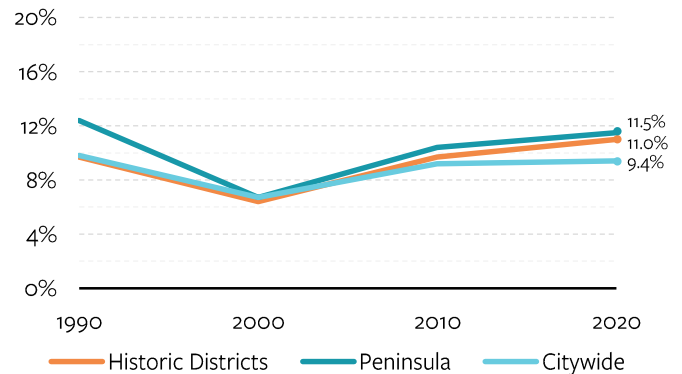


RESIDENTIAL VACANCY

Even with denser housing conditions, residential vacancy rates in historic districts on the peninsula have remained similar to the citywide average.

As of 2020, the share of vacant housing units in historic districts (11%) is nearly the same as the peninsula (11.5%). In comparison, this figure citywide is slightly lower at 9.4%, in keeping with the US average of 9.7%. Maine's statewide housing vacancy (21.2%) is the highest in the country, which reflects the state's seasonality, prevalence of second homes, and different housing market for some of the state's rural areas.

Share of Vacant Housing Units



Note: "Historic district" data only includes neighborhood data starting at the time period they were designated as an official historic district.

Data Source: US Census.



HISTORIC DISTRICT TRENDS

PEOPLE

Population, Demographics, and Housing Demand

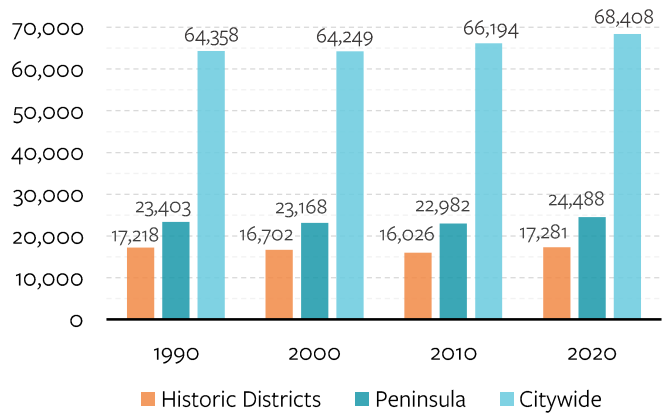
KEY DEMOGRAPHIC TRENDS

POPULATION

The total population of historic districts and the city at large changed at comparable rates.

Between 1990 and 2020, historic districts had an average 10-year population growth rate of 2.0%, which is nearly the same as the citywide rate of 2.1%. This rate of change is also consistent with the peninsula overall.

Total Population



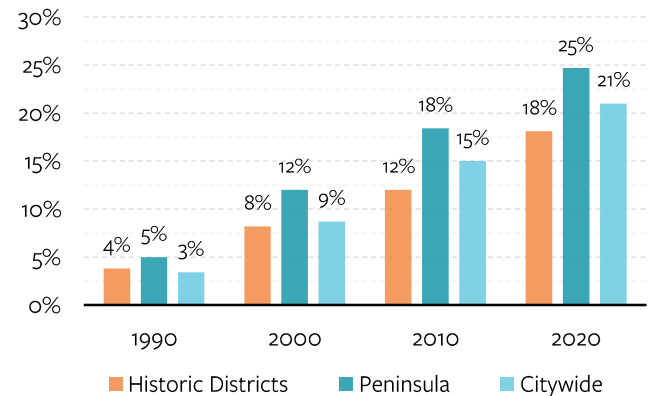
RACE

Overall, the City of Portland has become more racially diverse since 1990, and historic districts have experienced this trend at a similar rate.

Historic districts are slightly less racially diverse than the city as a whole, but share in the citywide trend of growing considerably more diverse each of the last three decades. The non-white population of historic districts grew by 14% between 1990 and 2020. In comparison, the peninsula's non-white population grew by 20% and the citywide non-white population grew by 18% over this period.

Racial Diversity

Share of Race Other Than White Alone



Data Source: US Census

Note: "Historic district" data only includes neighborhood data starting at the time period they were designated as an official historic district.

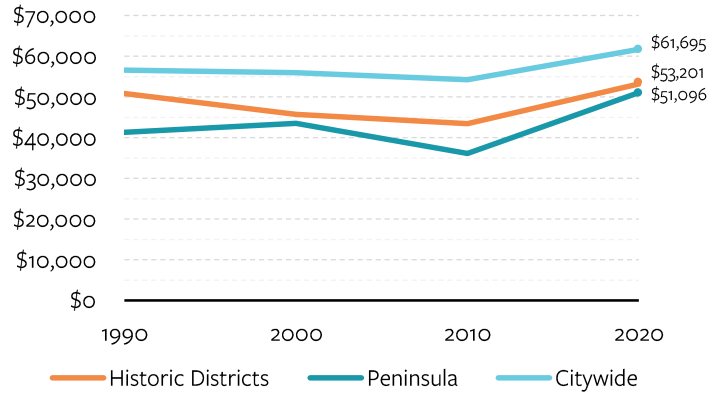
INCOME

The median household income of historic district residents is consistently below the city's median household income overall.

In 2020, the median household income of historic districts was lower than the citywide median, \$53,201 compared with \$61,695. Between 1990 and 2020, median household incomes in historic districts and across the city grew at roughly the same rate. Notably, median household incomes vary significantly between historic districts depending on average household size, unit type, and other factors.

Median Household Income

Adjusted for Inflation



AGE

Residents in historic districts skew slightly younger than the citywide median age.

Though residents in historic districts trend slightly younger than the citywide median age, historic districts are seeing populations under 18 and over 65 years old decline slightly more than citywide. On average, around 10% of people in a historic district are under 18. This compares with 15% in the city overall. The population over 65 years old makes up 15% of the city and 9% of historic districts.

Median Age of Residents

	Historic Districts	Peninsula	Citywide
2000	33.5	33.1	35.7
2010	35.5	33.2	37.4
2020	35.3	35.6	36.5

Data Source: US Census.





HISTORIC DISTRICT TRENDS

BUILDINGS

Housing Conditions and Development Activity

The second trend this study assessed was the relationship between the designation of Portland's historic districts and the character of the built environment, particularly the residential housing stock. The intent of historic districts is to help preserve historic structures and preserve the look and character of the physical environment. A variety of housing trends were compared within and outside of Portland's historic districts, including amount of construction, renovation, and demolition; the overall number of units; and the type of housing supply offered with the goal of assessing the presence of historic districts and their impact on new housing creation and investment.

KEY FINDINGS

The historic districts are successfully preserving historic buildings and neighborhood aesthetics.

Housing is much denser on the peninsula than off the peninsula, and denser still within historic districts. This reflects historical development patterns of the city's central core and its outer neighborhoods that were developed during the advent of the automobile and suburbanization. Rates of homeownership in historic

districts remain far below that of the city at large but have recently exceeded the peninsula average.

The peninsula has experienced significant development pressure and receives an outsized capture of development activity. Within the peninsula, far more development activity occurs outside of historic districts than within historic districts.

Development activity within historic districts has a much higher proportion of renovation as opposed to new construction. Historic districts have a significantly lower rate of building demolition.

Even though there is comparatively less new construction within historic districts, housing within historic districts has increased. Development activity within historic districts is predominantly additive. Although there is less construction overall, the combination of renovations that modify structures for greater housing density in the existing building envelope and the limited amounts of new construction, historic districts increase their housing density at a similar rate as the peninsula and city overall.

KEY HOUSING CONDITION TRENDS

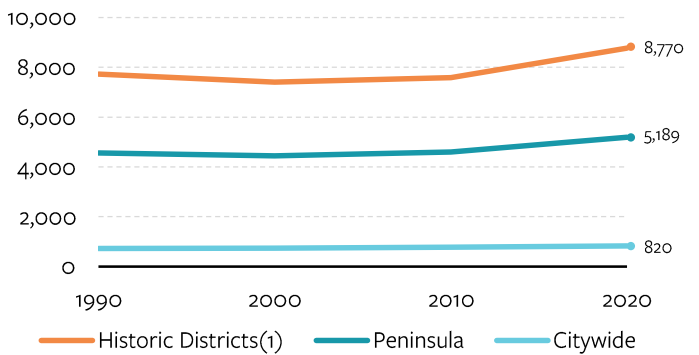
HOUSING DENSITY

Historic districts on average have a much higher housing density per square mile than both the city overall and elsewhere on the peninsula.

Housing density has increased citywide and within historic districts. The average housing density in historic districts increased by 13.5% between 1990 and 2020, a very similar rate as the peninsula overall (13.7%) and citywide (14.2%).

Housing Unit Density

Total Number of Housing Units per Square Mile



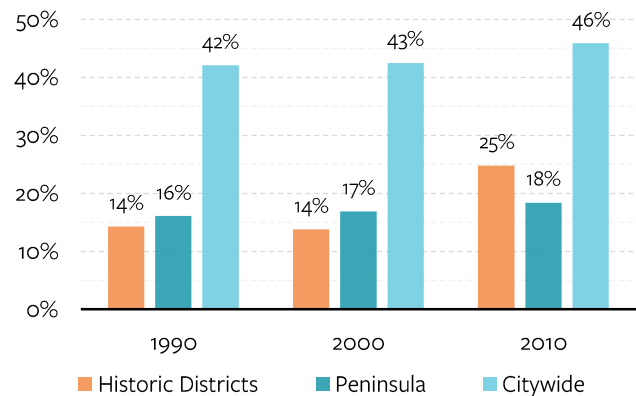
HOME OWNERSHIP

Housing in historic districts has typically been more renter-oriented than other areas of the city, even prior to designation.

Between 1990 and 2010, the average share of owner-occupied housing units in both historic districts and citywide stayed relatively consistent. Homeownership started to increase on the peninsula in recent years, particularly within historic districts.

Housing Tenure

Percent of Owner-Occupied Housing



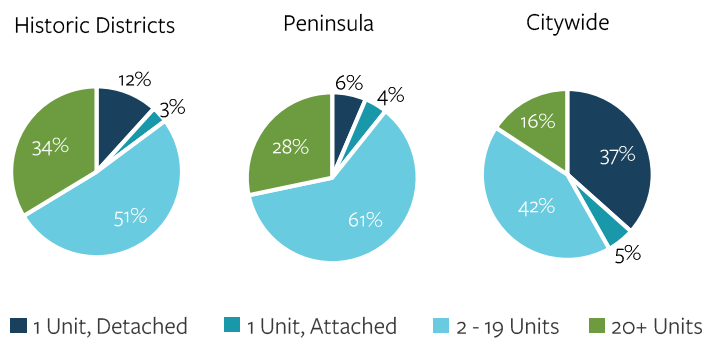
HOUSING MIX

Many of Portland's large housing structures with over 20 units are concentrated within historic districts and on the peninsula.

The city overall has a higher share of single-family detached housing structures than historic districts, apart from Stroudwater, which has a primarily single-family detached housing stock.

Housing Mix

2020



(1) Housing density includes all units within a static geographic area: district-based historic districts that were formed by 2020. There are numerous ways housing density can be tracked given the fact that the geographic coverage of historic districts has changed over time. Most methodologies result in similar findings. Data Source: US Census



HISTORIC DISTRICT TRENDS

BUILDINGS

Development Activity

A key charge of Portland’s historic preservation ordinance is not to prohibit change, but rather help guide and manage change through development that celebrates and retains the characteristics and architectural assets of the district. In doing so, between 2015 and 2021, Portland’s historic districts saw new development activity, albeit a lower share of activity than elsewhere in the city.

Portland’s historic districts experienced higher shares of renovation and fewer demolitions than the peninsula and the city overall. This indicates that historic districts allow for changes in the built form while encouraging renovation and rehabilitation efforts over new construction. In the average year, one-third of the

development activity in the historic districts resulted in new construction, while renovation and rehabilitation efforts made up two-thirds of their average annual development activity. While the peninsula and city overall saw more new construction as a share of overall development (46% and 42% respectively), they have smaller shares of renovation (50% and 55%) than the historic districts.

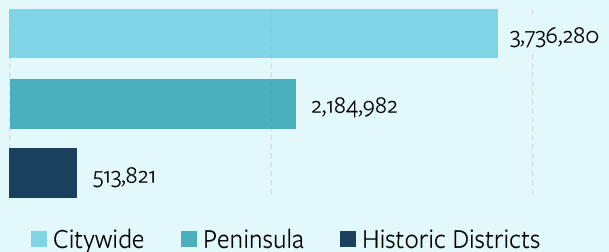
Approval by the Historic Preservation Board is required to demolish Contributing buildings and Landmarks. Buildings not deemed “Contributing” to the historic district can be demolished without approval. Between 2015 and 2021, on average, only 11,700 square feet were demolished in historic districts, significantly less than the peninsula and the city overall.

DEVELOPMENT ACTIVITY

Over the last six years, 58% of all development activity in Portland occurred on the peninsula, a hotspot of development. Of the peninsula’s average development activity annually, historic districts experienced 24% of all activity.

Average Annual Development Activity

Total Square Footage (2015 – 2021)



Methodology Note: Development activity refers to the combined permitting activity for new construction, renovation, and demolition as permitted by the City of Portland. This includes both commercial and residential activity.

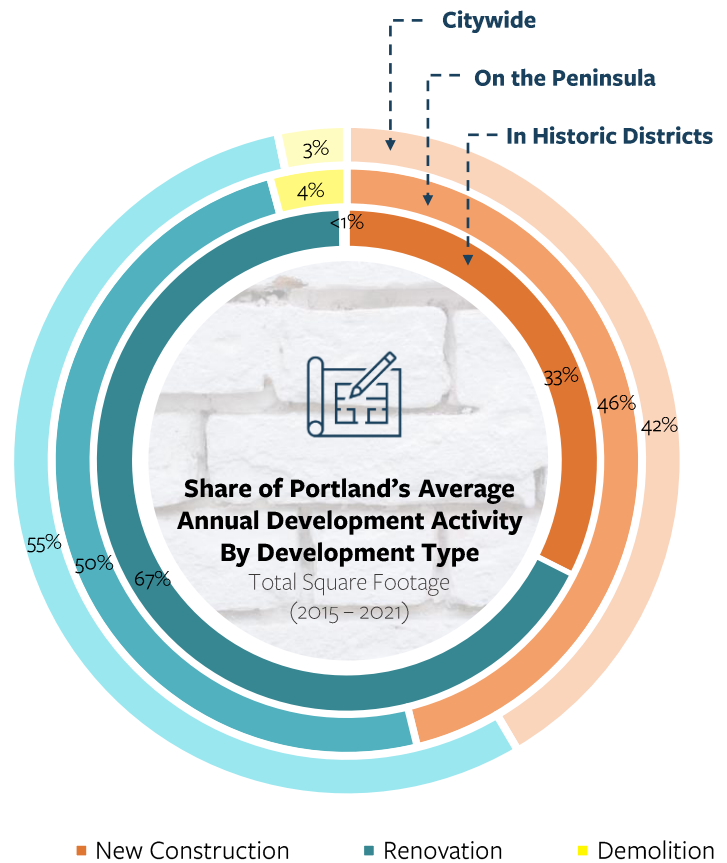
Data Source: City of Portland Development Permits (2015 - 2021)

FACTORS AT PLAY

Historic districts encourage renovation over new construction.

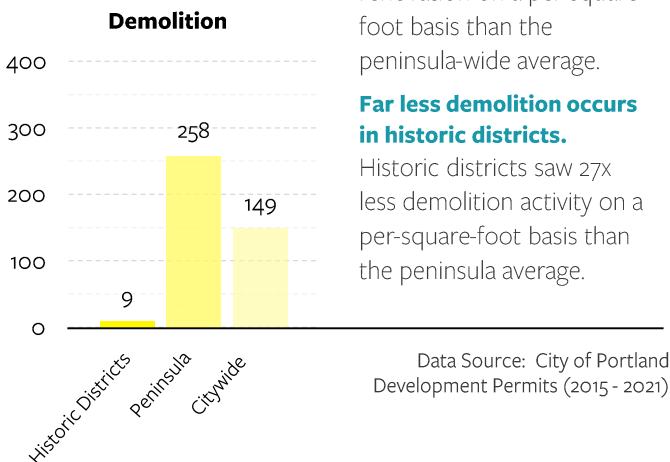
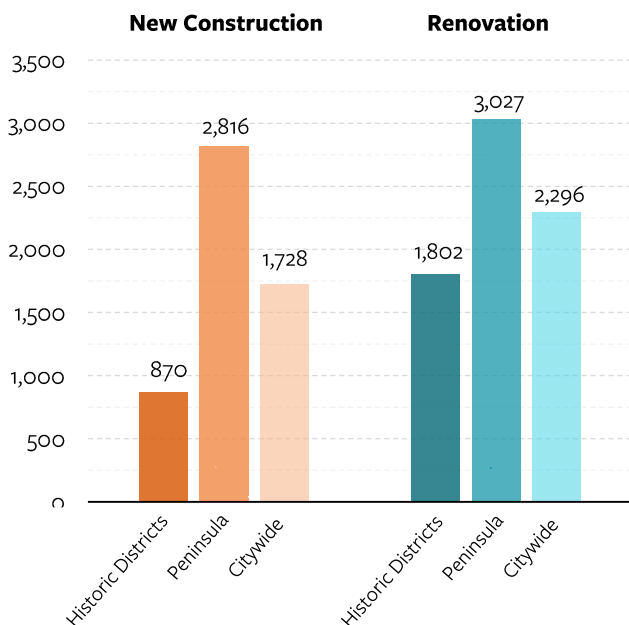
Since 2015, based on the proportion of the total square footage of development activity, 67% of permitted real estate development has been renovation in Portland's historic districts, a far higher rate than across the peninsula (50%) and citywide (55%).

Many factors affect development patterns and areas of concentrated construction. Market forces, the desirability of different neighborhoods, zoning, land use regulations, and financial factors such as land and materials costs, all play into how construction spans across cities. In Portland, the peninsula's continued proximity, appeal, walkability, and zoning have permitted a more intensive development pattern in contrast to much of the rest of the city.



Breakdown of the Average Annual Development Activity Across Historic Districts, the City's Peninsula, and the City of Portland Overall by Construction Type

Average Annual SF per 100,000 SF of Built Space (2015 - 2021)



Less real estate development occurs in historic districts. Historic districts saw 3x less new construction and 1.7x less renovation on a per-square-foot basis than the peninsula-wide average.

Far less demolition occurs in historic districts. Historic districts saw 27x less demolition activity on a per-square-foot basis than the peninsula average.

Data Source: City of Portland Development Permits (2015 - 2021)



HISTORIC DISTRICT TRENDS

BUILDINGS

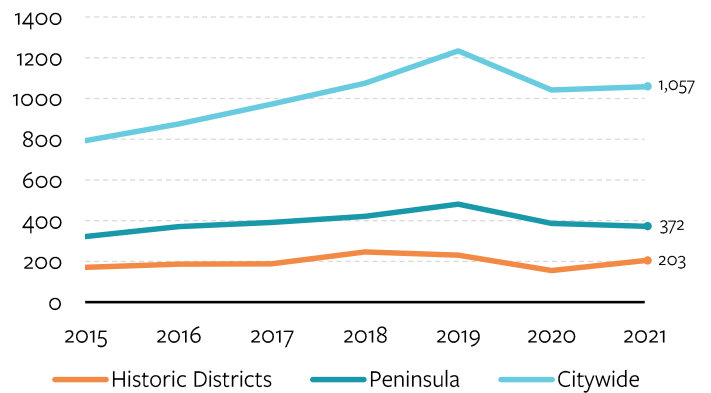
Building Permit Investment by Year, Location, and Value

PERMITS BY YEAR

From 2015 to 2021, the number of building permits increased both within historic districts and city-wide.

The annual number of building permits in historic districts and on the peninsula increased at similar rates (+19% and 15% respectively), while the number of permits citywide increased by 33%. Notably, building permits peaked throughout the City in 2019 and fell in 2021 to levels consistent with permit rates in 2017.

Number of Building Permits by Year

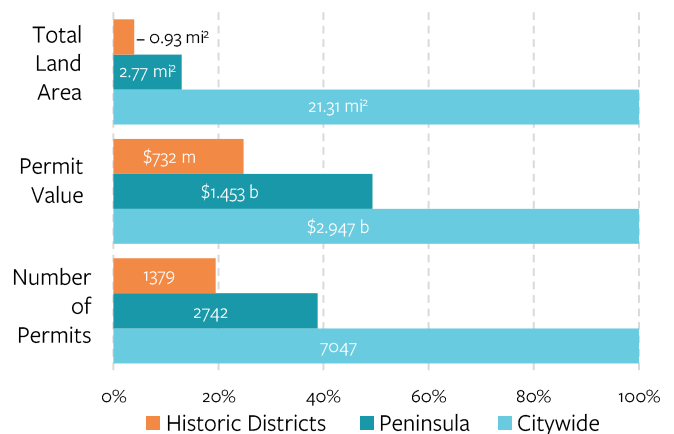


PERMITS BY LOCATION

The value of building permits in historic district are high relative to total land area.

Historic districts account for 25% of the City's total permit value from 2015-2021, yet only 20% of the total number of permits over that time period and even less proportionally by land area (4%). Half of the value (50%) and number (52%) of permits on the peninsula were from historic districts, while they comprise 25% of the total land area of the peninsula.

Building Permits by % of Land Area, Value, and Number 2015-2021



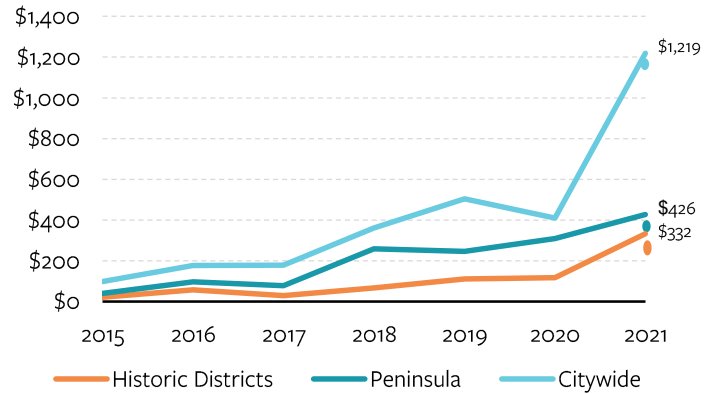
Data Source: City Building Permit Data, January 2015 – December 2021

PERMIT VALUE BY YEAR

From 2018 to 2021, building permit values have significantly increased in historic districts and citywide.

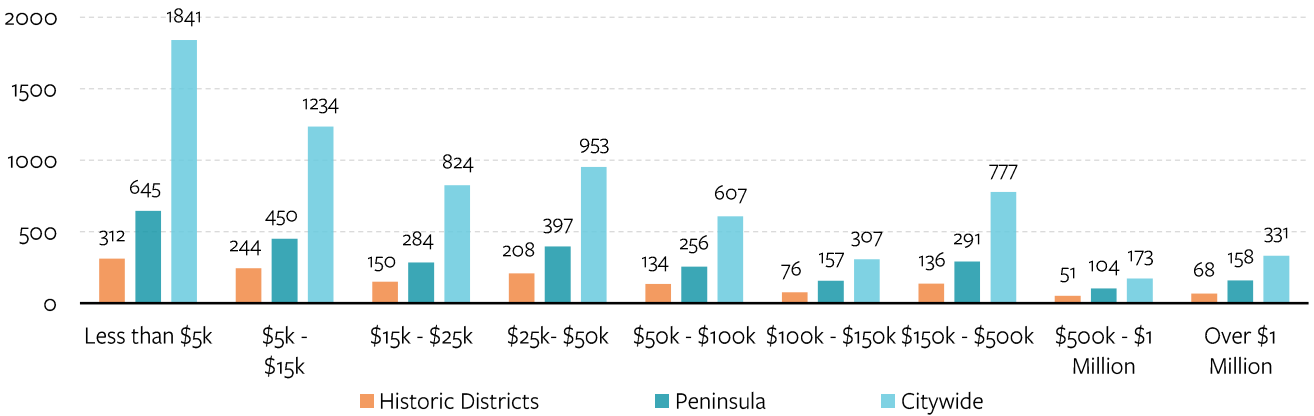
The total annual permit value in historic districts increased more than 15 fold between 2015 and 2021, which is higher than the rates of growth citywide (11.5 fold) and for the peninsula (9.7 fold). Permit values in historic districts and citywide almost doubled from 2020 to 2021. More than half of permits in historic districts (51%), the peninsula (50%), and citywide (55%) are \$0 - \$25,000 in value.

Building Permit Value (in Millions) by Year



Number of Building Permits by Value

2015-2021

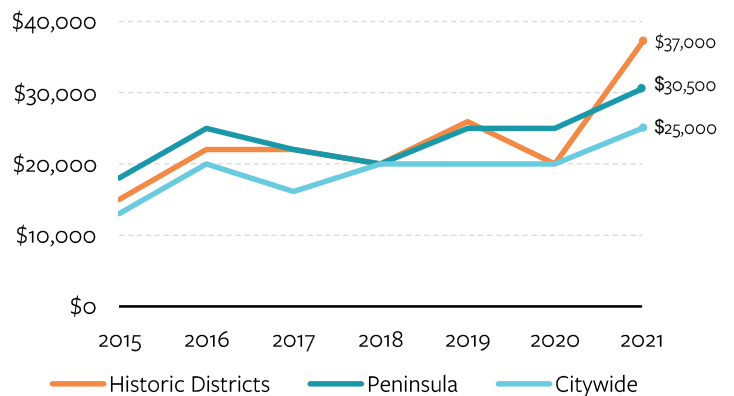


MEDIAN PERMIT VALUE

Overall, median building permit values in historic districts and citywide have grown at similar rates.

2015-2021 median permit values are comparable between historic districts (\$22,000), the peninsula (\$24,000), and citywide (\$20,000). However, there is some evidence of sharper recent growth in median permit value in historic districts; between 2020 and 2021, median building permit values increased 85% in historic districts as compared to the peninsula (22%) and citywide (25%).

Median Building Permit Value by Year



Data Source: City Building Permit Data, January 2015 – December 2021



HISTORIC DISTRICT TRENDS

SUSTAINABILITY

Carbon Emissions and Landfill Diversion

“The City must continue to seek a balance between preservation of its historic fabric and meeting new or changing demands, such as building code and accessibility requirements and evolving building technologies.”

- Portland’s Plan 2030

The final trend assessed in this study was the impact of historic district designation on sustainability factors. There are many ways to measure how Portland’s historic districts affect the sustainability of the city.

This study assessed two metrics that are highly associated with development activity: landfill diversion and carbon emissions. Importantly, these are not the only metrics to track impact, but they offer a glimpse into how preservation can provide a tangible link to Portland’s identified sustainability goals and aligns with the city’s metric-driven evaluation priorities. In many ways, the demographic and market findings throughout this report can also be considered when evaluating the social, economic, and environmental sustainability of Portland’s historic districts.

LANDFILL DIVERSION

Construction and demolition debris, commonly referred to as C&D debris, is a significant contributor to landfills. Across the state of Maine, C&D debris makes up 52% of all landfill waste.¹ Waste reduction is identified as a key priority within Portland and South Portland’s One Climate Future and encouraging renovations rather than demolition activity helps achieve this goal. Because Portland’s historic districts see less demolition activity than elsewhere in the city, less construction waste goes into landfills. In addition, historic rehabilitation also plays a crucial role in helping to grow Portland’s reuse economy as historic building renovations often use existing building materials.



If demolition rates were the same in Portland’s historic district as elsewhere in the city, more than 11 million more pounds of waste would be added to landfills each year.

If demolition in historic districts occurred at the same rate as the city overall, an estimated 99,000 square feet of additional building demolition would occur in Portland each year.² Measured using leading industry calculators, this would equate to 11,030,736 pounds of demolition waste that would be generated annually.³

- (1) National Resources Council of Maine via <https://www.nrcm.org/blog/maine-needs-more-solutions-recycling-construction-waste/>
- (2) Demolition rates are based on city-provided demolition permit data between 2015 and 2021. These figures do not reflect permits that did not include square footage within the application.
- (3) Landfill diversion figures calculated using Metro Vancouver’s Demolition Waste Generation Rates Calculator via <http://www.metrovancouver.org/services/solid-waste/wte-and-disposal/construction-waste/Pages/Calculator.aspx>



CARBON EMISSIONS

At the time of the development of the City's One Climate Future plan, commercial and residential buildings emitted 56% of the city's greenhouse gas emissions.¹ Much of this impact to the carbon footprint is from building materials. Importantly, newer buildings, new technologies, and the rigorous energy codes applied to new construction projects also bring sustainability benefits that outperform much historic building stock. However, from the perspective of landfill diversion and minimizing the need for new building materials, retaining, retrofitting, and investing in the existing stock has clear benefits.

If Portland's historic districts on the peninsula had the same rate of new construction as the peninsula-wide average, they would use nearly 365,000 more square feet of building materials each year. **The carbon footprint of this decrease in demolition and new construction amounts to a reduction of 48,600 tons of carbon emissions each year.²**

Connecting with Portland's Established Goals and Vision

Between Portland's Plan 2030 and One Climate Future, the City identifies sustainability as a key goal and priority for Portland's future.

Portland's Plan 2023

The City's Comprehensive Plan identifies "sustainable" as one of six key pillars of the collective vision for the future as part of the City's vision statement. As most of Portland's historic districts are in relatively dense areas, preserving their built form helps ensure healthy and walkable neighborhoods while continuing density patterns that reduce reliance on vehicles and thus reducing greenhouse gas emissions. At the same time, the City's commitment to help ensure that affordability and inclusivity are key considerations as demographics and market conditions evolve over time.

One Climate Future

Four of the six "Big Moves" outlined in Portland and South Portland's One Climate Future plan link directly to the urban fabric and built environment. As such, historic districts and surrounding areas play a pivotal role in helping to meet the City's sustainability objectives. As noted in the plan, the region's goal of reducing carbon emissions by 80% by 2050 requires a comprehensive approach, including intentional development patterns. The City can further link historic preservation and sustainability efforts by exploring how Portland's historic preservation ordinance can better strengthen incentives to incorporate sustainable construction methods or reduce barriers to adding sustainable building features, such as streamlining the installation of solar panels in historic districts. Since 2018, nearly 200 heat pump and solar panel installations have taken place in historic districts and landmarks.

- (1) One Climate Future
- (2) Carbon emission estimate is a rough approximation derived using the carbon footprint calculator at 8BillionTrees.com via <https://8billiontrees.com/carbon-offsets-credits/carbon-footprint-of-building-materials/>



HISTORIC DISTRICT TRENDS

Implications Moving Forward

Portland's historic character is a critical part of what makes the city special. It is a fundamental part of the city's identity, as expressed throughout the City's vision statement and comprehensive City goals. In addition, Portland's historic character makes its real estate more desirable and valuable and plays a role in bringing visitors to Portland.

Historic districts are accomplishing their primary purpose. Historic buildings have been preserved and new construction has largely been compatible with the surrounding neighborhood context.

The historic character and aesthetic qualities of Portland's housing stock affects prices and rents, but the designation of historic districts does not. To date, there is no evidence to suggest that the designation of historic districts has led to displacement or lack of affordability.

Historic districts have a tangible yet nuanced effect on carbon emission reduction and landfill diversion. Historic districts have high rates of renovation and low levels of demolition and new construction. These factors help divert waste from area landfills and reduce carbon emissions from building materials. However, it is important to note that newly constructed buildings are often more energy efficient and have their own set of environmental benefits.

Historic districts play a broader role in supporting citywide sustainability objectives. Other metrics comparing preserved buildings to new

construction, or challenges to green building renovations are also important factors in any community's consideration of sustainable development. To the extent that this study has confirmed that preservation has not suppressed residential density, it is also contributing to sustainable building patterns and complete neighborhoods.

Modest regional population growth may have tempered housing displacement. Since 1990, Portland has had a relatively low rate of population growth and still experienced significant rises in rent and home prices. Future increases in housing demand could generate additional pressures on the housing market—especially for historic buildings and neighborhoods, which has a relatively static supply—and potentially lead to greater housing displacement, unaffordability, and inequality.

Housing growth in historic districts may slow as historic neighborhoods become built out. To date, increases in housing supply within historic districts has remained on par with other areas of the city. Growth could slow or stop once developable parcels in historic districts have been built out and other areas of the city continue to add density by replacing existing structures. Consequently, changing the parameters for what determines maximum build out—through zoning or other regulatory tools—may be a factor if creating additional housing opportunities is important to the City of Portland.

RECOMMENDED ACTIONS

Ensure clarity and predictability in the historic preservation regulations and its supporting materials moving forward.

Maintaining a development review and approval process that is fair, consistent, expedient, and understandable helps ensure that real estate investment continues with minimal confusion or cost increases associated with a project's location in a historic district.

Evaluate future trends by continuing to track and monitor indicators pertaining to demographics, sustainability objectives, and building conditions in historic districts.

So far, real estate and demographic trends in Portland's historic districts align with the intent of the ordinance. However, this does not guarantee these trends will continue, as future externalities may create unforeseen shifts in neighborhood conditions.

Allow additional density and height in nearby zoning districts to ensure that the character within historic districts is maintained while still accommodating future housing demand.

For example, lots outside historic districts in B-3 zone should allow greater height and density even if adjacent to a historic district.



For additional information on Portland's historic districts and historic preservation efforts, please visit the City of Portland's website at:

<https://www.portlandmaine.gov/490/Historic-Preservation>



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