1. Agenda

    Documents: AGENDA 10.23.13.PDF

2. Packet

    Documents: HCDPACKET10232013.PDF

CITY OF PORTLAND, MAINE
Notice of Meeting and Agenda

Housing and Community Development Committee

DATE: 10/23/2013
TIME: 5:30 PM
LOCATION: Room 209, Second Floor
Portland City Hall

AGENDA

1. Review and accept Minutes of previous meetings held on September 25, 2013, and October 9, 2013.

    1 tset

2. Annual CDBG Process Update – For Review and Comment; no action necessary – Mary Davis.
3. Housing Liaison System Update - For Review and Comment; no action necessary – Mary Davis.
4. 409 Cumberland Avenue Affordable Housing TIF Update - For Review and Comment; no action necessary – Mary Davis.
5. Annual TIF District Activity Report – For review and forwarding to City Council as a Communication – Greg Mitchell.
    a. See attached Memo and report.
6. Communication: See enclosed 2013 HCDC Work Plan and revised Calendar
7. Next Meeting Date: November 13, 2013
    a. Discuss November and December Meeting Dates

Councilor Nicholas Mavodones
Chair

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

MEETING DATE: October 23, 2013 (Wednesday)
TIME: 5:30 – 7:30 p.m.
LOCATION: Room 209, Second Floor
Portland City Hall

A G E N D A

1. Review and accept Minutes of previous meetings held on September 25, 2013, and October 9, 2013.

2. Annual CDBG Process Update – For Review and Comment; no action necessary – Mary Davis.

3. Housing Liaison System Update - For Review and Comment; no action necessary – Mary Davis.

4. 409 Cumberland Avenue Affordable Housing TIF Update - For Review and Comment; no action necessary – Mary Davis.

5. Annual TIF District Activity Report – For review and forwarding to City Council as a Communication – Greg Mitchell.
    a. See attached Memo and report.

6. Communication: See enclosed 2013 HCDC Work Plan and revised Calendar

7. Next Meeting Date: November 13, 2013
    a. Discuss November and December Meeting Dates

Councilor Nicholas Mavodones
Chair

Agenda Item #1 - <u>MINUTES</u>

HOUSING AND COMMUNITY DEVELOPMENT

COMMITTEE – SEPTEMBER 25, 2013

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, September 25, 2013, at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Nicholas Mavodones and members Councilors Kevin Donoghue and Ed Suslovic; Committee member Councilor John Coyne could not be present. City staff present included Housing and Community Development Director Mary Davis, Deputy City Manager Sheila Hill-Christian, Planning and Urban Development Director Jeff Levine, Economic Development Director Greg Mitchell, Senior Planner William Needelman, Senior Executive Assistant Lori Paulette, and Associate Corporation Counsel Larry Walden.

Item #1: Review and accept Minutes of previous meetings held on August 4, 2013, and August 21, 2013.

On motion made and seconded, the Committee voted unanimously to accept the Minutes as published.

Item #2: Nathan Clifford School – Property disposition process and authorize City staff to proceed with negotiations to prepare a Purchase and Sale Agreement - Bill Needelman and Greg Mitchell

a. **See enclosed memo from Bill Needelman reporting out the Nathan Clifford School process to date and Nathan Clifford School Task Force recommendations, and separate memo from Greg Mitchell outlining next steps.**
b. **Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee may go into executive session to discuss negotiations and provide guidance to staff.**

Mr. Mitchell said that this item is before the Committee today to provide it with an update on the process, from Bill Needelman, and for authorization to proceed with negotiations to draft a Purchase and Sale Agreement. He noted that present from the Developers Collaborative team was Kevin Bunker and David Lloyd.

Mr. Needelman said that the Nathan Clifford Proposal Review Committee (NCPRC) has culminated their task to bring forth a recommendation to this Committee for a development team for the re-use of Nathan Clifford School, that being the development team of Developer's Collaborative. NCPRC first issued an RFQ, with two responses from Developer's Collaborative (DC) and Community Housing of Maine (CHOM). DC and CHOM then submitted proposals for the re-use. DC proposed 22 market rate apartments – 18 in the building and 4 new construction; CHOM proposed 60 affordable housing apartments, with up to 24 located in new construction.

After review of these proposals, Mr. Needelman said that NCPRC unanimously recommended the DC proposal as it is consistent with zoning and re-use criteria. NCPRC qualified its recommendation that DC will commit that its proposal will meet current zoning for 18 units within the building and no more than 2 new duplex buildings on the Deane Street portion of the grounds, and that DC provide the HCDC with a more detailed site plan, additional financial information for Economic Development staff review, and clarify its proposal regarding public use of the property. Mr. Needelman closed saying that the detailed site plan is in the Committee's packet, and the financial information has been delivered to the Economic Development staff.

Councilor Donoghue asked how many teams toured the property, and if NCPRC chose the DC proposal due to density requirements of the R5 zone.

Mr. Needelman said that six teams took out the RFQ, with just about that many touring the property. And, yes, NCPRC chose the DC proposal primarily due to the density requirements of the R5 zone.

Councilor Suslovic said that he has heard neighborhood concerns regarding timeline, as they want to see something done with the property fairly quickly, and Mr. Needelman said that DC does have an aggressive timeline.

Kevin Bunker of DC agreed, saying that getting the financing package together, which includes obtaining Historic Tax Credits in 2013, makes for an aggressive timeline – with construction starting December 2013 and having the project done by December 31, 2104.

Mr. Bunker then highlighted the fact that DC has done many historic preservation projects. They will keep the Nathan Clifford building as it is, with two proposed duplex buildings on Deane Street as mentioned by Mr. Needelman. The apartments will be moderate to high end, averaging $1,700/month in rent, with community and fitness uses on the ground level. Affordable housing did not make economic sense for this property and neighborhood, therefore, DC proposed the market rate apartments.

Regarding the conditions assessment undertaken by the City, Mr. Bunker said that DC will be doing more than that assessment included. They are already talking with the Historic Programs Manager for the school building. The plan for the two duplexes is to construct them first, sell them, and put that equity into the school project. Mr. Bunker said that after the historic tax credits expire in five years, the plan is to turn the apartments into condos.

In closing, Mr. Bunker said that DC does have an aggressive timeline and is ready to proceed with civil engineering in order to start construction as early as December this year.

Councilor Suslovic first stated for the record that he was involved with DC for the

Unity Village ten years ago but has had no involvement since that time. He then said that the neighborhood is excited about this proposal, with one concern. Councilor Suslovic asked about the possibility of shifting the two duplex units on Deane Street into the school building, making for a larger open/public space area.

Mr. Bunker said that the project as it stands now works economically. If there was an adjustment on the purchase price to perhaps $1.00, this is something that could be further reviewed to see if it could work.

Councilor Donoghue commented that if the property was R6 versus its current R5, there could be more units.

Discussion then centered around the project timeline, with Mr. Mitchell noting that he would bring a proposed purchase and sale agreement to this Committee for its October 9 meeting, and then, if favorably recommended to the Council, for the Council's October 21 meeting.

Councilor Suslovic urged City staff and developer to meet and see about preserving the greatest amount of open/public space.

Chair Mavodones agreed, saying that he would like to see residential units in the existing building and no new development on the property.

Mr. Mitchell said that he heard consensus to bring back a proposed purchase and sale agreement, noting that more open/public space is the preferred option.

Chair Mavodones noted that there may be an executive session at the end of this meeting for this property disposition.

Item #3: Forefront at Thompson Point Tax Increment Financing District Amendments - authorize staff to proceed with negotiations to prepare required paperwork - Greg Mitchell

a. **See enclosed memo from Greg Mitchell**

b. <u>Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee may go into executive session to review proprietary information and provide guidance to staff.</u>

Mr. Mitchell said that Chris Thompson and Jed Troubh are present today representing the Thompson's Point developers. The purpose of this item on the Agenda is to secure the Committee's authorization to move forward and bring back proposed amendments to the Thompson's Point Transit Oriented Development (TOD) Tax Increment Financing (TIF) District. This TOD TIF was approved by the Council in June 2011. Since then, the Developers have secured ownership of the 28+/- site, developed a partnership with U.S. EDA/MDOT/City/NNEPRA, and secured project regulatory approvals. With the Developers planned property acquisition of the Suburban Propane site, and adjustments in the development plan, this would necessitate corresponding amendments to the TOD TIF. The Developers will also be going back to the Planning Board for regulatory approvals for the revised development program/site plan, including increased development height.

Mr. Mitchell noted that with the Suburban Propane and NNEPRA properties added to the TOD TIF District, this will allow for the garage and event center to be closer to the rail line which is desirable. The two existing historic brick buildings, after renovation, are planned to house The Circus Conservatory of America with other uses. The original small concert hall will be deleted from the development program.

There was discussion concerning the development program changes, transportation bond, and project value increased tax assessment, which will remain the same as the original program.

Councilor Donoghue suggested that there be a mechanism in this TIF District that would allow, for example, a 25% capture for TOD projects from developments as they occur in the district that are not part of the development program.

Mr. Mitchell said that he could draft up some language for that suggestion.

Councilor Suslovic noted that he is hearing some neighborhood concern regarding outdoor concerts.

The consensus of the Committee is to expand the boundary and proceed with TIF amendments.

Mr. Mitchell said that this will be brought back to the Committee at its October 9 meeting for review and recommendation to the Council. In the meantime, zoning and text proposed amendments will also be brought to the Planning Board.

Chair Mavodones noted that there may be an executive session at the end of this meeting for this item.

Item #4: Update on B2 Zoning work – Jeff Levine

Mr. Levine said that staff is continuing its work to outline issues that should be studied in looking at the B-1/2 zoning districts. He would have rather been further ahead with this; however, with all the development in Portland right now, this work continues. He noted that a public forum on this issue is currently planned for October 30th for residents and stakeholders to respond to proposed changes, as well as a presentation of the *Transforming Forest Avenue* plan.

Chair Mavodones thanked him for the update.

Item #5: Regional Analysis of Impediments to Fair Housing – Review and recommendation to City Council to accept – Mary Davis

a. **See enclosed memo from Mary Davis and backup.**

Ms. Davis said that staff worked with the Regional Housing Committee of Sustain Southern Maine (SSM) in developing this report, which report is a HUD requirement. In May this year, the City Council adopted Portland's 2013 Analysis of Impediments to

Fair Housing. This Regional report overlaps with the Portland version, and Portland benefits from partnerships in the SSM coalition, sharing information for better landlord/tenant relationships and assist each other with affordable housing requirements and public transportation networks, for example.

Councilor Donoghue questioned, under Recommended Actions in the Executive Summary of Portland's Report – "Prioritize mixed income housing developments". Ms. Davis said that this generally does more for having market rate housing included in affordable housing developments. This is not included in the Regional Report, with the latter to promote housing and transportation links regionally as Portland cannot carry that burden alone.

Ann Gass of SSM said that the Regional Report supports access to housing for where people want to live, i.e., not just Portland.

Councilor Donoghue flagged the issue of loss of rental housing from condo conversions and the use of Air BnB as something to keep an eye on.

Chair Mavodones asked if there was any public comment.

Janca, former Portland resident, said that the report was a good process to go through.

There being no further public comment, a motion was made and seconded to forward the Regional Report to the Council for acceptance. A vote was then taken on the motion and it passed unanimously.

Item #6: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30 – Mary Davis

a. **For review and comment, no action necessary.**

Ms. Davis said that this is a communication item only for the Committee, noting that her memo highlights items of funding of over $3 Million in federal funds from social service projects to City projects. The report was prepared by her staff, Portland Housing Authority, Frannie Peabody Center, and Social Service agencies.

The Committee thanked Ms. Davis for the report.

Item #7: Communication: See enclosed 2013 HCDC Work Plan and revised Calendar

Mr. Mitchell said that the calendar has an ambitious schedule, noting that the creation of a downtown TIF district will flow into next year's work plan.

The Committee concurred that with staff resources and items coming up unplanned, that the schedule will constantly change and be updated.

Item #8: Executive Sessions: Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee will go into executive session to discuss negotiations for sale of property and provide guidance to staff regarding:

a. Possible City owned Riverside Street property sale - See enclosed memo from Greg Mitchell

Chair Mavodones said that as the Agenda notes, Items #2 and #3 also indicate that the Committee may go into executive session, and the Committee concurred. Chair Mavodones said that he would recommend the Committee have three executive sessions.

On motion made and seconded, the Committee voted unanimously at 7:05 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (F) to discuss negotiations and provide guidance to staff for the Nathan Clifford School property disposition. At approximately 7:12 p.m., the Committee came out of executive session.

On motion made and seconded, the Committee voted unanimously at 7:12 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (F) to discuss negotiations for possible sale of a portion of the City's Riverside Street property and provide guidance to staff. At approximately 7:15 p.m., the Committee came out of executive session.

On motion made and seconded, the Committee voted unanimously at 7:15 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (F) to review proprietary information and provide guidance to staff regarding the Thompsons Point Tax Increment Financing District Amendments. At approximately 7:25 p.m., the Committee came out of executive session and the meeting was then adjourned.

Respectfully,

Lori Paulette

Agenda Item #1 - MINUTES

HOUSING AND COMMUNITY DEVELOPMENT

COMMITTEE – OCTOBER 9, 2013

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, October 9, 2013, at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Nicholas Mavodones and members Councilors Kevin Donoghue and Ed Suslovic; Committee member Councilor John Coyne could not be present. City staff present included Housing and Community Development Director Mary Davis, Planning and Urban Development Director Jeff Levine, Economic Development Director Greg Mitchell, Senior Planner William Needelman, Senior Executive Assistant Lori Paulette, City Manager Mark Rees, and Associate Corporation Counsel Larry Walden.

Chair Mavodones said that the revised agenda has an executive session as the last item. The Committee will, however, take this item up first, apologizing to the public in attendance, noting that the public can stay in Room 209 and Committee members and staff will use the City Manager's office for this executive session.

Item #5: Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee will go into executive session to:

a. **Discuss negotiations regarding possible City acquisition of property for City use and provide guidance to staff.**

On motion made and seconded, the Committee voted unanimously at approximately 5:35 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (F) to discuss negotiations regarding possible City acquisition of property for City use and provide guidance to staff. At approximately 5:50 the Committee came out of executive session and returned to Room 209.

Item #1: Nathan Clifford School – Review and recommendation to City Council on one of two options for a Purchase and Sale Agreement with Developer's Collaborative - Greg Mitchell

a. **See enclosed memo from Greg Mitchell and proposed Purchase and Sale Agreements**
b. **Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee may go into executive session to discuss negotiations and provide guidance to staff.**

Mr. Mitchell said this Committee reviewed this item at its previous meeting, at which time it requested staff to see if there could be a larger public/open space area by perhaps not constructing the two duplex units along Deane Street and incorporating those units into the school building. The Committee also suggested that if this could be done, the property could be sold for $1.00 to make up for the financial loss of the Developer's selling those units to assist with the development project at the school.

Mr. Mitchell said that, for the Committee's consideration, it has two Purchase and Sale Agreements - Option A and an Option B - to recommend one to the City Council. Option A sells the property for $1.00 with a larger conservation open space easement area of approximately 18,000 sq. ft., and Option B sells the property for $200,000 as originally discussed, preserving the rights to construction 2 duplex units along Deane Street, with a smaller conservation open space easement area of approximately 6,000 sq. ft. Staff, after reviewing financials, supports either Option A or Option B.

Mr. Mitchell continued saying that under Option A, the Developer would invest $15,000 of improvements for public infrastructure, not specifically defined at this time. Under Option B, the Developer would invest $5,000 for public infrastructure improvements. Under both Options, the Developer is responsible for the open space area maintenance.

In closing Mr. Mitchell, said that when the construction is done, it is estimated that the property will be valued at $4 Million, bringing in $78,000/year in new property taxes.

Councilor Donoghue asked about shifting floor plans under Option A, and Mr. Bunker, representing Developers Collaborative, indicated that they may change multi-bedroom units (2 and 3 bedroom previously) into smaller 1 bedroom units to make up for the 2 duplex units, still staying within parameters of R-5 zoning.

Councilor Donoghue asked if there were any density bonus for being next to an open space area, and Mr. Needelman indicated that there was not.

Councilor Suslovic thanked staff and developer for turning this around in such a short time to have an option for a larger open space/community area. He felt Option A was far superior from a neighborhood perspective and would recommend it.

Chair Mavodones asked if there was any public comment.

Claire Cooney, 20-year resident in the neighborhood, asked about any parking changes.

Chair Mavodones, seeing no further public comment, closed the public comment session.

Mr. Mitchell said that the parking is under the purview of the Planning Department/Planning Board, noting that the Developer has filed for site plan approval.

Mr. Bunker then described parking, as well as noting that access to the parking area does not change. In addition, there is a neighborhood meeting scheduled for October 15, at 5:30, 3rd floor at Nathan Clifford School. At that time, he will discuss with the neighborhood the plan, what could be changed based on feedback, and what cannot be changed.

In response to Chair Mavodones regarding parking restrictions, Mr. Needelman said that because the School is an historic structure, it is exempt from parking regulations. This project is scheduled for a Planning Board Workshop on October 22, with a public hearing some time in November; notices will be sent to the neighborhood ahead of the public hearing.

Chair Mavodones noted that the public can raise any concerns at both the neighborhood meeting and at the Planning Board public hearing. He said that he favors Option A with the additional units in the school building.

On motion made and seconded, the Committee voted unanimously to forward Option A Purchase and Sale Agreement, in substantially the form as presented, to the City Council with a recommendation that it be approved.

Item #2: Riverside Street Property – Review and recommendation to City Council for a Purchase and Sale Agreement with Thompson's Point Development Company, Inc. - Greg Mitchell

a. **See enclosed memo from Greg Mitchell and proposed Purchase and Sale Agreement**
b. **Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee may go into executive session to discuss negotiations and provide guidance to staff.**

Mr. Mitchell said that the City owns approximately 10+\- acres of developable land on Riverside Street. As discussed at the Committee's prior meeting, this proposed Purchase and Sale Agreement with Thompson's Point Development Company (TPDC) for 3+/- acres would allow for the relocation of Suburban Propane from Thompson's Point to this property. TPDC currently has a Purchase and Sale Agreement with Suburban Propane to purchase its property on Thompson's Point; this Agreement also requires TPDC to relocate and build a new place of business for Suburban Propane. This Riverside Street property meets the needs of Suburban Propane.

Mr. Mitchell said that the fair market value of the City's Riverside Street property is $95,000/acre; therefore, this purchase price for the 3+/- property is $285,000.

Chair Mavodones thanked Mr. Mitchell and asked if there was any public comment. There being none, the public comment session was closed.

On motion made and seconded, the Committee voted unanimously to send this item to the City Council with a recommendation that it be approved in substantially the form as presented.

Item #3: Forefront at Thompson Point Transit-Oriented Development (TOD) Tax Increment Financing (TIF) District Amendments – Review and recommendation to City Council on proposed amendments to Thompson's Point TOD TIF District - Greg Mitchell

a. **See enclosed memo from Greg Mitchell and proposed amendments to Thompson's Point TOD TIF District.**
b. **Executive session - Pursuant to 1 M.R.S.A. 405(6)(C) and (F), the Committee may go into executive session to review proprietary information and provide guidance to staff.**

Mr. Mitchell said that this item was reviewed and discussed at the Committee's prior meeting, which proposed TIF amendments include expanding the geographical boundary to include Suburban Propane and NNEPRA property for an additional 3+/- acres, as well as amending the Development Program to substitute two existing historic brick buildings totaling 69,000 +/- sq. ft. as eligible development to receive TIF funds and for removal of a concert hall with 28,000 sq. ft.

Mr. Mitchell said that the financial impact remains the same, with the tax increment estimated at $78 Million.

Mr. Mitchell then noted that at the prior HCDC meeting when this was reviewed, the Committee requested that for Phases 2 and 3 of development in the TIF district, not currently part of the Development Program, a 25% increment of TIF revenue be targeted to City transportation oriented development, and the remaining 75% going to the City's

General Fund. This has been incorporated into the amended documents.

Mr. Mitchell said that the TIF District has a triggering event to start the district as when it reaches $5 Million in increased assessed value for the original TIF District property. The added property of Suburban Propane and NNEPRA includes a second triggering event so that when these two properties achieve a $5 Million increased value, the TIF revenues will then start for these two properties.

Mr. Mitchell said that staff is recommending terminating the existing Thompson's Point TOD TIF and approve the new and amended/restated Thompson's Point TOD TIF District, as well as approving the amended Credit Enhancement Agreement (CEA) to match the amended Development Program, noting that the financial terms of the CEA remain unchanged.

Councilor Donoghue asked about approval for Phase 2 and 3 of the TOD TIF, and Mr. Mitchell said that the Maine Dept. of Economic and Community Development (MDECD) has final approval authority over TIFs. There is defined criteria for TOD projects and use of the tax increment for those projects. Mr. Mitchell said that he expects conditional approval of the TOD TIF projects from MDECD, and then the City will provide more specific investments in TOD projects within a designated timeframe per MDECD.

Councilor Donoghue asked who in the administration would be putting these TOD projects together, and Mr. Rees said that he and staff will based on policy provided by the City Council.

Councilor Suslovic said that the amended Development Program essentially substitutes the two brick buildings for the concert hall, and Mr. Mitchell confirmed this.

Chair Mavodones asked if there was any public comment for this item. There being none, the public comment session was closed.

On motion made and seconded, the Committee voted unanimously to forward the new and amended Thompson's Point TOD TIF and Amended CEA to the City Council with a recommendation that it terminate the original TOD TIF District and approve the amended and restated TOD TIF District and CEA for approval in substantially the form included in the packet.

Item #4: Reconsider prior HCDC vote on review and recommendation to City Council on Affordable Housing TIF Request from Avesta Housing – 409 Cumberland Avenue Project –

a. **See enclosed memorandum from Mary Davis.**
b. **Executive Session - Pursuant to 1 M.R.S.A. 405(6) (C) and (F), the Committee may go into executive to review proprietary information.**

Ms. Davis said that in January 2013, this Committee approved of the 409 Cumberland Avenue Project Affordable Housing (AH) TIF, which included 50% of captured revenue to the Developer (up to a maximum of $684,000 over the life of the District), and 50% of captured revenue to the City for an affordable housing revolving loan fund (AHRLF). Since then, she has learned that the Maine State Housing Authority (MSHA), who has final approval of AH TIF district, is reluctant to approve the City's use of funds without identifying property to be used for the AHRLF.

Mr. Rees also noted his concern regarding less funding for the General Fund, particularly for education, police, and fire – should 50% of the captured revenue go to an AHRLF. The Housing Division has designated funds for affordable housing in its Housing Replacement fund and HUD HOME funds.

Councilor Donoghue said that he would like to move forward with the 50/50 split as originally approved.

Mr. Mitchell said that there has been staff turnover at MSHA, and it has now requested that property be highlighted. Staff originally was going to provide guidelines for the AHRLF but now properties have been requested to highlight for use by the AHRLF. He suggested that perhaps this AH TIF be approved without the AHRLF, but amended later to include terms that will satisfy MSHA.

Chair Mavodones asked about the impact to Avesta if this were tabled, and Ms. Davis said that it would have a significant impact as it wanted to closed by 12/31/2013, and it needs this TIF in place to close.

Councilor Suslovic said that when the AHTIF legislation was approved, it was not intended that properties had to be identified for an AHRLF.

Discussion ensued regarding whether to remove the AHRLF component or to move forward as previously approved, with Committee consensus to move forward as previously approved while respectfully noting the City Manager’s concern for loss of revenue to the General Fund.

Mr. Mitchell said that while staff prepares this item for the City Council Agenda of October 21, it will work with MSHA to resolve this issue of identifying properties for the AHRLF, noting that there could be an amendment on the floor at the Council meeting to not move forward with AHRLF based on interim work with MSHA.

Chair Mavodones noted unanimous consensus to move this to the October 21 City Council meeting as previously approved by this Committee, and, if unsuccessful with MSHA between now and then, an amendment would be made on the floor at that Council meeting.

Item #6: Communication: See enclosed 2013 HCDC Work Plan and revised Calendar

There was no discussion on this item.

Chair Mavodones said that for the next meeting of the HCDC on 10/23, he may be 15 minutes late.

There being no further business to come before the Committee, the meeting was then adjourned at approximately 7:00 p.m.

Respectfully,

Lori Paulette

Portland, Maine

Yes. Life's good here.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Mavodones, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Director
Housing & Community Development Division

DATE: October 16, 2013

SUBJECT: **Communication Item: Annual CDBG Process**

The Housing and Community Development Office is beginning the annual CDBG allocation process. The calendar for the FY 2014-2015 allocation process is noted below:

October 15	Application is available
October 16, 7:00pm	*Mandatory* Pre-Application Meeting for Applicants
November 19, 10:00am	Applications DUE
Dec 2013- Mar 2014	Allocation Committee reviews & scores all applications
March	Allocation Committee recommends funding allocations
March	City Mngr. recommends funding allocations to Council
March 10	5:00pm, 1st Portland City Council Public Hearing
March 24	7:00pm, 2nd Portland City Council Public Hearing:
May 15	Staff submits the Annual Action Plan to HUD

Copies of the Social Service Application and the Development Activity Application are attached for your information. Prior to making the application available to interested parties, staff reviewed the applications and made some minor edits to make them more focused and streamlined. A separate application for the Employment Development Program will be released at a later date.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Mavodones, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Director
Housing & Community Development Division

DATE: October 16, 2013

SUBJECT: Housing Liaison System Update

The City Council adopted the local Analysis of Impediments to Fair Housing in June and the regional York and Cumberland County Analysis of Impediments to Fair Housing in October. These reports identified several different areas where we can work with landlords to provide information and resources which will encourage them to provide increased access to housing for people who are homeless. This supports the strategy outlined in the *"Report of the Task Force to Develop a Strategic Plan to Prevent & End Homelessness in Portland"* which calls for the development of a housing liaison system. The HCD Division in partnership with the Social Service Division/HHSD, the Cumberland County Community Development Office and the South Portland Community Development Office are working to implement this strategy and create and expand resources that will enable landlords and tenants to work together to overcome rental issues.

As the first steps in the process, staff will be meeting with social service providers on November 14 to discuss the issue from the perspective of those working to not only place individuals in housing but to help them maintain their housing. The goal of the meeting will be to outline the challenges and identify areas in which additional resources are needed.

In January we will hold a similar meeting with landlords and property managers and in February/March we will meet with representatives from the refugee and immigrant community.

In May/June we will hold a forum for landlords and tenants to discuss the information and material gathered as well as general landlord-tenant laws and resources.

Portland, Maine
Yes. Life's good here.
Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Mavodones, Chair
Members of the Housing and Community Development Committee

FROM: Mary Davis, Director
Housing & Community Development Division

DATE: October 16, 2013

SUBJECT: 409 Cumberland Avenue AHTIF Update

In response to direction given to staff at the October 9 HCDC meeting, I spoke with staff from Maine Housing and have received preliminary approval on the following language for the revolving loan fund.

Upon approval from MaineHousing, the City of Portland will establish a new Revolving Loan and Investment Fund to be utilized for the development of affordable permanent rental and homeownership housing throughout the City of Portland. As a U.S. Department of Housing and Urban Development Entitlement Jurisdiction, the City of Portland administers housing programs, including rehabilitation programs, first time homebuyer assistance programs and new construction development programs. Using this experience, the City of Portland will develop program guidelines that ensure compliance with the Affordable Housing TIF Program. Allowable uses are described below:

Revolving Loans. Loans will be provided to developers interested in creating affordable permanent housing in the City of Portland. Loans will be made for both new construction of affordable permanent housing and the rehabilitation of existing housing as long as the rehabilitation results in the creation of affordable permanent housing. All loans made from this fund will be repaid to the City of Portland and all loan repayments will be deposited into the fund and used for additional loans for the development of affordable permanent housing.

Investment/Real Estate Acquisition. Loans will be used for the purchase of property in the City of Portland. Property will be purchased by the City of Portland for the development of affordable permanent housing by the City or by a developer to which the City sells or leases the property. All proceeds of sales of any property purchased or rental revenues from leases into which the City of Portland enters will be placed in the fund and used for additional purchases of property for the development of affordable permanent housing.

389 Congress Street / www.portlandmaine.gov / tel, 207•756•8246 / tty, 207•874•8936 / fax, 207•874•8949

Mary Davis
Division Director, Housing & Community Development Division

The fund will be used solely for the development of affordable permanent housing. Types of permanent housing to be developed will be single family homes, condominiums and apartments or other rental housing units intended to be occupied by a household on a continuing basis. Shelters, nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities or student dormitories will not be allowed. Affordable permanent housing developed with this fund or fund proceeds will be affordable to households earning no more than 120 percent of the area median income.

389 Congress Street / www.portlandmaine.gov / tel, 207•756•8246 / tty, 207•874•8936 / fax, 207•874•8949

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO:	Chair and Members of the Housing and Community Development Committee
FROM:	Greg Mitchell, Economic Development Director
DATE:	October 17, 2013
SUBJECT:	Annual Tax Increment Financing (TIF) Report to City Council – FYE2013

I. Summary of Issue

As a component of the Council's recent adoption of the new Portland TIF Policy (attached) on February 4, 2013, an annual TIF report is to be submitted to the Council.

Active Approved TIF Districts

As of FYE13, the City has 6 single site TIF Districts with associated Credit Enhancement Agreements, namely:

1. Holt Hall
2. Nichols Portland
3. Avesta/Pearl Place
4. Ocean Gateway
5. UNUM
6. PowerPay/Portland Public Market

The City also has 3 area wide TIF Districts, for which the City retains a portion of the TIF funds for public infrastructure projects, and a portion is targeted to Credit Enhancement Agreements (CEA) within those Districts, namely:

1. Bayside
   - Capital LLC CEA
   - Bayside Student Housing CEA
2. Waterfront
   - Waterfront Maine CEA
3. Arts
   - Baxter Library CEA

Non-Active Approved TIF Districts

The City Council has also approved 4 TIF Districts that were not active during FY13:

1. The Village at Ocean Gate TIF – This will become active in FY14;
2. Thompson's Point Transit Oriented Development (TOD) TIF District - Under review for amendments. This TIF district becomes active upon a triggering event of an increased value of $5 Million;
3. McAuley TIF District – This project has not come to fruition, therefore, no payments.
4. Fore India Middle LLC – This TIF project has not come to fruition, therefore, no payments.

Attachment 1 is a summary of all approved TIF districts, including those which have expired.

II. Reason for Submission

This is being submitted to the Committee for its review and forwarding to the City Council as a communication.

III. Intended Result

The intended result is to apprise the Council on a yearly basis of the status of the all TIF districts in Portland.

IV. Council Goal Addressed

Review, and if appropriate, make changes to the Tax Increment Financing Policy and other tools that might be available to promote development.

V. Financial Impact

The financial impact of the active TIF districts is a sheltering of approximately $143 Million in captured value, which translates into savings for the City. Through tax sheltering, the City receives a greater amount of State aid to education and municipal revenue sharing, and also has a reduced share of paying Cumberland county taxes.

In addition, the total TIF District taxes from the original assessed value (OAV), plus the taxes from the increased assessed value is as follows based on FY13 Mil rate (rounded out to nearest million):

Total OAV:	$307M x .01882 = $5.8 (to City General Fund)
Total Increased Assessed Value:	$201M x .01882 = $3.8
Total Captured Assessed Value:	$143M x .01882 = $2.7 (part of above number)
Net New Taxes to General Fund From Increased Value:	$1.1 Million ($3.8 less $2.7)

VI. Staff Analysis

Staff's financial analysis is provided above. In summary, tax increment financing plays an important role in increasing the City's tax base, while also providing savings through the tax sheltering benefits.

Regarding an analysis of statutory limits imposed by the State of Maine, whereby a municipality is allowed to establish TIF districts, a total of 5% of its total aggregate value, and 5% of its total acreage, the City is able to TIF an additional $73+ Million of value, and 426 acres. This TIF "capacity" changes as TIF districts expire.

VII. Recommendation

Staff recommends that the Committee forward this report to the Council as a communication.

VIII. List of Attachments

1. City TIF Policy
2. Summary of all approved TIF Districts

PORTLAND TIF POLICY

February 4, 2013

INTRODUCTION

Tax Increment Financing (TIF) is an economic development program authorized under state law to support municipal projects. The TIF program allows municipalities to provide financial assistance to local economic development projects and programs – from infrastructure, municipal economic development programs and staff, to business expansions - by using new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

Portland TIF Policy supports investment in municipal economic development programs, infrastructure investment (which is generally through the establishment of area wide or neighborhood TIF districts) and individual project site specific TIF districts to support either infrastructure or individual private project financing needs.

The City is committed to invest in infrastructure located within the public rights-of-way that encourage economic development. Use of TIF investment to invest in infrastructure recognizes the savings which occurs through the TIF Program tax sheltering benefits.

"Infrastructure" is defined, but not limited to: traffic upgrades, public parking facilities, roadway improvements, lighting, sidewalks, water and sewer utilities, storm water management improvements and placing above ground overhead electric and telecommunications lines underground.

STATE TIF LIMITATION

There are acreage and value caps limitations for municipalities to establish TIF along with term limits. Term limits include bonds which may be issued for a maximum of 20 years (anticipation notes for three years). TIF districts may be designated for a maximum of 30 years.

PURPOSE

The primary purposes of the TIF Policy include:

1. To support Portland Economic Development and Housing Plans and Policies;
2. To stimulate expansion of the City's commercial and industrial tax base;
3. To stimulate new affordable and market rate housing investment;
4. To retain and create quality employment;
5. To support Portland's Capital Improvement Plan; and,
6. To establish standards upon which the City Council will authorize TIF.

GENERAL PRINICPLES

The three primary general principles for the City Council to establish TIF districts include:

A. Investment

***Minimum Real Property Investment*.** A minimum of $1 million in new taxable investment property value for commercial and industrial development and $500,000 for affordable housing development is needed to qualify for a TIF. This is the minimum amount which makes practical sense to consider use of the TIF program due to the amount of new municipal property tax revenue generated from new private investment.

B. Jobs Associated with Commercial and Industrial Development

Applicants for TIF participation will be required to provide a plan outlining the number and quality of jobs retained or created associated with each TIF district. While there is not a specific formula for the numbers of jobs associated with the amount of TIF financial assistance, the number and quality of the jobs will be taken into consideration for each TIF district. It is recognized that housing projects do not create many permanent jobs.

C. Maximize Tax Sheltering Benefits

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy) and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. In other words, specific municipal shelter benefits, for the term of the TIF, include:

1) No reduction in State aid for education,
2) No reduction in municipal revenue sharing and
3) No increase in County taxes.

Annually, the Council Committee with jurisdiction over housing and community development and City Council will evaluate available TIF district capacity related to State acreage and value limitations to determine whether existing TIF districts need amending and/or new TIF district establishment. Scheduled public infrastructure investments included in the City's Capital Improvement Plan will inform decisions about adjustments to existing TIF districts or establishment of new TIF districts.

APPROACH, POLICY, and TERM REQUIREMENTS

Must meet or exceed the below requirements.

A. Approach

There are three approaches to consider establishing TIF districts. They include:

1) ***Municipal Economic Development Programs funded directly through a pay-as-you-go approach.***

Examples of municipal economic development programs include paying for economic development staff, annual funding to Creative Portland for city marketing/branding, and other TIF law allowable activities.

2) Area wide TIF districts financed by City Bond/Debt Issuance

Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a TIF district program. Allowable uses are spelled out in state TIF law. Generally, municipalities will issue debt to cover the cost of infrastructure investment.

3)Individual Site Specific TIF districts utilizing Credit Enhancement Agreements (CEAs)

A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in state TIF law.

B. Policy for the Three Approaches

1. **Policy for Municipal Economic Development Programs.**

Requires annual review and City Council financial appropriations.

2. Policy for Area wide TIF District Locations (for City Bond/Debt Issuance)

a) Area wide TIF will be established for infrastructure investment which has applications beyond one individual project.

b) City TIF emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need to redevelopment, address blight or historic preservation:

- Affordable housing projects off peninsula;
- India Street Neighborhood;
- Franklin Street Corridor from I-295 to Commercial Street;
- Riverside Street commercial and industrial zoned areas;
- Forest Avenue corridor from I-295 to Woodfords Corner;
- Washington Avenue corridor from Congress Street to I-295;
- Re-examine the boundary of Bayside TIF District;
- Examine establishing a Downtown TIF district in place of the Arts TIF District;
- Portland Technology Park ;
- Areas in which future significant wastewater and/or stormwater infrastructure investments are planned;
- West Commercial Street vacant property;
- Libbytown;
- St. Johns Street Valley;
- Other areas based upon scheduled public infrastructure investment included in the City's Capital Improvement Plan.

The above list of general priority revitalization areas serve as guides to establish specific boundaries for TIF districts at time of district establishment.

c) Market Rate Housing. Market rate rental housing projects must be located in priority revitalization areas to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, TIF for condominium projects are not allowed.

d) Affordable Housing. Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis.

The relevant City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing TIF districts.

Allowable uses of AHTIF revenues are defined by State law.

e) City preference is to invest in area wide public infrastructure TIF districts versus establishing individual private site specific TIF districts.

f) Area wide TIF districts also should seek to maximize the benefit of downtown and transit oriented development (TOD) districts which are <u>exempt</u> from State TIF law for acreage and value limitations.

g) Terms for area wide TIF districts will be considered for up to 100% of new tax revenue and upwards of thirty (30) years, the maximum allowed by State law, due to the long-term need to invest in neighborhood infrastrucutre.

<u>NOTE 1</u>: As of this Amended TIF Policy date, there are three existing area wide TIF Districts, i.e., Bayside, Arts, and Waterfront TIF Districts.

<u>NOTE 2</u>: As of this Amended TIF Policy date, there also exists one Transit Oriented Development (TOD) District, namely the Thompson Point TOD TIF District to support new or expanded transit services and improved transit connections between the Portland Transportation Center, Jetport and Downtown.

<u>3. Policy for Individual Site Specific TIF Districts Utilizing Credit Enhancement Agreements (CEAs)</u>

a) CEAs for individual site specific TIF districts will be considered for investment in infrastructure or project financing need and cannot be applied to any agreed upon public infrastructure improvements associated with a City Council approved conditional rezone agreement. Additional provisions related to CEAs include:

i) City Green Building Code

Compliance with the City's Green Building Code is required when TIF assistance is provided to individual private project CEAs.

ii)Affordable Housing

Affordable Housing TIF (AHTIF) may be designated on an area wide or site specific basis. Developments are encouraged to promote economic diversity.

The City Council Committee will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need.

State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide AHTIF districts.

Allowable uses of AHTIF revenues are defined by State law.

b) Applicants for CEA participation must demonstrate and pay the following:

i) Financial Necessity.

The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed.

ii) Financial Capacity**.**

The applicant must demonstrate financial capacity to support their project.

iii) Fees

-- A financial underwriting analysis will be conducted by a third party on all projects requesting CEA participation. Applicants for CEA assistance will be responsible for reimbursing the City for all project third party legal and financial underwriting costs***.***

C. Terms for CEA Projects

1) Maximum Percentages.

A maximum average percentage of 65% for the entire term associated with individual project CEA's.

2) Maximum Number of Years.

Up to twenty (20) years to match individual private sector commercial financing terms. The term of a TIF may start upon agreed trigger event, such as an increased assessed value. This would be included in a CEA on that negotiated triggering event.

3) Use of Maine Services for CEA Projects Encouraged.

TIF APPLICATION AND ADMINISTRATION PROCESS

A. Application Information and Contact.

The Economic Development Department handles all TIF inquires and processes requests for TIF. An applicant must submit a letter to the Economic Development Department outlining the proposed project, including TIF project financial information, along with a plan outlining the number of jobs associated with the proposed project.

B. Approval Process.

There is a two step approval process which includes obtaining a recommendation from the City Council Committee and City Council approval. Two meetings (or readings) by the City Council are needed. The City Council vote on the TIF occurs at the second meeting.

C. Annual Report to City Council.

The Economic Development Department shall provide annual reports to the City Council Committee and City Council regarding TIF district activity.

SUMMARY OF ALL APPROVED

TAX INCREMENT FINANCING (TIF) DISTRICTS

IN THE CITY OF PORTLAND A/O JUNE 30, 2013

This provides an overview of tax increment financing districts (TIF's) approved by the City of Portland.

Please note that the City approved fifteen TIF's, with three of these TIFs having separate Credit Enhancement Agreements (CEA) for various projects included in the respective TIF Districts. These three TIF Districts are the Bayside TIF, Waterfront TIF, and Creative Portland Development and Arts TIF District. The separate CEAs are detailed in the listing below.

1. Nichols Portland (Economic Development TIF)

Duration: 20 year term (FY95 thru FY14)
Percentages: Years 1 to 5, 90% to Recipient, 10% to General Fund; years 6 to 10, 75% to Recipient, 25% to General Fund; years 11 to 20, 50% to Recipient, 50% to General Fund.
Location: 2400 Congress Street

This TIF was created to support Nichols Portland expansion of its existing manufacturing facility at 2400 Congress Street and retain 450 jobs.

2. Shipyard/Longfellow (Economic Development TIF)

Duration: 12 year term (FY96 thru FY07). Please note this TIF has expired and the City is receiving 100% of the real estate taxes.
Percentages: 50% to Recipient; 50% to General Fund
Location: Newbury Street

This TIF was used to transform the former Crosby-Laughlin site on Newbury Street into the Shipyard Brewing Company.

3. Auto Europe (Economic Development TIF)

Duration: 15 year term (FY97 thru FY11)
Percentages: 75% to Recipient; 25% to General Fund
Location: Commercial Street across the street from Casco Bay Lines, former Galt Block building.

This TIF was used to renovate the former Galt Block Building into the headquarters for Auto Europe. The Galt Block Building had been vacant for over 10 years.

4. <u>Bramhall/Holt Hall</u> (Economic Development TIF)

Duration: 20 year term (FY00 thru FY19)
Percentages: 75% to Recipient; 25% to General Fund, plus a Payment in Lieu of Taxes (PILOT) associated with first floor space.
Location: 794 Congress Street

This TIF was used to renovate Holt Hall, built in the 1860's, and then vacant in excess of 10 years, into 36 market rate rental apartments and office space on the ground floor at a cost of almost $4 Million.

5. <u>UNUM</u> (Economic Development TIF)

Duration: 15 year term (FY01 thru FY15)
Percentages: 100% capture of increased value with 75% going to the Recipient, and 25% going to economic development projects for the City.
Location: Outer Congress Street.

This TIF was utilized to support expansion of UNUM offices and to build a 1,200 space parking garage.

6. <u>Waterfront TIF</u> (Economic Development TIF)

Duration as originally approved March 18, 2002: 10 year term (FY03 to FY12)
Duration Extended as of June 7, 2010 for a 30-year term: FY03 to FY32
Percentage: 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.
Location: Selected waterfront properties.

This is a municipal TIF to be used for waterfront projects.

6a. Waterfront Maine LP (Cumberland Cold Storage Building) on Commercial Street (Economic Development TIF)

Duration: 20-year term (FY12 thru FY31)
Percentage: 63% years 1 thru 5; 64% years 6 thru 10; 55% years 7 thru 15; 45% years 16 and 17; 40% years 18 and 19; and, 35% year 20 – with a maximum cumulative TIF payment numeric cap not to exceed $2,870,058.
Location: 252 Commercial Street on the Portland waterfront.

The City entered into the TIF in order to support the renovation of the Cumberland Cold Storage building into a Class A office building, with continued marine uses on the first floor and berthing according to zoning regulations. The reuse of this building will accommodate the relocation of Pierce Atwood, bringing its 175 employees to the Portland waterfront.

7. <u>Bayside TIF</u> (Economic Development TIF)

Duration: 30 year term (FY04 thru FY33)
Percentages: 100% TIF capture. Annually, the City Council has adjusted this TIF capture rate to place property tax revenue in the City General Fund.

This is a municipal TIF to be used for the public infrastructure improvements and business recruitment marketing for Bayside area. Investments from this TIF include a HUD payment on a loan for the proposed Maine Health Project parking structure, as well as two Credit Enhancement Agreements (CEA's) with the following:

7a. Capital LLC (Intermed Building) on Marginal Way (Economic Development TIF)

Duration: 15 year term (FY09 thru FY23)
Percentage: 100% to return, to Developer, to an annual maximum cap of $355,000 and annual debt service threshold test.
Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the office building.

7b. Southern Maine Student Housing on Marginal Way (Economic Development TIF)

Duration: 10 year term (FY08 thru FY18)
Percentage: 100% to return, to Developer, to a maximum annual cap of $120,000 and annual debt services threshold test.
Location: Bayside next to I-295

The City entered into the CEA in order to assist with the development of a parking structure in connection with the student housing development.

8. <u>Riverwalk</u> (Economic Development TIF)

Duration: 12 year term (FY07 thru FY19)
Percentages: 100% captured value, to return to Developer, to maximum annual caps with ranges from $150,000 to $500,000 varying over the term, and remainder to public infrastructure investments around the project.
Location: Hancock and Fore Street area

The TIF was entered into to assist with the construction of a parking structure for the development plan for the area adjacent to Hancock Street.

9. **Avesta/Pearl Place** (Affordable Housing TIF)

Duration: 30 year term (FY08 thru FY36)
Percentages: 100% captured value to return to Developer, to a maximum of $22,000 annual cap with remainder to invest in public infrastructure.
Location: Oxford and Pearl Streets

This TIF is an affordable housing TIF to assist in the creation of affordable housing in the City's Bayside area along Oxford and Pearl Streets.

10. Creative Portland Development and Arts (Economic Development TIF)

Duration: 10 year term (FY10 thru FY19)
Percentages: 100% to a maximum of no more than $100,000 annual cap.
Location: Multiple properties included in the Downtown Area

This TIF was created to assist in maintaining the creative economy businesses through the creation of the Creative Portland Corporation and TIF funds to assist in funding its administrative personnel and program of activities.

10a. Baxter Library LP at 621 Congress Street (Economic Development TIF)

Duration: 9-year term (FY11 thru FY19)
Percentage: Lesser of annual 65% to return to Developer or amount necessary to service project debt. Adjustments to annual payment if project refinancing occurs.
Location: 621 Congress Street

The City entered into the CEA in order to assist with the reuse, redevelopment, and preservation of a hallmark downtown building built in 1888, where adaptive reuse of this former library is challenging and expensive. This Project will add $2.5 Million in new municipal assessed commercial valuation and generate an average of $16,000 annually, in funds, to support the Creative Economy TIF Program or the City's General Fund as directed by the City Council. The reuse of this building will accommodate the relocation of the VIA Group, bringing its 64 employees to this upper area of downtown Portland.

11. McAuley Place (Economic Development TIF)

Duration: 30 year term (FY10 thru FY29)
Percentages: 60% to Recipient; 40% to General Fund.
Location: 605 Stevens Avenue

This TIF was created to assist in the renovation of the former Mother House/Convent (built over 100 years ago) on Stevens Avenue into a market rate independent senior living community, including 45 to 50 apartments in the renovated Convent; 25 to 30 apartments (new construction) in an addition to the Convent; and, 36 units (new construction) located in three townhouse/cottages adjacent to the Convent.

12. <u>PowerPay/Portland Public Market</u> (Economic Development TIF)

Duration: 30 year term (FY11 thru FY40)
Percentages: Years 1 through 8 – 75% to Developer, 25% to City; Years 9 through 30 – 50% to Developer, 50% to General Fund.
Location: 25 Preble Street

This TIF district was created to support the retention and expansion of PowerPay along with redeveloping an important asset in Portland's Downtown that was formerly known as the Portland Public Market. Because of the complex renovation issues and the high cost associated with redeveloping the Portland Public Market property, PowerPay requested TIF assistance to cover the Project financing gap. PowerPay will renovate and move its headquarters to this location. It now has 113 employees and expansion plans include adding another 102 positions.

13. <u>Thompson's Point Development Company, Inc.</u> (Transit-Oriented TIF)

Duration: 30 year term (FY13 thru FY42)
Percentages: Years 1 through 10 – 75% to Developer and 25% to City transit-oriented projects; years 11 through 15 – 60% to Developer, 25% to City transit-oriented projects, and 15% to City's General Fund; years 16 through 20 – 50% to Developer, 25% to City transit-oriented projects, and 25% to City's General Fund; years 21 through 30 – 40% to Developer, 25% to City transit-oriented projects, and 35% to City's General Fund.
Location: Thompson's Point

This Transit-Orient Development (TOD) Tax Increment Financing (TIF) District was created to support Thompson's Point Development Company Inc.'s redevelopment of Thompson's Point into the **Forefront at Thompson's Point.** Additionally, the TOD will assist to expand and improve transit connections between Thompson's Point and key commercial locations within Portland (i.e. Jetport, Portland Transportation Center and Portland's Downtown) and around the region.

Thompson's Point consists of approximately 28 acres of real estate adjacent to the Portland Transportation Center that is home to the Northern New England Passenger Rail Authority, which runs the Amtrak Downeaster and Concord Trailways bus company.

The Forefront at Thompson's Point is a proposed mixed-use development that will transform a blighted and grossly underutilized 28-acre parcel located along Interstate 295 into a highly visible gateway destination event center that is expected to generate significant economic activity within the District and throughout Portland. The Company plans to redevelop Thompson's Point in a manner that includes a substantial investment in public infrastructure, including construction of an above-ground parking garage with approximately 700 spaces, road extensions and widenings, rail crossings upgrade, utility investments, and expanded walking and biking trails.

14. The Village at Oceangate, LLC (Bay House) (Economic Development TIF)

Duration: 11 year term, beginning in year 2 (FY14 thru FY25)
Percentages: Years 1 through 5 – 75% to Developer, 25% to City; Years 6 thought 10 - 65% to Developer, 35% to General Fund. Total revenue to developer is capped at $647,971 over the term of the District.
Location: Hancock Street, between Newbury and Middle Streets.

This TIF district was created to support the development of The Bay House Project. The Project includes the construction of two new buildings that will contain ninety-four (94) market rate apartments, a parking garage, and approximately 5,700 square feet of commercial retail space. Use of TIF proceeds is directed to support public infrastructure investments.

15. Fore India Middle, LLC (former Jordan's Meat Site) (Economic Development TIF)

Duration: 4 year term (FY14 thru FY18)
Percentages: Years 1 and 2 – 50% to Developer, 10% to City TIF Project; 40% to City; Year 3 - 40% to Developer, 10% to City TIF Project; 50% to City; Year 4 – 40% to Developer, 60% to City. Total revenue to developer is capped at $650,000 over the term of the District.
Location: Portion of block surrounded by Fore, India, and Middle Streets.

This TIF district was created to support the development of a portion of the former Jordan's Meats site. This development project includes a five-story, approximately 180,000 sf. of mixed-use consisting of 12,300 sf. of retail space on Middle Street, 9,800 sf. of retail space on Fore Street, three levels of office space comprising 63,900 sf. on Middle Street, and 18 residential condominium units along Fore Street and India Street. In addition, there will be two "internal" parking garages behind the retail spaces (not visible from the street), one 110-space garage at the Fore Street level, and another 63-space garage one story above at the Middle Street Level. The Developer expects to have an urban grocery on Middle Street with a variety of produce, meats, food, and household items, with an emphasis on natural, organic and healthy items. The other retail users and the office users have not been identified yet. Use of TIF proceeds is directed to support public infrastructure investments.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Chair and Members of the Housing and Community Development Committee
Mark Rees, City Manager

FROM: Greg Mitchell, Economic Development Director
Jeff Levine, Planning and Urban Development Director
Mary Davis, Housing and Community Development Division Director

DATE: October 18, 2013

SUBJECT: 2013 HCDC Updated Committee Calendar; Work Plan for 2013

Attached, as a standing communication on your agenda, is the updated Committee Calendar – in a clean format and a marked revision format - from the version presented at your October 9 meeting.

The Work Plan, also attached, has not changed; it is a reference document.

2013 HOUSING & COMMUNITY DEVELOPMENT COMMITTEE CALENDAR
As of October 18, 2013

January

Nathan Clifford School Sale Approach
Continue City TIF Policy revision discussion
2013 Draft HCDC Work Plan discussion
Congress Square/Executive Session Discussion

February

For Review and Comment: Annual Housing Program Budget
For Review, Comment and Approval: Annual Housing RFP
Finalize Committee Work Plan and Calendar
Discuss Homelessness Task Force "Rapid Rehousing" Recommendations
GPEDC Business Prospect Protocol
Commercial Lease Discussion for Maine State Pier/Executive Session

March

Communication: CDBG funding recommendations from Committee & City Manager. CDBG recommendations to Council for final approval, typically during the end of March/ beginning of April
60 Portland Pier executive session discussion; public discussion and sent to City Council.
Revised HCDC Work Plan and Calendar discussion
Housing Program Budget Recommendation to City Council
Review of Affordable Housing RFP Draft
Zoning Issues Communication/Discussion

April B-1/B-2 zones
Maine State Pier/Ocean Terminal Lease action/Executive Session Discussion
Possible sale of City-owned property on Riverside Street/Executive Session Discussion
Opportunity Alliance's Transfer of Ownership of Rental Property to Avesta
Communication – Update on Rapid Re-Housing Strategy
Communication – Update on the effects of cuts to CDBG Applicants
Review of Analysis of Impediments to Fair Housing
Congress Square Proposal/Only Item on April 24, 2013 Agenda/Public Comment to be taken at May 29 HCDC Meeting and will again be sole item on agenda.

May CDBG Working Group Report – Review and Recommendation to City Council
Portland Technology Park Update and Phase 2 expansion discussion
Inventory of City-owned properties for possible housing sites/Start Discussion
Review and approval of Annual Housing RFP
Maine State Pier/Ocean Terminal Lease action/Executive Session Discussion
Congress Square Park/Only Item to be on May 29, 2013 Agenda – for Public Comment and possible recommendation to City Council.

June

12th Meeting
Communication: Annual Action Plan, due to HUD June 14
Maine State Pier/Ocean Terminal Lease action/Possible Executive Session Discussion
Executive Session Discussion for:
Possible City acquisition of property for City Use

Possible sale of City-owned Riverside Street Property
Congress Square Park/ Sale Negotiations

26th Meeting
For Review and Comment/ Recommendation to Council if necessary: Recommendations for improvement to CDBG process.
R-6/R-7 zones and Next Steps
Island View Loan Modifications public action in form of recommendation
Maine State Pier/Ocean Terminal Lease action/Possible Executive Session Discussion
Executive Session Discussion: Congress Square Park/Sale Negotiations
Federated Midtown Project Negotiations

July
August

Congress Square continued discussion and/or action
Appropriation and Financing Recommendation to support City property acquisition for City department consolidation plan
Housing Development RFP – review of proposals received
Updates on R6/R7 zoning reviews

September

Updates on B2 zoning review
For Review and Comment: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30.
Regional Analysis of Impediments to Fair Housing
Thompson's Point Transit Oriented TIF Amendments
Nathan Clifford School – Property Disposition Process and Authorize City Staff to negotiate a Purchase and Sale Agreement.
Update on B2 Zoning Work
Executive Session: Possible sale of City property on Riverside Street

October

Communication: CDBG Application is available.
Annual City wide TIF District Activity Report
Housing Liaison Program Update
Nathan Clifford School-Action
Thompson's Point Transit Oriented TIF Amendments – Action
Sale of portion of Riverside Street Property
409 Cumberland Avenue Affordable Housing TIF – Revisited
Executive Session: Possible City acquisition of property

November

Communication: Application deadline. Beginning of Annual CDBG Application Review by CDBG Allocation Committee
Housing First Pre-Development RFP – Review Draft
Tenant Based Rental Assistance Program update
Wilmot Street property disposition discussion
Review City sites for residential development or sale including former Adams School property
Pearl Place TIF district amendment discussion
Update on Parking in B-3, B-6, and B-7/Sustainable Transportation Fund

Start Downtown TIF District discussion
Executive Session: Possible City acquisition of property

December

Review and adopt HCDC Annual Accomplishment Report
Continue Downtown TIF District discussion and possible action
Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.

January 2014

Presentation on B2- and R6/R7 zone reviews for possible action

2013 HOUSING & COMMUNITY DEVELOPMENT COMMITTEE CALENDAR
As of October 18~~4~~, 2013

January

Nathan Clifford School Sale Approach
Continue City TIF Policy revision discussion
2013 Draft HCDC Work Plan discussion
Congress Square/Executive Session Discussion

February

For Review and Comment: Annual Housing Program Budget
For Review, Comment and Approval: Annual Housing RFP
Finalize Committee Work Plan and Calendar
Discuss Homelessness Task Force "Rapid Rehousing" Recommendations
GPEDC Business Prospect Protocol
Commercial Lease Discussion for Maine State Pier/Executive Session

March

Communication: CDBG funding recommendations from Committee & City Manager. CDBG recommendations to Council for final approval, typically during the end of March/ beginning of April
60 Portland Pier executive session discussion; public discussion and sent to City Council.
Revised HCDC Work Plan and Calendar discussion
Housing Program Budget Recommendation to City Council
Review of Affordable Housing RFP Draft
Zoning Issues Communication/Discussion

April B-1/B-2 zones
Maine State Pier/Ocean Terminal Lease action/Executive Session Discussion
Possible sale of City-owned property on Riverside Street/Executive Session Discussion
Opportunity Alliance's Transfer of Ownership of Rental Property to Avesta
Communication – Update on Rapid Re-Housing Strategy
Communication – Update on the effects of cuts to CDBG Applicants
Review of Analysis of Impediments to Fair Housing
Congress Square Proposal/Only Item on April 24, 2013 Agenda/Public Comment to be taken at May 29 HCDC Meeting and will again be sole item on agenda.

May CDBG Working Group Report – Review and Recommendation to City Council
Portland Technology Park Update and Phase 2 expansion discussion
Inventory of City-owned properties for possible housing sites/Start Discussion
Review and approval of Annual Housing RFP
Maine State Pier/Ocean Terminal Lease action/Executive Session Discussion
Congress Square Park/Only Item to be on May 29, 2013 Agenda – for Public Comment and possible recommendation to City Council.

June

12th Meeting
Communication: Annual Action Plan, due to HUD June 14
Maine State Pier/Ocean Terminal Lease action/Possible Executive Session Discussion
Executive Session Discussion for:
Possible City acquisition of property for City Use

Possible sale of City-owned Riverside Street Property
Congress Square Park/ Sale Negotiations

26th Meeting
For Review and Comment/ Recommendation to Council if necessary: Recommendations for improvement to CDBG process.
R-6/R-7 zones and Next Steps
Island View Loan Modifications public action in form of recommendation
Maine State Pier/Ocean Terminal Lease action/Possible Executive Session Discussion
Executive Session Discussion: Congress Square Park/Sale Negotiations
Federated Midtown Project Negotiations

July
August
Congress Square continued discussion and/or action
Appropriation and Financing Recommendation to support City property acquisition for City department consolidation plan
Housing Development RFP – review of proposals received
Updates on R6/R7 zoning reviews

September
Updates on B2 zoning review
For Review and Comment: Consolidated Annual Performance Evaluation Report (CAPER) due to HUD September 30.
Regional Analysis of Impediments to Fair Housing
Thompson's Point Transit Oriented TIF Amendments
Nathan Clifford School – Property Disposition Process and Authorize City Staff to negotiate a Purchase and Sale Agreement.
Update on B2 Zoning Work
Executive Session: Possible sale of City property on Riverside Street

October
Communication: CDBG Application is available.
Annual City wide TIF District Activity Report
Housing Liaison Program Update
~~Housing First Pre-Development RFP – Review Draft~~
~~Tenant Based Rental Assistance Program update~~
~~Wilmot Street property disposition discussion~~
Nathan Clifford School-Action
Thompson's Point Transit Oriented TIF Amendments – Action
Sale of portion of Riverside Street Property
409 Cumberland Avenue Affordable Housing TIF ~~-~~– Revisited
Executive Session: Possible City acquisition of property

November
Communication: Application deadline. Beginning of Annual CDBG Application Review by CDBG Allocation Committee
Housing First Pre-Development RFP – Review Draft
Tenant Based Rental Assistance Program update
Wilmot Street property disposition discussion
Review City sites for residential development or sale including former Adams School property

Pearl Place TIF district amendment discussion
Update on Parking in B-3, B-6, and B-7/Sustainable Transportation Fund
Start Downtown TIF District discussion
Executive Session: Possible City acquisition of property

December

Review and adopt HCDC Annual Accomplishment Report
Continue Downtown TIF District discussion and possible action
~~Presentation on B2- and R6/R7 zone reviews for possible action~~
Start discussion related to Riverside Street area wide needed public infrastructure status and improvements.

January 2014

Presentation on B2- and R6/R7 zone reviews for possible action

Housing and Community Development Committee (HCDC)

Committee Charge, Priorities, and Work Plan for 2013

May 2013

HCDC Committee Charge

Per the Mayor's December 30, 2011 Memorandum to the City Council, the HCDC Committee charge includes:

> *This Committee shall develop and recommend to the City Council policies that will promote balanced development in the city including residential, commercial, and industrial uses. In that capacity, the Committee shall make recommendations regarding plan review, zoning, CDBG and HOME allocations, TIF zones, and other development tools that the City has available to it.*
>
> *City Departments: Economic Development and Planning*
> *Primary Staff Coordinators: Greg Mitchell, Economic Development Director; Jeff Levine, Planning and Urban Development Director; and, Mary Davis, Housing and Community Development Division Director*

2012 City Council Priorities Aligned with the HCDC Committee Responsibilities

The following priorities have been established by the City Council:

Goal A: Development

Portland's future development should enhance and balance the city's needs for adequate and affordable housing, a diversified tax base by promoting commercial and industrial development, and being the home for a large array of educational, recreational, cultural, and artistic institutions.

Objectives

A1. Promote housing production by removing regulatory barriers, providing or expanding financing programs, and investigating the use of City owned land for housing purposes.

A2. Review, and, if appropriate, make changes to the Tax Increment Financing Policy and other tools that might be available to promote development.

A3. Implement the recommendations of the City Economic Development Plan.

A4. Support and assist in the successful development of following projects while ensuring neighborhood involvement: Thompson Point, Bayside, Downtown (Old Port, Waterfront, Arts District), University of New England.

A5. Review and improve CDBG Consolidated Plan and Use of Funds as required by Federal Regulations every three years.

A6. Begin looking at the feasibility of moving the Department of Public Services out of Bayside.

Goal C: Service Delivery

The City of Portland and its employees shall practice the highest levels of customer service ensuring that all interactions with the City should be courteous, helpful, effective, timely, and fair.

Objectives

C1. Improve the permitting and inspections process so that it is more streamlined, coordinated, and timely, including guaranteed response times and online permitting.

2013 PLANNED ACTIVITIES

A. Housing and Community Development Division Work Plan

Priority – CDBG Priority Review

Follow-through with the CDBG Working Group tasked with implementing the 2012 CDBG Priority Setting Force Report (approved by Council on 9/5/12).

Priority – Implementation of Housing Investment Policy

Development and review annual RFP for Housing Investment.

Priority – Discuss and Develop Strategy for Homelessness Task Force "Rapid Rehousing" Recommendations that were referred to HCDC

Priority – Zoning issues.

1.) R-6 Zone

R-6 and R-7 zones should be examined to see if some R-6 areas should be rezoned R-7, such as at Danforth and York Street, High Street, and in Bayside. Some other changes to the R-6 and R-7 zones should also be considered to permit increased densities. Alternative solutions to accomplish the same goals more universally should also be explored.

2.) B-1 and B-2 Map Amendments

B-1 and B-2 zones on the peninsula have been updated so the R-7 density applies (435 square feet of land area per dwelling unit is required). HCDC will work with staff to look at whether similar changes make sense elsewhere.

***3.)* B-6, B-7 and B-3 Residential Parking Requirements**

There are no specific parking requirements for B-6 and B-7; determined by Planning Board based on a parking analysis. B-3 requires one space per unit. Parking exceptions for historic structures and affordable housing applies in all 3 zones. These requirements should be examined in the larger context of the Sustainable Transportation Fund as an option for developers in these and other districts.

Priority – Review of the Condominium Conversion Fee

Review a possible change that would tie the fees to the number of units lost.

B. Economic Development Work Plan

City Real Estate Sale or Lease

- Adams School – Remaining Property – Determine best approach to sell remaining property.

- Riverside Property – Remaining developable property includes 11+ acres. Decide whether or not to market for sale.

- Congress Square Park – HCDC met on August 8, 2012, to receive a communication from staff on the outcomes of the Congress Square Redesign Study Group and Committee requested a revised proposal from Rockbridge. Awaiting a revised proposal from Rockbridge.

- Portland Technology Park – Park road and utility infrastructure is under construction with expected completion in 2013. Site marketing will become active in early 2013. Property marketing and sales approach discussion needed.

- Thames Street Property – Property is available for sale to support large scale private sector mixed use opportunities.

- Portland Ocean Terminal – Currently working with marine dependent commercial tenant prospects to secure possible new tenants.

- 60 Portland Pier – Property title research underway to verify city ownership for possible lease or sale.

- Nathan Clifford School - City Council approved process under way to solicit proposals from interested developers to support possible sale and reuse options.

- Sale of City property, i.e., parking lots, for residential use.

- Plan for reuse options of the former Reed School – work with the School Dept.

Review Existing TIF Districts

- Bayside TIF – review for possible amendments to expand the TIF district.

- Pearl Place TIF for possible TIF amendments discussed with Councilor Donoghue for the City to capture TIF funds for child pre-school care.

- Thompson Point TIF – need to prepare plan for use of future Transit Oriented Development (TOD) TIF tax revenue – Responsibility rests with the Transportation, Sustainability, and Energy Committee. Transit planning scope of work being prepared under direction of the Transportation & Energy Sustainable Committee.

- Arts TIF District – review for possibly converting this to a Downtown TIF District.

City TIF Policy

Annually present and discuss a report of TIF district activity including an assessment of TIF district capacity related State acreage and value limitations.

Wilmot Street Property Disposition – Need to resolve City ownership.

Riverside Street – Review needed infrastructure improvements.

Stormwater Regulations and Development – Review possible effects of regulations on development.

Houses of Worship – Review of re-use of houses of worship that may be closing.

Open Space Process – Review of the process of determining where open space should be for what use.

Portland Economic Development Plan Implementation

Mayor leading implementation having monthly meetings with stakeholders of the Portland Economic Development Plan. Provide accomplishment update to the City Council.

City Permitting and Inspection Streamlining

Consultant hired under the direction of the City Manager and Planning Director. Mayor and City Manager taking the lead.