CITY COUNCIL WORKSHOP

American Rescue Plan Act (ARPA)

September 22, 2022 at 5:00 PM in Council Chambers

REMOTE PARTICIPATION:

The City Council will conduct this meeting from Council Chambers, located on the second floor of City Hall. The public may attend the meeting in person, however space in Council Chambers is limited. The public is therefore strongly encouraged to participate remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the Agenda Center following the meeting.

Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/85254894516?pwd=bUQreTVmU3dHanNPZTZmN2ZTY2VDUT09
Passcode: 856172
Or One tap mobile :
US: +19292056099,,85254894516#,,,,*856172# or +13017158592,,85254894516#,,,,*856172#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 301 715 8592 or +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 719 359 4580 or +1 253 215 8782 or +1 346 248 7799 or +1 386 347 5053 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833
Webinar ID: 852 5489 4516
Passcode: 856172

AGENDA ITEMS:

Interim City Manager Danielle West, City Finance Director Brendan T. O'Connell and American Rescue Plan Program Coordinator Kaela Gonzalez will review the list of FINAL ARPA APPLICATIONS received. City staff will also discuss next steps for the funding and public input process, and alternative funding sources potentially available.

https://portland.civilspace.io/en/projects/american-rescue-plan-act

ADJOURNMENT:

1

Link to Final ARPA Applications:

https://drive.google.com/drive/folders/1fnvrsRTXDjgvlBJRrR8gd2K-JK3H-p0C

ARPA 2ND TRANCHE FINAL APPLICATIONS RECEIVED			
Organization	**Project Title**	**Final Amount Requested**	**Notes/Changes**
Sexual Assault Response Services of Southern Maine	Expanding Access to Sexual Violence Services	$340,000.00	Original amount requested in the pre-application was $337,574.00
Spurwink	Ashlea's Place: Housing First Mental Health Recovery Residence	$750,300.00	
Maine Medical Center - Preble Street Learning Collaborative	Connections Clinic - Psychiatry Outreach Program	$530,576.00	Significant increase in request amount. Orginial amount requested in the pre-application was $300,000
Maine Health	Portland Comprehensive Addiction Medicine Program (CAMP)	$1,000,000.00	
Portland Recovery Community Center	Recovery World Cafe	$125,233.00	
Portland Pilots - phase 2	Replace Lost revenue/Boat repairs	$600,000.00	
First Parish in Portland - Unitarian Universalist	First Parish Truth and Reconciliation History Project	$100,000.00	
Maine Language Connect	Increasing Economic Opportunity and EID for Immigrant Communities by Expanding Transportation Access	$152,369.00	
Palaver Strings Inc	Palaver Music Center and Palaver Strings	$50,000.00	
Greater Portland Community Land Trust	21 Randall Street Affordable Housing Project	$250,000.00	
Center for Regional Prosperity (non-profit arm GPCOG)	Transitional Housing Campus: 200 Housing Units + Community Space	$5,000,000.00	
Portland Housing Development Corporation	331 Cumberland Avenue	$900,000.00	
Portland Housing Development Corporation	Harbor Terrace	$750,000.00	
Hope Acts	Housing Navigation and Case Management support for New Asylum Seekers	$200,000.00	
Quality Housing Coalition	Growing Project HOME	$593,360.00	Original amount requested in the pre-application was $296,080.
Serenity Residential Care	Serenity Housing Project	$254,300.00	
Portland Downtown	Drinking Water Stations/Access	$250,000.00	
Rippleffect Inc	Rippleffect Outdoor Center	$150,000.00	Original amount requested in the pre-application was $100,000
Cumberland County Soil and Water Conservation District	Portland Soil Lead Testing Project	$233,880.91	Original amount requested in the pre-application was $210,441
Greater Portland Health - Portland Community Health Center	Riverside Homeless Health Center	$500,000.00	
Community Dental	Investment and Expansion in Portland Center to increase access to Oral Health Care	$490,491.00	Original amount requested in the pre-application was $1,000,000
Congress Square Redesign (COP Planning and Urban Development)	Congress Square Redesign	$1,400,000.00	
Island Transportation System	Environmentally Sustainable Taxi Service on Peaks Island	$69,177.00	
Boys & Girls Club of Southern Maine	BGCSM Safe Spaces	$750,000.00	
Greater Portland Immigrant Welcome Center	Women Lead: An Enterprise Institute	$619,000.00	
Portland Maine Symphony Orchestra	Pandemic Recovery for the Portland Symphony Orchestra	$200,000.00	

Portland Conservatory of Music	Music for the Future	$50,000.00	
Jewish Community Alliance of Southern Maine	Diaper Bank	$870,000.00	
Big Brothers Big Sisters of Southern Maine	Mentors for Children/Youth in Southern Maine	$64,300.00	
Opportunity Alliance	EDI Focused Improved Service Delivery	$50,000.00	
Opportunity Alliance	Housing Individuals & Families	$150,000.00	
Avesta Housing Development Corporation	Winchester Woods	$5,000,000.00	
Veritas Care of Maine	Veritas Housing Project	$133,780.00	
TOTAL		**$22,576,766.91**	

PRE-APPLICATIONS RECEIVED WHERE NO FULL APPLICATION WAS RECEIVED

Organization	Project Title	Final Amount Requested	Notes/Changes
Boundless Good Project	Family Advocacy Maine	$100,000.00	Communicated intention to not submit full application on 09/20/2022 via email
Ladder to the Moon Network	Our Future - Organizational Development	$55,000.00	
Portland Downtown	Public Restrooms	$1,000,000.00	Communicated intention not to submit a full-application on 09/06/2022 via email
TOTAL		**$1,155,000.00**	

THE AMERICAN RESCUE PLAN ACT

SECOND TRANCHE FUNDING APPLICATIONS RECEIVED AND NEXT STEPS UPDATE

Presentation for City Council Workshop - 9/22/2022

ARPA AVAILABLE FUNDING: SECOND TRANCHE SUMMARY ($11.2M AVAILABLE)

Second Tranche Snapshot:

$46,290,625	- Total Expected ARPA Funding
(8,750,000)	- Appropriated by City Council in May 2021 - revenue replacement in FY22 budget
(14,395,215)	- Appropriated by City Council in November 2021 - various community priorities
(1,650,000)	- Vaccination incentive and employee retention payments
(5,550,000)	- Revenue replacement to sustain municipal services - FY23 CM Rec budget
(2,029,190)	- Use of ARPA funding to fill revenue gap / address housing issues in FY23 budget
(2,750,000)	- Revenue replacement to sustain municipal services - FY24 amount per plan
$11,216,220	- Current unallocated funding expected to be available for Tranche 2 public process

PUBLIC OUTREACH SUMMARY - AMERICAN RESCUE PLAN ACT

- Public facing website and public comment portal has been released
  - http://portlandmaine.gov/arpa - Launched in Summer 2021
- Communication to residents via social media, City website, text alerts
- Public comment portal received strong participation - <u>nearly 4,000 participants</u> including second tranche survey.
- Community Health Improvement Survey - Over 400 participants
- Business community survey - Nearly 200 participants
- Hundreds of additional comments received via email, in person, and in public forums held by the City and others
- Dozens of meetings held with external organizations, individual City Departments, our elected officials and other local governmental organizations.

COMMUNITY PRIORITIES FROM PUBLIC COMMENT PORTAL

Additional public survey and priorities work conducted during September 2022 with more specific questions and eligible expenditure categories to help guide the decision making process on ARPA second tranche funding.

SECOND TRANCHE PRE-APPLICATION AND FULL APPLICATION PROCESS

- Pre-Application process a best practice to ensure ARPA eligibility (and in some jurisdictions to ensure alignment with community / governing body priorities). Pre-application deadline was August 19, 2022.

- Applicants in Portland with projects deemed eligible within the US Treasury ARPA requirements were invited to complete full applications

- Deadline for full applications was September 16th, 2022. Additional Q&A with applicants is ongoing. Full timeline of next steps is on next slide.

SECOND TRANCHE FUNDING TIMELINE

- August 19th, 2022 - ARPA Pre-Application Deadline
- September 16th, 2022 - ARPA Final Application Deadline
- September 22th, 2022 - City Council ARPA Second Tranche Workshop
- October 13th, 2022 (rescheduled from October 6, 2022) - Finance committee continued review of completed applications and Q&A with applicants
- October 20th, 2022 - Finance Committee public hearing and vote on second tranche funding recommendations
- November 7th, 2022 - City Council first read on funding recommendations
- November 21st, 2022 - City Council second read / vote and public hearing on funding recommendations

SUMMARY OF ARPA SECOND TRANCHE FINAL APPLICATIONS RECEIVED

- 35 requests received from external organizations totaling $22.5M in requested funding across 19 separate ARPA expenditure categories

- 15 requests received from internal City Departments totaling approximately $10.8M in funding across 10 separate ARPA expenditure categories.

- SECOND TRANCHE TOTALS: **50 requests, $33.3M in requests**

$11.2M of available funding

APPLICATIONS RECEIVED BY EXPENDITURE CATEGORY

Amounts Requested	by ARPA Expenditure Category
$337,574	1.11 - Public Health - Community Violence Interventions
$750,300	1.12 - Mental Health
$1,425,233	1.13 Substance Use Services
$600,000	1.8 - COVID Assistance to Small Businesses
$100,000	1.9 - COVID Assistance to Nonprofits
$152,369	2.10 - Assistance to Unemployed or Underemployed Workers
$100,000	2.13 Services to families involved in the child welfare system
$50,000	2.14 - Healthy Childhood Environments: Early Learning
$11,900,000	2.15 - Long-Term Housing Security: Affordable Housing
$646,080	2.18 - Housing Support: Other Housing Assistance
$254,300	2.2 - Household Assistance: Rent, Mortgage, and Utility Aid
$2,819,177	2.2 - Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
$210,441	2.20 - Social Determinants of Health: Lead Remediation
$1,500,000	2.21 - Medical Facilities for Disproportionately Impacted Communities
$750,000	2.25 Addressing Educational Disparities: Academic, Social, and Emotional Services
$619,000	2.30 - Negative Economic Impacts: Assistance to Small Businesses
$305,000	2.34: Assistance to Impacted non-Profit Organizations
$870,000	2.37 - Economic Impact Assistance: Other
$50,000	3.4 - Public Sector Capacity: Effective Service Delivery
$64,300	3.9 - Healthy Childhood Environments: Other (not an EC in the Final Rule, 3.9 is from Interim Rule)

EXPENDITURE CATEGORY 1: PUBLIC HEALTH (7 pre-applications, $3.4M of requests)

ARPA 2nd Tranche Full Applications Received

Organization	Project Title	Amount Requested	ARPA Expenditure Category
Sexual Assault Response Services of Southern Maine	Expanding Access to Sexual Violence Services	$340,000	1.11 - Public Health - Community Violence Interventions
Spurwink	Ashlea's Place: Housing First Mental Health Recovery Residence	$750,300	1.12 - Mental Health
Maine Medical Center - Preble Street Learning Collaborative	Connections Clinic - Psychiatry Outreach Program	$530,576.00	1.13 - Substance Use Services
Maine Health	Portland Comprehensive Addiction Medicine Program (CAMP)	$1,000,000	1.13 Substance Use Services
Portland Recovery Community Center	Recovery World Cafe	$125,233	1.13 Substance Use Services
Portland Pilots - phase 2	Replace Lost revenue/Boat repairs	$600,000	1.8 - COVID Assistance to Small Businesses
First Parish in Portland - Unitarian Universalist	First Parish Truth and Reconciliation History Project	$100,000	1.9 - COVID Assistance to Nonprofits

Note: Expenditure categories are based on applications received and have not yet been reviewed / corrected by City staff

EXPENDITURE CATEGORY 2: NEGATIVE ECONOMIC IMPACTS (24 pre-applications, $19.0M of requests - slide 1 of 3)

Maine Language Connect	Increasing Economic Opportunity and EID for Immigrant Communities by Expanding Transportation Access	$152,369	2.10 - Assistance to Unemployed or Underemployed Workers
Palaver Strings Inc	Palaver Music Center and Palaver Strings	$50,000	2.14 - Healthy Childhood Environments: Early Learning
Greater Portland Community Land Trust	21 Randall Street Affordable Housing Project	$250,000	2.15 - Long Term Housing Security - Affordable Housing
Center for Regional Prosperity (non-profit arm GPCOG)	Transitional Housing Campus: 200 Housing Units + Community Space	$5,000,000	2.15 - Long-Term Housing Security: Affordable Housing
Portland Housing Development Corporation	331 Cumberland Avenue	$900,000	2.15 - Long-Term Housing Security: Affordable Housing
Portland Housing Development Corporation	Harbor Terrace	$750,000	2.15 - Long-Term Housing Security: Affordable Housing
Avesta Housing Development Corporation	Winchester Woods	$5,000,000	2.15 - Long Term Housing Security - Affordable Housing

Note: Expenditure categories are based on initial applications received and have not yet been reviewed / corrected by City staff

EXPENDITURE CATEGORY 2: NEGATIVE ECONOMIC IMPACTS (24 pre-applications, $19.0M of requests - slide 2 of 3)

Hope Acts	Housing Navigation and Case Management support for New Asylum Seekers	$200,000	2.18 - Housing Support - Other Housing Assistance
Quality Housing Coalition	Growing Project HOME	$593,360	2.18 - Housing Support: Other Housing Assistance
Opportunity Alliance	Housing Individuals & Families	$150,000	2.18 - Housing Support - Other Housing Assistance
Serenity Residential Care	Serenity Housing Project	$254,300	2.2 - Household Assistance: Rent, Mortgage, and Utility Aid
Portland Downtown	Drinking Water Stations/Access	$250,000	2.2 - Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
Rippleffect Inc	Rippleffect Outdoor Center	$150,000	2.2 - Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
Veritas Care of Maine	Veritas Housing Project	$133,780	2.2 Household assistance: Rent, mortgage and utility aid
Cumberland County Soil and Water Conservation District	Portland Soil Lead Testing Project	$233,881	2.20 - Social Determinants of Health: Lead Remediation
Greater Portland Health - Portland Community Health Center	Riverside Homeless Health Center	$500,000	2.21 - Medical Facilities for disproportionately Impacted Communities

Note: Expenditure categories are based on initial applications received and have not yet been reviewed / corrected by City staff

EXPENDITURE CATEGORY 2: NEGATIVE ECONOMIC IMPACTS (24 pre-applications, $19.0M of requests - slide 3 of 3)

Community Dental	Investment and Expansion in Portland Center to increase access to Oral Health Care	$490,491	2.21 - Medical Facilities for Disproportionately Impacted Communities
Friends of Congress Square	Congress Square Redesign	$1,400,000	2.22 - Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
Island Transportation System	Environmentally Sustainable Taxi Service on Peaks Island	$69,177	2.22 - Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
Boys & Girls Club of Southern Maine	BGCSM Safe Spaces	$750,000	2.25 Addressing Educational Disparities: Academic, Social, and Emotional Services
Greater Portland Immigrant Welcome Center	Women Lead: An Enterprise Institute	$619,000	2.30 - Negative Economic Impacts: Assistance to Small Businesses; Technical Assistance, Counseling, or Business Planning
Portland Maine Symphony Orchestra	Pandemic Recovery for the Portland Symphony Orchestra	$200,000	2.34 - Assistance to Impacted Nonprofit Organization
Portland Conservatory of Music	Music for the Future	$50,000	2.34: Assistance to Impacted non-Profit Organizations
Jewish Community Alliance of Southern Maine	Diaper Bank	$870,000	2.37 - Economic Impact Assistance: Other

Note: Expenditure categories are based on initial applications received and have not yet been reviewed / corrected by City staff

EXPENDITURE CATEGORY 3: Public Health - Negative Economic Impact: Public Sector Capacity (2 pre-apps, $114k of requests)

Big Brothers Big Sisters of Southern Maine	Mentors for Children/Youth in Southern Maine	$64,300	3.9 - Healthy Childhood Environments: Other (not an EC in the Final Rule, 3.9 is from Interim Rule)
Opportunity Alliance	EDI Focused Improved Service Delivery	$50,000	3.4 - Public Sector Capacity: Effective Service Delivery

Note: Expenditure categories are based on initial pre-applications received and have not yet been reviewed / corrected by City staff

ARPA SECOND TRANCHE FUNDING PROCESS: NEXT STEPS

- October 13th, 2022 - Finance Committee meeting - APRA funding recommendations presented to committee
- October 20th, 2022 - Finance Committee public hearing and vote on second tranche funding recommendations
- November 7th, 2022 - City Council first read on funding recommendations
- November 21st, 2022 - City Council second read / vote and public hearing on funding recommendations

LINKS TO KEY ARPA AND SLFRF DOCUMENTS AND RESOURCES

Document Title (# of pages)	Description	Link
American Rescue Plan Act of 2021 State and Local Fiscal Recovery Funds website	The general landing page for the ARPA State and Local Fiscal Recovery Funds	https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds
Full Text - American Rescue Plan Act of 2021 (242 pages)	Full text of the American Rescue Plan Act (State and Local Fiscal Recovery Funds section is on pages 220 - 233).	https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319enr.pdf
Treasury Final Rule - State and Local Fiscal Recovery Funds (437 pages)	The US Department of Treasury''s final guidance containing most updated details on SLFRF and eligible categories of expenses.	https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf
State and Local Fiscal Recovery Funds - Frequently Asked Questions As of January 2022	Complete list of frequently asked questions and responses from the US Treasury on implementation. Excellent source of more detailed information, updated frequently.	https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf
State and Local Fiscal Recovery Funds Compliance and Reporting Guidance (51 pages)	Contains detailed information on the reporting requirements for entities which receive funding (including subrecipients).	https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf

LINKS TO CITY OF PORTLAND ARPA DOCUMENTS, PRESENTATIONS, REQUESTS

Document Title (# of pages)	**Description**	**Link**
City of Portland - ARPA Website	The City's website for all ARPA updates.	https://portland.civilspace.io/en/projects/american-rescue-plan-act (http://portlandmaine.gov/arpa links directly to the website above)
American Rescue Plan First Tranche Funding Recommendations Summary	Complete PDF of ARPA First Tranche funding recommendations and amounts including complete original backup materials.	https://docs.google.com/document/d/1IUAqg7aN0vbKAku83SMvkwaDyXBPjmNal0YrJ_-cQvc/edit

LINKS TO CUMBERLAND COUNTY ARPA DOCUMENTS, PRESENTATIONS, REQUESTS

Document Title (# of pages)	Description	Link
Cumberland County ARPA website Maine Cumberland County	The County's website for all ARPA updates. The County closed their first round of competitive applications for $11M of their $57M+ in ARPA funds on January 20, 2022. Although no application process is currently available for the County's second round of ARPA funding future opportunities may be available from the County later in 2022.	https://www.cumberlandcounty.org/765/Public-Application-for-ARPA-Funds

THE AMERICAN RESCUE PLAN ACT

QUESTIONS AND ANSWERS

City of Portland | Housing and Economic Development Department
Mary P. Davis, Interim Director

TO:	**Councilor Ali, Chair** **Members of the Housing and Economic Development Committee**
FROM:	**Mary P. Davis, Interim Director** **Housing and Economic Development Department**
DATE:	**September 16, 2022**
SUBJECT:	**Update on 2022 Affordable Housing Development Program**

Overview – Available Funding and Requests for Funding

At the May 3rd Housing and Economic Development Committee meeting, staff reviewed the Affordable Housing Development and Tax Increment Financing (TIF) funding requests (See 4/29/2022 memo attached). A total of $2,670,990 was made available through the application. An additional $1,000,000 was available through an allocation from the first tranche of City ARPA funding (see 2022 Affordable Housing Development Funding Requests Balance Sheet attached).

Five applications were received with a total funding request of $3,398,000. In addition, one request was received for a Credit Enhancement Agreement through the Affordable Housing Tax Increment Financing Program and one request for additional funding from a previously funded project.

Total Available Funding $3,670,990

New Funding Requests $3,398,000

45 Douglass Street (Dougherty Court) (Co-Op)	$769,500
Lambert Woods (Co-Op)	$1,228,500
95 Front Street (Phase 3) (PHA-Homeownership)	$400,000
2 Riverton Drive (PHA)	$600,000
21 Randall Street (Community Land Trust)	$400,000

Additional Funding Request ($255,800)

83 Middle Street – currently under construction	$255,800 (approved by Council on 9/1)

ARPA Funding Requests (2nd Tranche) $11,900,000 (See back-up from 8.24.2022 Finance Committee attached)

Avesta Winchester Woods	$5,000,000
Greater Portland Community Land Trust	$250,000
GPCOG Center for Regional Prosperity	$5,000,000
331 Cumberland Ave (PHA)	$900,000
Harbor Terrace (PHA)	$750,000

Affordable Housing TIF
45 Dougherty (scheduled for 1st read at the 10/3 City Council Meeting)

Affordable Housing Development and TIF Funding Allocation Process

Jill C. Duson Housing Trust Fund (JCD HTF): Housing Trust Fund revenue is generated from fees triggered by the Housing Preservation and Replacement Ordinance, a portion of the revenue from the Short-Term Rental Registration Program, fee-in-lieu contributions from the Inclusionary Zoning Ordinance (including hotel inclusionary zoning fees), and other funding resources allocated by the City Council. As of September 6, 2022, the current unencumbered balance in the JCD HTF is $2,708,194.29. When the 2022 Jill C. Duson Housing Trust Fund Annual Plan was adopted, the encumbered balance in the fund was $2,672,194. The City Council voted to approve the annual plan (Order 179-21/22) and appropriated the use of $2,172,194 in the Affordable Housing Development Application. The appropriation included a provision to maintain a $500,000 balance in order to have resources to act quickly if there is an emergency need.

HOME Program: The Housing Program budget approved by the City Council on April 25, 2022, included $498,796 in HOME funding for the Affordable Housing Development Program.

Initial Challenges with the Use of ARPA Funding for Housing Development: Treasury's Final Rule for the use of State and Local Fiscal Recovery Funds for affordable housing initially created some complications which impacted the City's ability to use ARPA funding with projects financed through Low Income Housing Tax Credit Program (LIHTC). The plan approved by the City Council, allocated $1 million from the first tranche of ARPA funding to maximize the City's ability to leverage Housing Trust Fund resources. There were six projects with JCD HTF commitments, five of which were LIHTC projects. The City joined state and local governmental agencies in lobbying for changes to the Final Rule, which were announced on July 27, 2022. The Final Rule changes will allow the City to use ARPA funding in projects that are also receiving LIHTC and clarified income eligibility requirements.

The Council may consider additional funding for the JCD HTF when allocating funding from the second tranche of ARPA monies.

Underwriting: Before a funding request is brought forward to the Housing and Economic Development Committee for a recommendation to the City Council, staff undertakes an underwriting process to evaluate the financial need for each project. This underwriting process is a requirement of the HOME Program and the Housing and Community Development Division implemented the process as a best practice for our programs over six years ago. In addition, the City's Tax Increment Financing Policy requires that all applicants for Credit Enhancement Agreements must demonstrate that the City's participation is financially necessary in order for the project to proceed and that the applicant has the financial capacity to support the project.

The City has a contract with a consultant who performs the underwriting on all funding requests. The consultant, Anne Boynton of Urban Ventures, has three decades of underwriting and development consulting experience and has been working with the Housing and Community Development Division since 2016. Depending on the thoroughness and completeness of a developer's application, the underwriting process can take, on average, about 18-20 hours per project. Staff time to review, evaluate and work with the underwriter is not included in that average.

Next Steps:

On Thursday, September 22^{nd}, the City Council will hold a workshop at 5:00 pm and the Finance Committee will hold a meeting at 6:00 pm to discuss ARPA requests. The above information will be presented at those meetings. Staff is seeking direction from the City Council on how to prioritize investment of city resources. $15,553,800 would be needed to fully fund all of the requests noted above. As noted above, the City Council may consider additional funding for the JCD HTF when allocating funding from the second tranche of ARPA monies.

Attachments:
Staff Memo dated April 29, 2022, Affordable Housing and TIF Development Funding Requests
2022 Affordable Housing Development Funding Requests Balance Sheet
Housing Projects submitted in Second Tranche ARPA Pre-Application
Avesta Winchester Woods Proposal

CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Ali, Chair
Members of the Housing and Economic Development Committee
FROM: Victoria Volent, Housing Program Manager
Housing and Community Development Division
DATE: April 29, 2022
SUBJECT: Affordable Housing and TIF Development Funding Requests

Introduction

On March 5, 2022, the *Affordable Housing Development and Tax Increment Financing Application* was released with a due date of April 4. In response to the request, five funding requests were received. This memo introduces those requests. A second memo which will include the financial analysis, will be provided to the Committee during their May 17 meeting.

Affordable Housing Development and Tax Increment Financing (AHTIF) requests were received for review for the benefit of:

- 45 Dougherty Street
- 43 Douglass Street (Dougherty Court)
- Lambert Woods South
- 95 Front Street (Front Street Phase 3)
- Riverton Park

45 Dougherty Street

The Szanton Company is requesting an Affordable Housing TIF (75% for 30 years) to construct a five story elevator-assisted building with 63 rental units for low income households on the city-owned property known as 43 & 91 Douglass Street (i.e. the location of the former West School). The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site along with Maine Cooperative Development Partners.

The building would be comprised of 35 one-bedroom, 18 two-bedroom, and 10 three-bedroom apartments. Of the 63 units, 46 would be reserved for households earning at or below 60% AMI (i.e. $59,940 for a family of four) while the remaining 17 units would be leased at market rate. The property would feature an on-site property manager, resident services coordinator, fitness room, and community room. After completion, the project would be managed by Saco Falls Management. The building would meet or exceed Portland’s Green Building Ordinance. The project would be named 45 Dougherty.

According to the developer's application:

This project will address the needs of households facing surging rents and a critical shortage of affordable housing in Portland. With the increased demand placed on residential real estate brought on by the work-from-home trend during the COVID-19 Pandemic, prices have soared. Those who have relocated to Maine from more expensive regions of the country have also placed an increasing demand on housing in our area, pushing up prices and increasing demand for workforce housing.

43 Douglass Street (Dougherty Court)

Maine Cooperative Development Partners is requesting an Affordable Housing TIF (75% for 30 years), and $769,500 from the Housing Trust Fund to construct; a three-story row house containing 12 units; three townhouses, the first of which would contain 6 units, the second and third buildings would contain 4 units each for a total of 8 units; three courtyard flats made up of 2 three-story buildings containing a total of 20 units; and a third three-story building containing 11 units on the city-owned property know as 43 & 91 Douglass Street (i.e. the location of the former West School). The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site along with the Szanton Company.

The 57 unit site would be comprised of 1 efficiency unit, 18 one-bedroom, 15 two-bedroom, and 23 three-bedroom cooperative units. Of the 57 units, 16 would be reserved for households earning at or below 80% AMI (i.e. $89,350 for a family of four), and 41 units at 100% AMI (i.e. $111,700 for a family of four). The Green New Deal requires all developments of ten or more units to provide at least 25% of the dwelling units for sale or rent at 80% AMI. Twenty-five percent of 57 units equals 15 units (as already noted, the applicant would provide 16 units at 80% AMI). All units would have in-home washer and dryers, and either a balcony or private patio. Two courtyard flat buildings would have social lobbies with tea station and function rooms that can be programmed by the cooperative to be a toddler playroom, a gym, a meeting space or dinner party room, or a music or movie room. The housing would be governed by the Cooperative's Board made up of residents, and professionally managed through a contract with Portland Housing Authority. Areas of the property shared with the Szanton Company would be managed collaboratively. Buildings would be constructed to achieve LEED Sliver certification as well as the Better Roof Requirements. Each structure would have a super-insulated building envelope, which would use triple-glazed windows and doors and utilize a fossil fuel-free, efficient mechanical system in order to exceed required energy standards. The project would be named 45 Dougherty.

According to the developer's application:

Dougherty Court is a workforce housing development that has been thoughtfully designed to incorporate walkability, transit, energy- efficient buildings, indoor and outdoor community spaces, safe space for children to play, access to nature, and has incentives for people to stay and invest in the neighborhood long term. We are utilizing the Limited Equity Cooperative form of ownership to ensure permanent affordability, inclusivity, neighborhood stability, and community capacity building. The 80% AMI homes will be priced to accommodate Housing Choice voucher holders, increasing the width of economic *diversity. The Dougherty Court Site is served by the #9, #4, and #5 metro buses, some of the most frequent bus lines in Portland. The #9 serves all the high school students in the city and all major hospitals, and many employers.*

The proposed development supports all the goals of the One Portland vision by creating a more equitable, universally designed mix of homes than just single family homes. The diversity of housing combines with the preservation of more natural space to ensure that a broad range of households have equitable access to the city's natural spaces.

Lambert Woods South

Maine Cooperative Development Partners is requesting an Affordable Housing TIF (75% for 30 years), and $1,228,500 from the Housing Trust Fund to construct; two three-story row houses containing a total of 20 units; two two-story townhouses each containing four units for a total of 8 units; and six three-story condominium flats with 10 to 11 units per building for a total of 63 units. Altogether a total of 91 units are proposed on the city-owned property know as 165 Lambert Street. The developer has signed a Purchase and Sale Agreement with the City of Portland to acquire the site.

The 91 unit site would be comprised of 3 efficiency unit, 34 one-bedroom, 30 two-bedroom, and 24 three-bedroom apartments. Of the 91 units, 23 would be reserved for households earning at or below 80% AMI (i.e. $89,350 for a family of four), and 68 units at 100% AMI (i.e. $111,700 for a family of four). The Green New Deal requires all developments of ten or more units to provide at least 25% of the dwelling units for sale or rent at 80% AMI. Twenty-five percent of 91 units equals 23 units (as already noted, the applicant would provide 23 units at 80% AMI). All units would have in-home washer and dryers, and either a balcony or private patio. Three condominium flat buildings would have social lobbies with tea station and function rooms that can be programmed by the cooperative to be a toddler playroom, a gym, a meeting space or dinner party room, or a music or movie room. There are community gardens, central greens, shared outdoor grilling and eating areas, and storage for bikes, kayaks, and strollers. The housing will be governed by the Cooperative's Board made up of residents, and professionally managed through a contract with Portland Housing Authority. Buildings would be constructed to achieve LEED Sliver certification as well as the Better Roof Requirements. Each structure would be have a super-insulated building envelope, which would use triple-glazed windows and doors and utilize a fossil fuel-free, efficient mechanical system in order to exceed required energy standards.

According to the developer's application:

The Lambert Woods South will bridge between the current uses of single family homes, large townhome PRUD developments, light industrial, office, and commercial use, highway, and forest. We will be improving the walkability throughout the neighborhood by providing sidewalks along Washington Avenue Extension, and trail connections throughout the wooded areas. Our project will include easements for Portland Trails to connect to the surrounding trails network. The Lambert Woods South Site is served by the #9 metro bus, one of the most frequent bus lines in Portland, and that serves all the high school students in the city and all major hospitals, and many employers.

Lambert Woods South is a workforce housing development that has been thoughtfully designed to incorporate walkability, transit, energy- efficient buildings, indoor and outdoor community spaces, safe space for children to play, access to nature, and has incentives for people to stay and invest in the neighborhood long term. We are utilizing the Limited Equity Cooperative form of ownership to ensure permanent affordability, inclusivity, neighborhood stability, and community capacity building. The 80% AMI homes will be priced to accommodate Housing Choice voucher holders, increasing the width of economic diversity. The proposed development supports all the goals of the One Portland vision by creating a more equitable, universally designed mix of homes than just single family homes. The diversity of housing combines with the preservation of more natural space to ensure that a broad range of households have equitable access to the city's natural spaces.

95 Front Street Phase 3

Portland Housing Development Corporation is requesting an Affordable Housing TIF (75% for 30 years), and $400,000 from the Housing Trust Fund to construct 8 condominium units within two buildings.

The 8 unit site would be comprised of 4 two-bedroom, 2 three-bedroom, and 2 four apartments. Of the 8 condominium units, 6 would be reserved for households earning at or below 120% AMI (i.e. $134,050 for a family of four), and 2 would be at market rate. 95 Front Street is not required to meet the standards of the Green New Deal as the project was approved prior to the Ordinance changes. Additionally, per the Planning Board's Inclusionary Zoning conditions of approval for Front Street, the master plan indicates Phase III is the location of the Inclusionary Zoning units *if* the developer fails to meet and maintain the affordability restrictions outlined in the subdivision application for Phases I and II. As long as Phase I and Phase II maintains their affordability restrictions at the time Phase III is completed, Phase III is not required to be the location of inclusionary zoning units.

According to the developer's application:

Portland currently has a large need for homes across all spectrums. This development targets middle income families currently getting priced out or unable to purchase a home due to limited supply and overwhelming competition. A recent Portland Condo Report released by Vitalius Real Estate Group stated that last year the median number of days on the market for condominiums was 10 days, and the average price for existing condos was $408 per square foot and average for new construction was $546 per square foot. Off-peninsula the average sales price was $378,900, which is 16% higher than the proposed sales price for 6 of the 8 condos in the Front Street Phase 3 development. There are several condominium developments just completed or under construction. None are townhouse style. The lowest price per square foot range of all the new construction condominiums range from $325 – $458 and the upper range extends from $526 - $1,346. The proposed sales prices of Front Street Phase 3 are set to be affordable and will provide good short-term and long-term economic diversity to a neighborhood in such an amenity rich location.

Riverton Park Redevelopment & Renovation

Portland Housing Development Corporation is requesting an Affordable Housing TIF (50% for 30 years), and $600,000 to construct one four-story building containing 59 units and the rehabilitation of 123 units. This project is seeking a 9% Low Income Housing Tax Credit and tax-exempt debt with Maine Housing.

The 182 unit site would be comprised of 8 efficiency unit, 13 one-bedroom, 38 two-bedroom, 71 three-bedroom, 26 four-bedroom, 20 five-bedroom and 6 six-bedroom apartments. Of the 182 units, 141 would be reserved for households earning at or below 50% AMI (i.e. $55,850 for a family of four), 24 units at or below 60% AMI (i.e. $59,940 for a family of four), and 17 market rate units. Following rehabilitation, the existing townhome units will be in like-new condition: all units will enjoy new finishes and fixtures; mechanical systems will be upgraded; high-performing water- and energy-efficient equipment will be installed; the siding will be replaced with integrated insulation; and landscaping will improve property aesthetics and marketability. The design, construction and rehabilitation of the Riverton Park project will be in accordance with the City's Green Building Ordinance.

According to the developer's application:

High occupancy rates and long waitlists indicate significant pent-up demand for rental housing in Portland. Portland Housing's whole portfolio of over 900 rental units has a current occupancy rate of over 98%, and is often 99%. Our waitlist for rental apartments is ±1,500 households. This is especially true for Very Low Income (VLI) and Extremely Low Income (ELI) households.

PHA also manages the local Section 8 program of ±2,100 vouchers. There are currently thousands of households on our voucher waitlist. After applying, it typically takes 8 years on average before a household will be assigned a voucher. Moreover, many voucher-holders experience significant difficulty locating an available dwelling unit because of Portland's tight, competitive and expensive rental market. Riverton Park would have 141 Project Based Vouchers guaranteeing that these households continue to pay no more than 30% of their income towards housing costs. Riverton Park is next to a bus route (METRO route 2), thereby promoting smart growth and transit-oriented development.

Attachments:

45 Dougherty: Project Summary
43 Douglass Street (Dougherty Court): Project Summary
Lambert Woods South
95 Front Street Phase 3
Riverton Park Redevelopment & Renovation

2022 AFFORDABLE HOUSING DEVELOPMENT FUNDING REQUESTS BALANCE SHEET

Available Funding		
HOME Funds Available (5-13-22)	$	498,796
Housing Trust Funds Available ($2,672,194 - $500,000 = $2,172,194)	$	2,172,194
1st Tranche ARPA Funds	$	1,000,000
TOTAL AVAILABLE FUNDING	**$**	**3,670,990**
NEW Funding Requests		
43 Douglass Street (Dougherty Court) (Co-Op)	$	769,500
Lambert Woods (Co-Op)	$	1,228,500
95 Front Street (Phase 3) (PHA -Homeownership)	$	400,000
2 Riverton Drive (PHA)	$	600,000
21 Randall Street (Comm Land Trust)	$	400,000
	$	**3,398,000**
Funding Gap Requests		
83 Middle Street - HEDC approved; Council Approved 9/1	$	255,800
	$	**255,800**
ARPA Funding Requests (2nd Tranche)		
Avesta Winchester Woods	$	5,000,000
Greater Portland Community Land Trust	$	250,000
GPCOG Center for Regional Prosperity	$	5,000,000
331 Cumberland Ave (PHA)	$	900,000
Harbor Terrace (PHA)	$	750,000
	$	**11,900,000**
TOTAL FUNDING REQUESTS	**$**	**15,553,800**
TOTAL AVAILABLE FUNDING - TOTAL FUNDING REQUESTS	**$**	**(11,882,810)**

Project Name	Previous Council Appropriation	Approved by Planning Board	Type	AHTIF requested	2022 Affordable Housing Development Funding Request	ARPA Subsidy Request	Previous Subsidy Allocation	Subsidy per unit
43 Douglass Co-op *		5/24/2022	Co-op	yes	$ 769,500	n/a	No	$ 13,500
Lambert Woods South *			Co-op	yes	$ 1,228,500	n/a	No	$ 13,500
95 Front Street (Phase III)		7/23/2019	Condo	yes	$ 400,000	n/a	No	$ 50,000
2 Riverton Drive			Rental	yes	$ 600,000	n/a	No	$ 3,297
21 Randall Street **			Condo	no	$ 400,000	see below	No	$ 25,000
Winchester Woods (under construction)		10/12/2021	Rental	no	n/a	$ 5,000,000	No	$ 104,167
GPCLT (fbo 21 Randall Street) **			Condo	no	see above	$ 250,000	No	$ 15,625
GPCOG Center for Regional Prosperity			Rental	no	n/a	$ 5,000,000	No	$ 25,000
331 Cumberland Ave	8/13/2020	9/15/2020	Rental	approved	n/a	$ 900,000	HTF/CDBG/AHTIF ***	$ 15,000
Harbor Terrace (284 Danforth)(rehab)			Rental	no	n/a	$ 750,000	No	$ 6,250
Total					$ 3,398,000	$ 11,900,000		

* downpayment requirement yet to be determined

** If 21 Randall is approved for the $400,000 subsidy and $250,000 ARPA, then the subsidy per unit would be $40,625; # of units is not double counted in the column totals

*** HTF = $500,000; CDBG = $220,000 if additional ARPA funding is approved for 331 Cumberland Ave, then the subsidy per unit would be $27,000.

Project Name	# units	# of Units Rental	# of Units Owner	# of condo units	Total # of Affordable units	# of Affordable Units (RENTAL)	Workforce Affordable (100%AMI)	Low Income Affordable (up to 80%AMI)	# of Affordable Units (OWNER)	Workforce Affordable (up to 120% AMI)	Low Income Affordable (up to 80% AMI)	Market Rate Units	# of Market Rate Units (RENTAL)	# of Market Rate Units (OWNER)
43 Douglass Co-op *	57	0	57	0	57	0	0	0	57	41	16	0	0	0
Lambert Woods South *	91	91	0	0	91	91	68	23	0	0	0	0	0	0
95 Front Street (Phase III)	8	0	8	8	6	0	0	0	6	6	0	2	0	2
2 Riverton Drive	182	182	0	0	165	165	0	165	0	0	0	0	0	0
21 Randall Street **	16	0	16	16	16	0	0	0	16	8	8	0	0	0
Winchester Woods (under construction)	48	48	0	0	12	12	0	12	0	0	0	36	36	0
GPCLT (fbo 21 Randall Street) **	16	0	16	16	16	0	0	0	16	8	8	0	0	0
GPCOG Center for Regional Prosperity	200	200	0	0	200	200	0	200	0	0	0	0	0	0
331 Cumberland Ave	60	60	0	0	48	48	0	48	0	0	0	12	0	0
Harbor Terrace (284 Danforth)(rehab)	120	120	0	0	120	120	0	120	0	0	0	0	0	0
Total	782	701	81	24	715	636	68	568	79	55	24	50	36	2

Project Name	120%	110%	100%	80%	60%	50%	Eff	1	2	3	4	5	6
43 Douglass Co-op *	0	0	41	16	0	0	1	18	15	23	0	0	0
Lambert Woods South *	0	0	68	23	0	0	3	34	30	24	0	0	0
95 Front Street (Phase III)	6	0	0	0	0	0	0	0	6	2	0	0	0
2 Riverton Drive	0	0	0	0	24	141	8	13	38	71	26	6	20
21 Randall Street **	0	8	4	4	0	0	0	8	5	3	0	0	0
Winchester Woods (under construction)	0	0	0	12	0	0	0	24	24	0	0	0	0
GPCLT (fbo 21 Randall Street) **	0	8	4	4	0	0	0	8	5	3	0	0	0
GPCOG Center for Regional Prosperity	0	0	0	0	X	X	?	?	X	X	X	?	
331 Cumberland Ave	0	0	0	0	12	36	20	15	15	10	0	0	0
Harbor Terrace (284 Danforth)(rehab)	0	0	0	0	120	0	27	88	5	0	0	0	0
Total	6	8	72	55	156	177	59	200	138	133	26	6	20