

City of Portland, Maine
Remote Finance Committee Meeting
Thursday, October 20, 2022
5:00 PM, Remote via ZOOM

AGENDA

PUBLIC COMMENT INFORMATION

To submit written public comment on an agenda item, email finance@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Finance Committee meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

ZOOM MEETING INFORMATION

This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland City Council and as authorized under 1 M.R.S. 403-B because of the existence of an emergency or urgent issue that requires the committee to meet by remote methods. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the Agenda Center following the meeting. For agenda items where public comment is scheduled, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/81923523037?pwd=OXV4M2ptN0c0MytKK3ZTMlV3MURGZz09>

Passcode: 368870

Or One tap mobile :

US: +16469313860,,81923523037#,,, *368870# or
+19292056099,,81923523037#,,, *368870#

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Webinar ID: 819 2352 3037

Passcode: 368870

International numbers available: <https://portlandmaine-gov.zoom.us/j/kbrGyjFvQy>

1. Introductions

2. ARPA Second Tranche Funding Recommendations (Public Hearing and Vote)

The Committee will hold a public hearing and have scheduled a vote on the American Rescue Plan Act second tranche funding recommendations made in alignment with public and City Council priorities. Outstanding questions from Finance Committee members will be answered. ARPA second tranche applicants will be invited to attend the meeting. If approved, the ARPA second tranche funding recommendations would receive their first read at the City Council meeting on Monday, November 14th and would have a second reading and vote at the Monday, November 21st City Council meeting.

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

See attachments for detailed information on applications received.

3. Adjournment

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. Original 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 - nearly 4,000 participants 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

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

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

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/1lUAqg7aN0vbKAku83SMvkwDyXBPjmNaI0YrJ_-cQvc/edit

LINKS TO CUMBERLAND COUNTY ARPA DOCUMENTS, PRESENTATIONS, REQUESTS

Document Title (# of pages)	Description	Link
Cumberland County ARPA website 	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



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)
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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. Dusen 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. Dusen 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 22nd, 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 $\pm 1,500$ 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 $\pm 2,100$ 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

City Staff Submissions/ARPA Funding Suggestions					
Project Title	Description	Cost Estimate	ARPA Eligible	Any Other Funding	Expenditure Category
Municipal Workforce Retention	A portion of the remaining ARPA funds to be used for compensation for City staff based on a tiered system related to impacts from COVID. This is in alignment with many programs from surrounding communities which are referenced on a weekly basis by remaining City staff (275+ vacancies and rising)	\$2,400,000	Yes	No - FY23 budget already approved	4: Premium Pay (4.1 Public Sector Employees)
Parks, Rec and Facilities					
Small bucket truck (similar to traffic bucket trucks)	Small bucket truck to work in dense urban neighborhoods for maintenance of ARPA-funded trees planted in low income areas. Web clipping for pest control, small tree maintenance for Bayside and Downtown where existing equipment is difficult to	\$150,000	Yes (but better suited for CIP)	CIP	2.22 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^
Bayside--Parkside Tree Planting Blitz Phase II	Additional tree planting in Bayside and Parkside as identified Project Canopy needs assesment.	\$250,000	Yes (but better suited for CIP)	CIP	2.22 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^
Stone Street Playground	Priority playground replacement in Bayside neighborhood (low-income area)	\$350,000	Yes (but better suited for CIP)	CIP, Impact Fees	2.22 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^
IT					
Digitize customer interactions	PID will have new functionality to build out in the new version of Energov which will allow for digital interactions with the public (less onsite work). For the sake of equity data collection/ reporting, Eco Devo was formerly very interested in web forms like this	\$40,000	Within existing Revenue Replacement		3.4 Public Sector Capacity: Effective Service Delivery
Build cyber-secure city government	100 computers in use across the city cannot be centrally managed by IT in order to secure their operating systems from well-known vulnerabilities. We need to modernize these in order to exercise reasonable security controls over them nor can we ensure effective performance management (computing efficiency)	\$95,000	Within existing Revenue Replacement allocations only		3.4 Public Sector Capacity: Effective Service Delivery
Facilities					
Expo HVAC	Request #2 - To complete this project an additional 750K is being requested for a total of 1.25M. An engineers report was not available for the first submission. With equipment pricing and installation cost applied to a potential design provided the project cost of 1.25M. The project will include energy savings, reduction in #2 oil use, heat recovery systems, energy management control, and proper ventliation accommodating the MERV13 filitration system being advised to use for COVID. With the upgrades as proposed the EXPO would be the only proper cooling center for 750 guests statewide	\$750,000	Yes	CIP	1.4 Public Health - Mitigation/Prevention
Fire Department					
Hazard / Bonus Pay	Requesting bonuses for firefighters & EMS workers that have been on the frontlines since the beginning of the pandemic. Public Safety was one of a few departments that did not have the option of working remotely or taking time off. They dealt directly with sick patients, transporting, disenfecting and wearing multiple layers of PPE. Several metro area fire departments allocated bonuses from the first traunche for their staff and I am now advocating for mine.	\$500,000	Yes	This can also be addressed via the Interim City Manager request above	3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers

Regional Training Facility	A regional training facility is being built in the City of Westbrook. I've had discussions with the Chief of Westbrook about a regional approach that would be beneficial to the City of Portland. The Portland Fire Department is by far the largest in the state and we have never had our own training facility. Training is critical and paramount for our job and we find ourselves having to ask other communities to borrow their training facilities for our fire academies. Land is also difficult to find for such a large facility without impacting our community and Westbrook has aquired land near the school and arts center. If awarded the money we would engage as a major partner in this beneficial regional opportunity for both Cities.	\$1,000,000	No	CIP	3.3 Public Sector Workforce: Other 3.4 Public Sector Workforce: Effective Service Delivery 3.5 Public Sector Workforce: Administrative
Personal Protective Equipment (PPE)	Requesting Personal Protective Equipment for EMS calls to keep up with on-going pandemic and any future outbreaks or new pandemics. (I.e. Monkeypox, new strains of Covid, etc.)	\$150,000	Yes	operating budget, other COVID19 relief programs	3.3 Public Sector Workforce: Other 3.4 Public Sector Workforce: Effective Service Delivery 3.5 Public Sector Workforce: Administrative
Parking					
Hazard / Bonus Pay	Most of the Parking Division staff were deemed essential, but they were not paid premium pay, as did the Barron Center and Police. Obtain a grant to compensate employees who worked throughout the pandemic, but did not receive premium pay.	\$60,000	Yes	This can also be addressed via the Interim City Manager	4.1 Public Sector Employees Premium Pay
Radio Upgrades	Upgrade existing Motorola emergency communications radios being phased out to Motorola APEX900s	\$45,000	Yes	CIP	7.1 Administrative ?
Sustainability Office / Exec Dept					
Electrify Everything!	Match Efficiency Maine rebates provided to Portland homeowners for their installation of electric and energy efficient equipment. The City of Auburn has successfully demonstrated this approach using ARPA funds and has assisted almost 200 homeowners so far. With costs for natural gas and oil rising, helping residents use energy more efficiently will help their household finances while reducing CO2 emissions	\$400,000	Within existing Revenue Replacement allocations only	Operating budget, previously allocated revenue replacement funding	2.18 Housing Support: Other Housing Assistance 2.37 Economic Impact Assistance: Other*^
Portland Regional Communication Center					

Communication System	Required updates and upgrades to Portland Regional Communications Center system - total cost of \$2.3M will be spread over is over 6 fiscal years. The current City Manager recommended funding for this project is not the full \$2.3M but is \$275,000 to cover the Year 1 costs (which have not been budgeted elsewhere but could be covered via savings). In 2016, Motorola Solutions, Inc. provided a radio communication system update across the cities of Portland, South Portland, and the Town of Cape Elizabeth. This service is vital for communication and dispatch for not only Police, Fire and EMS operations, but also a multitude of other departments, including Public Works, Jetport, Schools, Parking, and Trades and has been critical to the City's pandemic response. The extant maintenance agreement expires at the end of October 2022; as technology has progressed, much of the hardware is becoming obsolete. To ensure the maintenance and upkeep of this important regional radio system, City Council's approval is sought for the new Motorola radio maintenance and system upgrade agreement. Included is a five (5) year maintenance agreement which will ensure continuity of coverage and a five (5) year system upgrade agreement which includes three (3) physical hardware and software refreshes over the course of the five (5) year term. The final hardware refresh will occur in 2026 which will provide in-date equipment up to 2030. The first fiscal year 2023 payment would be \$281,074. The next, in Fiscal Year 2024 would be \$140,537. For each of the following four fiscal years from 2025 to 2028, the annual expenditure would be \$421,610. The contract with Motorola must be read at two separate Council meetings for approval per the Charter. To ensure continued radio communication service, staff is requesting that the second reading be waived, which requires seven affirmative votes. Staff also requests that the item (appearing at the 10/17 City Council meeting) be passed as an emergency so that this	\$2,300,000 (funding recommended \$275,000 to cover first fiscal year cost)	Yes	CIP, operating budget.	
Portland Police Department					
CAD/RMS	The city purchased a new CAD/RMS system 3 years ago and after a lengthy build and implementation process the system went live on December 6, 2021. Since that time we have encountered countless problems with the system and have found the vendor unresponsive and incapable of fixing many of the issues. Staff using the system, to include officer's, supervisors, emergency communications and support staff are frustrated by an unreliable system that does not have the functionality promised.	\$2,200,000	Yes	CIP, operating budget.	3.4 Public Sector Capacity: Effective Service Delivery.
Permitting and Inspections					
PC's	15 Laptops with docking stations, Monitors and MS Licenses to fully equip the department. Staff attends virtual meetings, insepctions and from remote locations at	\$70,000	Within existing Revenue		3.4 Public Sector Capacity: Effective Service Delivery.
TOTAL		\$10,760,000			

ARPA SECOND TRANCHE FUNDING RECOMMENDATIONS		
Organization	Project Title	Amount Recommend
Housing and Economic Development Committee	Housing Trust Fund Contribution	\$5,000,000.00
City of Portland	Municipal Workforce Retention	\$2,400,000.00
Various Recipient Organizations TBD by the Portland Development Corporation	Continuation of Economic Development Programs (Small Businesses, Economically Disadvantaged Owners)	\$300,000.00
Opportunity Alliance	Housing Individuals & Families	\$150,000.00
Portland Recovery Community Center	Recovery World Cafe	\$125,000.00
Spurwink	Ashlea's Place: Housing First Mental Health Recovery Residence	\$750,000.00
Hope Acts	Housing Navigation and Case Management support for New Asylum Seekers	\$200,000.00
Greater Portland Health - Portland	Riverside Homeless Health Center	\$500,000.00
Maine Medical Center - Preble Street	Connections Clinic - Psychiatry Outreach Program	\$500,000.00
Maine Health	Portland Comprehensive Addiction Medicine Program (CAMP)	\$1,000,000.00
Portland Regional Communications Center	Upgrades to Emergency Communication System	\$275,000.00
TOTAL		\$11,200,000.00



THE AMERICAN RESCUE PLAN ACT

SECOND TRANCHE FINAL APPLICATIONS & FUNDING RECOMMENDATIONS
Presentation for Finance Committee - 10/20/22

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
- October 20th, 2022 - Finance Committee public hearing and vote on second tranche funding recommendations (applicants will be notified of hearing)
- **November 14th, 2022 - City Council first read on funding recommendations**
- November 21st, 2022 - City Council second read / vote and public hearing on funding recommendations

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

ARPA Funds Remaining: Snapshot of Existing Allocations:

\$46,290,625 - Total Allocated ARPA Funding from US Treasury

(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 incentives and employee retention payments

(5,500,000) - ARPA funding used in FY23 budget to support social services / homelessness

(2,029,190) - FY23 Additional use of ARPA funding to fill GA reimbursement gap / address housing issues

(2,750,000) - FY24 ARPA funding reserved / revenue replacement / COVID19 public health response

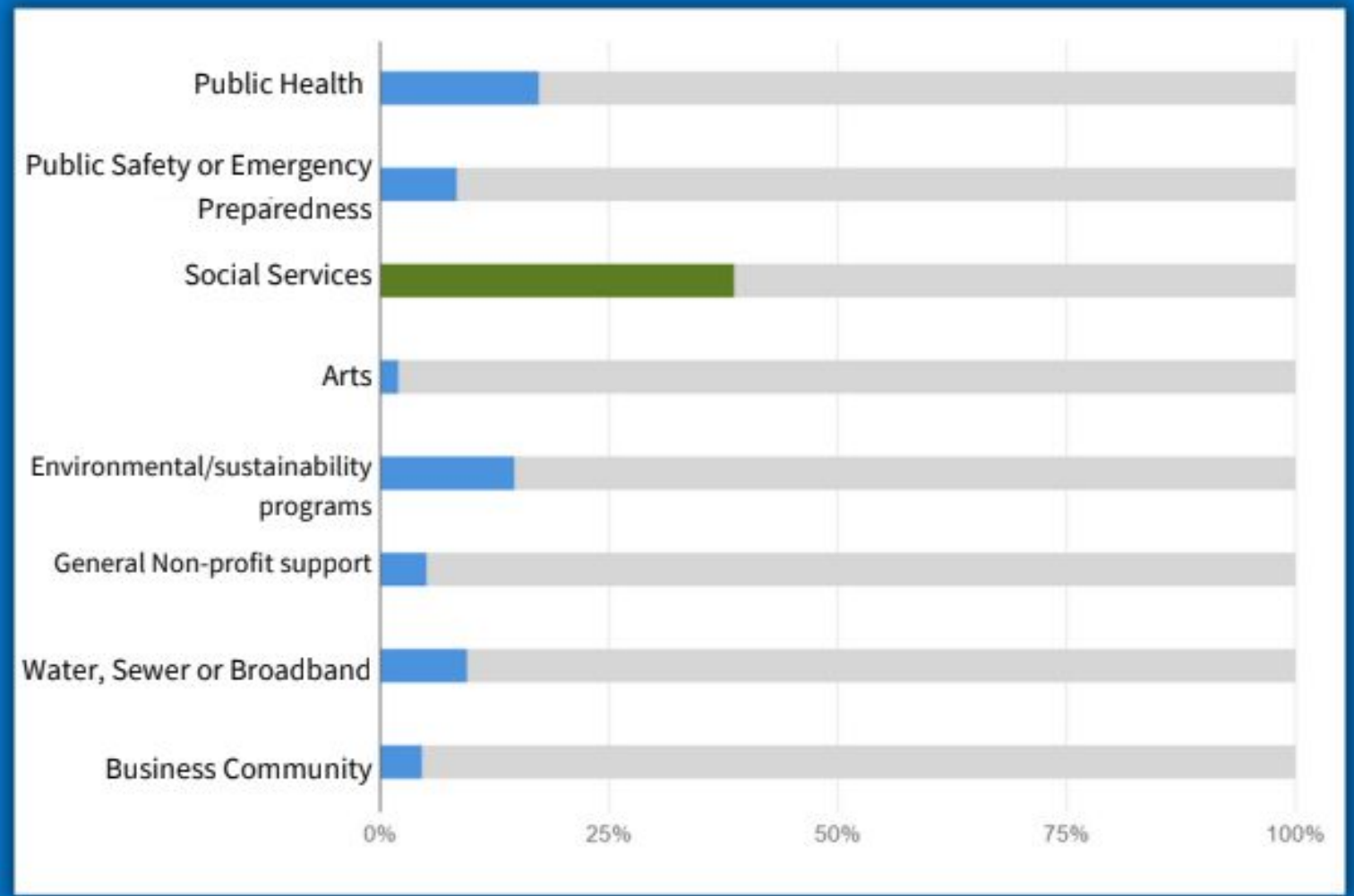
\$11,216,220 - Current unallocated funding expected to be available for Tranche 2 public process

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 - nearly 4,000 participants 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

Which one of these categories is your primary concern for use of ARPA funds? Pick one.



COMMUNITY PRIORITIES FROM PUBLIC COMMENT PORTAL

Across all eligible categories is there one specific category which you feel is most essential to be funded?

Top responses



PORTLAND CITY COUNCIL 2022 GOALS

Since the issues are tightly intertwined, in 2022, the Council is committed to acting on the following goals as an interconnected body of work:

- Advance efforts to reduce homelessness and assist people experiencing homelessness through city, regional and state efforts.
- Increase access to rental and home ownership that is safe, affordable, and accessible, with emphasis on the unhoused.
- Adopt a budget that factors in the capacity of City staff to do the work, taxpayers to pay for it, and its effects on small businesses.
 - Create a City of Portland Racial Equity and Inclusion department and implement racial equity training for City Council and staff that is modeled after the approach taken by Portland Public Schools teaching staff.
 - Investigate the options and viability of a principles-based/participatory budget process for a portion of one of the City annual budgets for 2024.
- Showcase and advance the climate change and sustainability efforts underway in the city by offering educational opportunities, neighborhood-based adoptable projects, and increasing overall understanding and recognition of the citywide solutions for vulnerable populations.

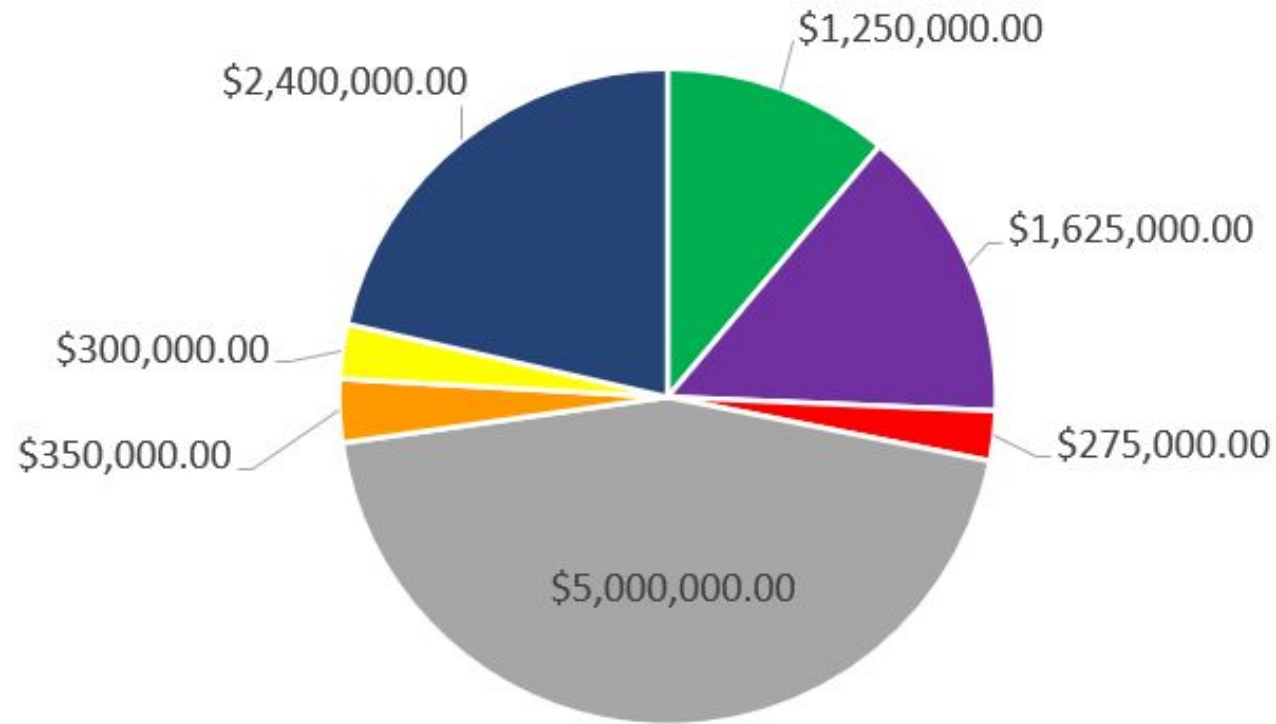
ARPA SECOND TRANCHE FUNDING RECOMMENDATIONS		
Organization	Project Title	Amount Recommended
Various Recipient Organizations TBD by Housing and Economic Development Committee	Housing Trust Fund Contribution	\$5,000,000.00
City of Portland	Municipal Workforce Retention	\$2,400,000.00
Various Recipient Organizations TBD by the Portland Development Corporation	Continuation of Economic Development Programs (Small Businesses, Economically Disadvantaged Owners)	\$300,000.00
Opportunity Alliance	Housing Individuals & Families	\$150,000.00
Portland Recovery Community Center	Recovery World Cafe	\$125,000.00
Spurwink	Ashlea's Place: Housing First Mental Health Recovery Residence	\$750,000.00
Hope Acts	Housing Navigation and Case Management support for New Asylum Seekers	\$200,000.00
Greater Portland Health - Portland Community Health Center	Riverside Homeless Health Center	\$500,000.00
Maine Medical Center - Preble Street Learning Collaborative	Connections Clinic - Psychiatry Outreach Program	\$500,000.00
Maine Health	Portland Comprehensive Addiction Medicine Program (CAMP)	\$1,000,000.00
Portland Regional Communications Center	Upgrades to Emergency Communication System	\$275,000.00
TOTAL		\$11,200,000.00

SUMMARY OF 2022 HOUSING TRUST FUND REQUESTS (INCLUDING ARPA REQUESTS):

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		

ARPA SECOND TRANCHE FUNDING RECOMMENDATIONS		
Organization	Project Title	Amount Recommended
Various Recipient Organizations TBD by Housing and Economic Development Committee	Housing Trust Fund Contribution	\$5,000,000.00
City of Portland	Municipal Workforce Retention	\$2,400,000.00
Various Recipient Organizations TBD by the Portland Development Corporation	Continuation of Economic Development Programs (Small Businesses, Economically Disadvantaged Owners)	\$300,000.00
Opportunity Alliance	Housing Individuals & Families	\$150,000.00
Portland Recovery Community Center	Recovery World Cafe	\$125,000.00
Spurwink	Ashlea's Place: Housing First Mental Health Recovery Residence	\$750,000.00
Hope Acts	Housing Navigation and Case Management support for New Asylum Seekers	\$200,000.00
Greater Portland Health - Portland Community Health Center	Riverside Homeless Health Center	\$500,000.00
Maine Medical Center - Preble Street Learning Collaborative	Connections Clinic - Psychiatry Outreach Program	\$500,000.00
Maine Health	Portland Comprehensive Addiction Medicine Program (CAMP)	\$1,000,000.00
Portland Regional Communications Center	Upgrades to Emergency Communication System	\$275,000.00
TOTAL		\$11,200,000.00

ARPA SECOND TRANCHE FUNDING RECOMMENDATIONS BY EXPENDITURE CATEGORY



- 1.12: Mental Health Services
- 1.13: Substance Use Services
- 1.7 Other COVID-19 Public Health Expenses (including Communications)
- 2.15: Long-term Housing Security: Affordable Housing
- 2.16: Long-term housing Security: Services for Unhoused Persons
- 2.29 Loans or Grants to Mitigate Financial Hardship for Small Businesses
- 4.1: Public Sector Employees

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 14th, 2022 - City Council first read on funding recommendations
- November 21st, 2022 - City Council second read / vote and public hearing on funding recommendations



THE AMERICAN RESCUE PLAN ACT

Q&A and Guidance From Council

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/1lUAqg7aN0vbKAku83SMvkwDyXBPjmNaI0YrJ_-cQvc/edit

LINKS TO CUMBERLAND COUNTY ARPA DOCUMENTS, PRESENTATIONS, REQUESTS

Document Title (# of pages)	Description	Link
Cumberland County ARPA website 	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
Portland Public Schools 	During FY23 budget discussions the Portland Public Schools did not allocate any significant portion of the American Rescue Plan (ARPA) Elementary and Secondary School Emergency Relief Funds (ESSERF and ESSERF II). PPS indicated there would be a future public / participatory process regarding allocation of these funds. Although no details have been released details on future funding opportunities may be released on the PPS news and calendars page.	https://www.portlandschools.org/calendars

LINKS TO STATE OF MAINE THRIVEMAINE GRANT PROGRAM (GRANTS UP TO \$2M)

Document Title (# of pages)	Description	Link
Thrive Maine: Pandemic Recovery Forgivable Business Loan Program  The logo for FAME (Finance Authority of Maine) features the word "FAME" in large, bold, blue capital letters. A white checkmark is superimposed over the letter "A". Below "FAME", the words "FINANCE AUTHORITY OF MAINE" are written in a smaller, blue, sans-serif font.	Administered by FAME, Thrive Maine is a forgivable loan program for businesses and nonprofits that demonstrate COVID-related negative economic impacts. The program is funded by the <u>American Rescue Plan Act (ARPA)</u>, an economic stimulus bill that was passed by the 117th United States Congress, with \$58 million allocated to support Maine small businesses by the Legislature and Governor Mills under LD 1733 through the <u>Maine Jobs and Recovery Plan</u>.	<u>https://www.famemaine.com/business-financing/for-business-owners/fame-financing-programs/thrive-and-grow-maine/thrive-maine-pandemic-recovery-business-loan-program/</u>