

Minutes

Remote Housing and Economic Development Committee

September 20, 2022

NOTE: This meeting was held via Zoom and can be viewed at this link:

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, September 20, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and member Councilors Tae Chong, Roberto Rodriguez, and Andrew Zarro. Present from the City staff were Acting Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Assistant City Manager Anne McGuire, Finance Director Brendan O'Connell, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on July 19, 2022, draft meeting Minutes.

On motion made by Councilor Zarro and seconded by Councilor Chong, the Committee voted (4-0) to accept the Minutes.

Item #3: Update, review, Committee consideration, and possible vote to recommend to the City Council Re: Portland Tourism Development District Proposal

Ms. Davis noted that the Committee has taken this up before and provided direction to staff, particularly as this would be the first of its type in Maine. City staff have met and notes that the legal analysis is not yet complete. Ms. Davis then highlighted the matrix, included in the backup,

of what Visit Portland (VP) requested and two different scenarios City staff have created in response to the request. Ms. Davis noted that the Committee can take action today and vote on a recommendation to the City Council, or to discuss and provide direction as the legal analysis is not yet complete.

Councilor Chong supported the hybrid approach.

Mr. O'Connell also noted that if this were approved, it would take up 20% of the allowable acreage left for Development Districts. The goals of the District would be to help with the off-season for hotels, noting that Visit Portland has indicated that the hotels support the district. It would need to be a multi-year program, taking about three years to start the income coming in.

In regard to the acreage of the proposed Tourist Development District (TDD), Councilor Zarro did not recall a discussion in this regard, which would be needed. He also indicated giving staff the time for the legal analysis to be completed.

Councilor Rodriguez agreed, noting that he was leaning not to support this anyway, adding that hotels could contract with VP instead. Portland, Maine has been discovered and is doing well. This District is not needed now.

Mayor Snyder indicated that she has been tracking this, and agreed the legal analysis needs to be completed and State Statute understood first, with staff to provide guidance.

Councilor Chong noted that there is approximately 240 acres left that can be in districts. With approximately 50 for the TDD, this would leave 190 left. He was interested in learning about other area cities.

Councilor Fournier thanked the staff for the backup on this item and agreed that using more than 20% of the remaining TIF acres did raise a flag, and would support more guidance from staff, including completing the legal analysis.

Chair Ali agreed and noting no further comments/questions, thanked all for the feedback.

Item #4 Review and Committee direction to staff Re: Funding Requests Received through the Affordable Housing Development Applications (Jill C. Duson Housing Trust Fund and HOME Program Funds) and ARPA Housing Requests

Mary Davis introduced this item with an overview of the Affordable Housing Development and Tax Increment Financing Application (AHDTIFA) process. Developers of affordable housing apply for HOME and Housing Trust financing from the City through the AHDTIF application. Many times the development of affordable housing also includes financial assistance through MaineHousing's Low Income Housing Tax Credit (LIHTC) program. When a developer is requesting a 9% LIHTC and funding from the City, the developer and the City work together to quickly move through the allocation process to ensure the filing deadline imposed by MaineHousing is met (4% LIHTC requests do not have a similar deadline). Of the six AHDTIF applications received for 2022, none are requesting the 9% LIHTC funding, therefore the deliberation expectations are more relaxed with these applications.

Of the six previously mentioned funding requests, five requested a total of \$3,398,000 in funding (both HOME and Housing Trust funds) and one applicant requested a credit enhancement agreement through the AHTIF program. The total funding available in HOME and Housing Trust funding for 2022 is \$3,670,990. Outside of those requests, the City Council approved (9-1-2022) \$255,800 for 83 Middle Street as additional funding to an earlier funding request. Furthermore, in

response to requests for funding from the American Rescue Plan second tranche, the City received five requests totaling \$11,900,000. Altogether, \$15,553,800 in funding requests have been received against an available balance of \$4,170,990 (HOME and Housing Trust) plus ARPA funding. The gap funding request is \$11.3 million. Staff is looking for direction from the Committee on funding decisions. There will be a City Council workshop later this week concerning this topic.

Councilor Ali asked Committee members if they would like to enter into executive session. Seeing no motions, the Committee did not enter into executive session.

The Committee held a discussion regarding Council goals and priorities. Staff was directed to prepare a spreadsheet regarding projects requesting funding.

Item #5 Communications: 2022 Work Plan and Schedule

Committee members did not offer changes to the 2022 Work Plan and schedule.

Councilor Fournier noted that during the upcoming September 27 meeting of the Legislative and Nominating Committee, local State delegates would be discussing priorities for the 2023 session which include housing and local option tax (among other items).

On motion made by Councilor Rodriguez, seconded by Councilor Chong, the Committee voted 4-0 to adjourn the meeting at 6:26p.m.

Respectively submitted, Lori Paulette and Victoria Volent