KATE SNYDER (MAYOR)
PIOUS ALI (A/L)
APRIL FOURNIER (A/L)
ROBERTO RODRÍGUEZ (A/L)

ANNA TREVORROW (1)
VICTORIA L. PELLETIER (2)
REGINA L. PHILLIPS (3)
ANDREW ZARRO (4)
MARK N. DION (5)

CITY COUNCIL MEETING - JANUARY 4, 2023 AT 5:00 PM

The Portland City Council will hold a City Council Meeting in Council Chambers. The Honorable Kate Snyder, Mayor, will preside.

To submit written public comment on an agenda item, email publiccomment@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Council 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 order number (see below).

REMOTE ACCESS INFORMATION:

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.

For public comment via Zoom, 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/84536489671?pwd=R0NHMmlyRXdPWXVKYUNYdDBoVlU3UT09

Or Telephone: US: +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968
Webinar ID: 845 3648 9671
Passcode: 649486

PLEDGE OF ALLEGIANCE:

ROLL CALL:

5:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:

ANNOUNCEMENTS:

RECOGNITIONS:

SPECIAL MEETING:

Special Meeting of the Corporator of the Portland Development Corporation

Pursuant to the bylaws of the Portland Development Corporation (PDC), the Portland City Council, as Corporator of the Portland Development Corporation, shall hold its annual meeting in the month of September each year or at a special meeting.

This year's Special Annual Meeting Agenda includes Accepting the PDC Fiscal Year 2022 Activity and Financial Reports.

PDC Fiscal Year 2022 Activity and Financial Reports

During Fiscal Year 2022, ending June 30, 2022, the PDC invested $1,485,250 in 86 businesses. This includes 3 commercial loans totaling $425,250; a Brownfield Loan of $200,000; a Brownfield Grant of $200,000; 5 COVID-19 loans totaling $40,000; 5 COVID-19 Microenterprise Grants totaling $17,500; 51 COVID-19 ARPA Microenterprise Grants totaling $272,500; and 20 Business Assistance Grants for Job Creation totaling $330,000.

APPROVAL OF MINUTES OF PREVIOUS MEETING:

City Council Meeting-December 19, 2022

PROCLAMATIONS:

Proclamation 11-22/23 Recognizing Reverend Dr. Martin Luther King, Jr. Day - Sponsored by Kate Snyder, Mayor

APPOINTMENTS:

Order 118-22/23 Appointing Duane Cote Constable for 2023 - Sponsored by Danielle P. West, Interim City Manager

This order appoints Duane Cote, from the Permitting and Inspections Department, a Constable for 2023, in order to enforce City Code provisions for business licensing, rental housing, building, electrical and plumbing codes.

This appointment is effective from 12:01 a.m. on January 1, 2023 until 12:00 midnight, December 31, 2023, and is made pursuant to Portland City Code, Sections 2019 and 2019.5. Constables are not allowed to carry a firearm, concealed or unconcealed, in the performance of their duties, or to make arrests or issue parking tickets.

Five affirmative votes are required for passage after public comment.

Order 119-22/23 Appointing Gynt Grube Interim Assessor - Sponsored by Danielle P. West, Interim City Manager

Gynt Grube was appointed Interim Assistant Assessor by Order 63-22/23 on September 19, 2022. With the resignation of the previous assessor now submitted, this order appoints Gynt Grube as Interim Assessor, while a search process is undertaken to appoint a permanent Assessor.

Five affirmative votes are required for passage after public comment.

COMMUNICATIONS:

Communication 21-22/23 Regarding In-Person Meetings with Remote Participation - By Jessica Grondin, Director of Communications and Digital Services

As a communication this item requires no public comment or formal Council action.

UNFINISHED BUSINESS:

Order 117-22/23 Approving and Appropriating $3,257,004 in Housing Trust Funds and $1,000,000 in American Rescue Plan Act Funds for the Avesta Housing Winchester Woods Affordable Housing Project - Sponsored by Danielle P. West, Interim City Manager

This order would approve and appropriate a total of $4,257,004 to Avesta Housing's purchase of a 48-unit rental housing development called Winchester Woods, located in the East Deering neighborhood on Sherwood and Dalton Streets. Avesta intends to purchase the development when construction is completed and provide 48 asylum-seeking families with housing.

The development includes four 12-unit buildings, each comprised of six one-bedroom and six two-bedroom apartments. Construction on all the buildings is estimated to be completed by the beginning of 2023. Avesta will partner with local and state agencies, including MaineHousing, the City's Health and Human Services Department, Prosperity Maine, Greater Portland Family Promise, and Project Home to identify and provide housing and services for those families most in need.

According to Avesta, Maine Housing is restricting 20% (10 units) of the units at 50% of area median income (AMI) for 30 years. Avesta has agreed to an affordability requirement for 28 units at 80% of the area median income, which includes the current owner's inclusionary zoning requirements (12 units at 80% AMI). Winchester Woods is currently under construction by a private developer as a market-rate rental housing development. As such,25% of the units must be affordable to households at or below 80% of the area median income (1-person $62,550, 2- person $71,500, 3-person $80,450 and 4-person $89,350). Long-term (90 years), these units will remain affordable to families earning 80% of the area median income or less.

To facilitate the purchase of this property, Avesta is seeking financial assistance from MaineHousing, Cumberland County, and the City of Portland.

The State of Maine has provided a preliminary commitment to pay for two years of rental assistance for all 48 units. In response to feedback provided by the Council at a workshop on September 22, 2022, City staff have identified $3,257,004 in funding from the Jill C. Duson Housing Trust Fund and $1,000,000 from the first tranche of American Rescue Plan funding for this project.

This item must be read on two separate days. It received its first reading on December 19, 2022. Staff had previously requested emergency passage, and seven affirmative votes are required for passage as an emergency after public comment.

ADJOURNMENT:

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: December 21, 2022

SUBJECT: Special Meeting of the Corporator of the Portland Development Corporation

SPONSOR: Mayor Kate Snyder
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 1/4/2023 **Final Action 1/4/2023**

Can action be taken at a later date: Yes

Does this item involve a new contract with the City: no

PRESENTATION: Blaine Grimes, PDC Board President/3 Minutes

I. SUMMARY
At the December 15, 2022, Annual Meeting of the Portland Development Corporation, the Board voted 7-0 to forward its FYE2022 Annual Report to the City Council as a communication.

II. AGENDA DESCRIPTION
Pursuant to the bylaws of the Portland Development Corporation (PDC), the Portland City Council, as Corporator of the Portland Development Corporation, shall hold its annual meeting in the month of September each year or at a special meeting.

This year's Special Annual Meeting Agenda includes Accepting the PDC Fiscal Year 2022 Activity and Financial Reports.

PDC Fiscal Year 2022 Activity and Financial Reports

During Fiscal Year 2022, ending June 30, 2022, the PDC invested $1,485,250 in 86 businesses. This includes 3 commercial loans totaling $425,250; a Brownfield Loan of $200,000; a Brownfield Grant of $200,000; 5 COVID-19 loans totaling $40,000; 5 COVID-19 Microenterprise Grants totaling $17,500; 51 COVID-19 ARPA Microenterprise Grants totaling $272,500; and 20 Business Assistance Grants for Job Creation totaling $330,000.

III. BACKGROUND
Background information that will not appear in the Agenda Description

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT
There is no financial impact associated with these actions.

VI. STAFF ANALYSIS AND BACKGROUND
Staff Analysis that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS
1. PDC FYE2022 Annual Report for CC

Prepared by:
Mary Davis, Division Director
Date: 12/21/2022

Portland Development Corporation

Board of Directors

Fiscal Year End 2022 Annual Report

The Housing and Economic Development Department provides the primary staff support to the Portland Development Corporation (PDC) Board of Directors, with legal assistance from Corporation Counsel. The Department is also responsible for marketing and administration of the PDC's Commercial Loan and Grant Programs.

The PDC Board of Directors met remotely via Zoom ten times over the course of the fiscal year; this year, as well as in FY2021, it did not have its Annual Business Awards Reception due to the COVID-19 Pandemic.

In response to the COVID-19 Pandemic in late FY2020, the PDC created three programs to assist businesses, which guidelines were approved by the City Council in May and June 2020. The programs included the COVID-19 Rapid Response Micro Loan Program, the COVID-19 Microenterprise Grant Program, and the COVID-19 BAP Rehire Grant Program. These programs are detailed later in this Report.

During FY2022, the PDC invested $1,485,250 in 86 businesses. This includes 3 commercial loans totaling $425,250; a Brownfield Loan of $200,000; a Brownfield Grant of $200,000; 5 COVID-19 loans totaling $40,000; 5 COVID-19 Microenterprise Grants totaling $17,500; 51 COVID-19 ARPA Microenterprise Grants totaling $272,500; and 20 Business Assistance Grants for Job Creation totaling $330,000.

See the table on the following page for loan and grant activity for FY2018 through FY2022.

	FY18	FY19	FY2020	FY2021	FY2022
No. of Commercial Loans Made	6	6	5	3	3
Total Amt. of Funds Lent	$405,000	$320,000	$434,000	$298,000	$425,250
Total Private Investment Leveraged	$5,112,884 (inc. Brownfield Loan Leveraging)	$1,882,700	$1,423,475	2,206,000	$4,280,759 (inc. Brownfield Loan/Grant Leveraging)
Jobs Created	14	21	2	8	4
Jobs Retained	62	7	125	40	6
No. of Brownfield Grants/Loans	2	1	1	2	1 Loan and 1 Grant Not Closed as FYE2022
Total Amt. of Grants/Loans	$350,000/Loan; $170,000/Grant	$125,000	$125,000	$250,000/Loan $150,000/Grant	$200,000/Loan $200,000/Grant
No. of Business Assistance Grants for Job Creation	7	9	13	0	20
Total Amt. of Grants	$130,000	$140,000	$200,000	0	$330,000
Jobs Created	12	14	20	0	33
COVID-19 Rapid Response Micro Loans			1 for $10,000	16 for $141,500	5 for $40,000
COVID-19 Microenterprise Grants			4 @ $2,500 each or $10,000 total	66 for $230,000	5 for $17,500
COVID-19 ARPA Microenterprise Grants					51 for $272,500
COVID-19 Business Assistance Grants for Job Creation				2 for $12,500	Discontinued
PDC Total Investment	**$1,062,900**	**$615,000**	**$779,000**	**$1,082,000**	**$1,485,250**

<u>PDC Fiscal Year 2022 Loan and Grant Detailed Activity</u>

FY2022 Loans Closed, Including COVID-19 Loans

The FY2022 PDC loan portfolio grew with 8 loans closed for a total of $465,250.

Commercial (Non-COVID) Loans: The PDC closed three commercial loans totaling $425,250 which assisted in retaining 6 jobs and creating 4 new jobs. In addition, these loans leveraged over $1.3 Million in private commercial investment for a 3:1 private/public investment ratio; that is for every dollar of public investment there was approximately three dollars of private investment. Types of businesses provided loan assistance included an African supermarket, chiropractic service, and an ice cream parlor.

COVID-19 Loans: The PDC closed 5 COVID-19 Loans for a total of $40,000. Maximum loan amount was $10,000 with $5,000 forgiven if the business met the job rehire conditions. Of the 5 loans, all met the forgiveness for a total of $25,000 forgiven. Leveraging was minimal for these loans due to their nature. Types of businesses assisted included a restaurant, superette, gym, arts, and young men development - “Maine Boys to Men”.

Commercial and COVID-19 Loans: From FY2010 through FY2022, the PDC has extended 101 loans for a total of just under $6.7 Million, while leveraging just under $84 Million in private investment and creating/retaining over 875 jobs.

PDC Loan Portfolio

As of the end of FY2022, the PDC active loan portfolio grew from FY2021 of $2.6 Million with 36 loans to $2.7 Million with 38 loans under management. This loan portfolio of $2.7 Million leverages $63.6 Million in private investment in Portland, for a leverage of $23 of private funds invested to each dollar of public funds invested, a 23:1 ratio. These loans helped to create/retain over 320 jobs, and include a diverse mix of PDC investments in businesses noted above, as well as a paddle boat company on Portland’s waterfront, fitness, retail, recreation, Thompson’s Point, and service businesses. It is also noted that of the 38 loans under management, 11 are to the immigrant community.

As a result of a successful grant application, beginning in 2012, funds from the U.S. Treasury’s State Small Business Credit Initiative (SSBCI) became available to the City as a lending source. To date, the PDC has utilized $922,500 in SSBCI funds for loans to six Portland businesses. Since the SSBCI Program expired in early 2017, all of the loan funds became the City’s, expanding the PDC loan pool by just under $1 million. The City will be applying for additional SSBCI funds during FY2023

PDC Lending History

Since its inception in 1991, the PDC has made 203 loans to diverse businesses including manufacturing (e.g., breweries and biosciences), hospitality, restaurants, retail, child care, sports/fitness, biodiversity research, and service, among others. The following table provides an overall view of the activities:

Total Amount of Funds Lent:	**$12,475,285**
Leveraged Amount of Private Financing:	**$172,746,505**
Jobs Retained:	**1,530**
Jobs Created:	**826**
COVID-19 Loans/Jobs Rehired/Retained:	**78**
18 Loans Defaulted*	**$753,899**

*****Default amount of $753,899 is 6.04% of total amount of funds lent.

COVID-19 Microenterprise Grant Program

CDBG Microenterprise Grant Program: This Grant Program provided grants of up to $5,000 for Portland businesses that operate out of leased commercial space and $2,500 to other Portland microenterprises, including home-based businesses, that have been and/or are being impacted by the COVID 19 crisis. Startups were also eligible given that they were opening during this challenging period.

This Grant Program started towards the end of FY2020, with the PDC Board approving four Grants at $2,500 each.

During FY2021, the PDC Board approved grants for 66 businesses in the total amount of $230,000, and, during FY2022, the PDC Board approved grants for 5 businesses totaling $17,500, at which time funding ran out.

ARPA Microenterprise Grant Program

ARPA Microenterprise Grant Program: This Grant Program, created during FY2022, provided grants of up to $7,500 for Portland businesses that operate out of leased commercial space and $3,500 to other Portland microenterprises, including home-based businesses, that have been and/or are being impacted by the COVID 19 crisis. Startups were also eligible given that they were opening during this challenging period.

If a business applied for a grant under this program, and had been previously approved for either a $5,000 or $2,500 grant under the CDBG Microenterprise Grant Program, the business would be eligible for $2,500 if it previously received $5,000, or $5,000 if it previously received $2,500.

The PDC approved Grants to 51 businesses in the amount of $272,500, at which time the funds were depleted.

COVID-19 Business Assistance Program for Job Creation (Rehire) Grant Program

This Grant Program provides up to $10,000 in grant funding to small businesses for rehiring up to four full-time employees or jobs that were on the payroll just before the COVID-19 crisis. The Program provided a total of $12,500 in grant funds to two businesses during FY2021. Because other COVID-19 programs proved to be more helpful to businesses, this program received very few applications. Consequently, the additional funding for this program was moved to the Microenterprise Grant program which better met the needs of small businesses.

Business Assistance Program for Job Creation – Non COVID-19 Program

The Business Assistance Program for Job Creation offers grants to new and expanding Portland businesses for projects that result in the creation of permanent net new jobs for low/moderate income individuals. A private match is required in an amount that is at least equal to the grant requested. The maximum grant amount per recipient is $20,000. For every $10,000 of grant funds, one full-time permanent job must be created.

This program was originally capitalized with $100,000 from the Community Development Block Grant (CDBG) and launched in May 2012. It was re-capitalized by the CDBG program in FY14 and FY16 with an additional $100,000 each of those years, an additional $108,543 for FY18, $145,000 for FY19, $200,000 for FY2020, and $205,000 for FY2022. Combined with leftover BAP funds from previous allocations, funding for FY2022 totaled $330,000, and the PDC Board approved 20 grants to businesses totaling this amount and associated with creating 33 jobs.

Grants awarded since the Program's inception (FY12 through FY2022) were made to 70 recipients, including over 15 to the immigrant community, resulting in the creation of 150 jobs. The program has provided assistance to a diverse group of start-up and existing businesses including restaurants, bakeries, food production, clothing and textile manufacturers, pharmacy, computer services, music venue, bicycle sales/service, hair salons, auto repair, and home health care services.

Brownfields Grant Award from the United States Department of Environmental Protection (EPA)

The City of Portland applied for a Brownfields Grant from the EPA during FY2016. At the beginning of FY2017, the City was awarded a grant of $800,000 to support loan and grant investments in environmental site cleanup. The City was awarded an additional $500,000 in cleanup funds and $200,000 in assessment funds during FY18. During FY2021, the City applied for additional Brownfield grant funds and received $480,850 in cleanup funds. Most recently, the City was awarded $3,000,000 in cleanup funds during the latter part of FY2022.

The City Council accepted and appropriated these funds to recapitalize the Brownfields Revolving Loan and Grant Program and a Brownfield Assessment Program. The funds are used as loans to for-profit developers, and, in some cases, as grants to non-profits for clean-up of Brownfields sites throughout the City. The assessment funds will cover the cost of Phase I and Phase II Environmental Site Assessments in Portland.

Brownfield actions of FY18, FY19, FY2020, FY2021, and FY2022:

1. In FY2018, a loan of up to $350,000 was approved and provided to Forefront Partners I LP for engineering and clean-up/remediation connected to projects on Thompson's Point. Those projects included the East Loop Road (to the future Children's Museum and Theatre building), a Pavilion, and a Hotel.

2. Again, in FY2018, a $170,000 grant was approved for Children's Museum & Theater of Maine (CMTM), a non-profit organization which purchased a 1.12 acre property (Lot 7) on Thompson's Point. This grant assisted with remediation/cleanp of the site. In this $14 Million project, CMTM constructed a 3-story 29,000 sq. ft. building on that property with outdoor play areas and opened to the public late June 2021.

3. In FY2019, a $125,000 grant was approved for the Portland Housing Authority (PHA) to assist with remediation/cleanup costs for contaminated property at 58 Boyd Street. Once remediated, PHA moved forward with the $13 Million project and developed a six-story, 55-unit mixed income residential building with multi-family affordable apartments (65% low income), which opened November 2020.

4. In FY2019, the PDC recommended to the City Council, and the City Council approved, that Phase I and Phase II Environmental Assessments from the Assessment Fund received from USEPA in 2018 (Fund 281) can now be approved administratively, rather than brought to the PDC Board for approval. If assessments are to use Brownfields Closeout funds (Fund 278), staff will bring these requests to the Board for approval, as it has done in the past.

5. In FY2020, a $125,000 grant was approved for the PHA to assist with cleanup costs for demolishing 50 units of public housing on Front Street (in the East Deering neighborhood) that are the end of their useful life. In their place, 105 units of affordable mixed-income apartments (for those earning less than 60% of Area Median Income) will be constructed with a significant amount of open space for use by residents. Total project costs for both Phase 1 and Phase 2 is estimated at $20.5 Million.

6. In FY2021, a Brownfields remediation/cleanup loan of $250,000 and grant of $150,000 was approved for Youth and Family Outreach for their renovation and construction project at 337 and 331 Cumberland Avenue, in partnership with the Portland Housing Authority. The Project is a mixed income 5-story,

60-unit apartment building, with a 10,000 sq. ft. child care/education facility on the first floor. These loan and grant funds will assist with the remediation/cleanup of hazardous building materials and urban fill type contaminants in the soil, at a total estimated cost of $2 million.

7. In FY2022, a Brownfields remediation/cleanup grant of $200,000 was approved for Portland Housing Authority's second phase of its Front Street project. This phase includes the demolition of 22 units of public housing in eight buildings to be replaced with 45 units in one building for tenants with less than 60% of median income, aged 55+ or disabled. As noted earlier, total project costs for both Phase I and Phase 2 are estimated at $20.5 Million.

8. In FY2022, a Brownfields remediation/cleanup loan of $200,000 was approved for Forefront Partners for Lot 13 on Thompson's Point, the former Suburban Propane/Northern New England Passenger Rail Authority parcels. The end result will be the renovation of an existing 5,300 sq. ft. brick office building and construction of an approximately 450-space parking garage.

Portland Economic Development Plan Implementation Program (PEDPIP) Grant Fund

History:

The PEDPIP Grant Fund was created during FY12 to provide grant funds to invest in economic development projects and programs that carry out Portland's Economic Development Vision and Plan ("Plan"), and its companion Work Plan which is updated every two years. Grants must be matched by an equal or greater dollar amount from funding sources other than the PDC.

The PEDPIP grants have funded planning studies and other "soft" costs associated with economic development projects and programs that advance the initiatives spelled out in the Plan and current Work Plan. PEDPIP does not invest in "hard" costs for public infrastructure or private development projects. Its focus is on expenditures for economic development projects and programs.

The PEDPIP program was initially capitalized by PDC loan funds in the amount of $250,000 in FY12. The maximum grant amount was originally $75,000. By the end of 2014, the full $250,000 had been awarded in PEDPIP grants. During FY2015, the PDC Board recommended to the City Council, and the Council approved, re-capitalizing PEDPIP by establishing a yearly cap at the beginning of each fiscal year using 10% of Unrestricted PDC loan funds that were available/uncommitted, beginning with FY16. They also amended the maximum grant amount to $15,000.

Since its inception through FY19, the PDC Board approved grants in the total amount of $465,245 as follows:

Portland Community Chamber for the following projects:

- "Why Portland" Videos
- Growing Portland Initiative
- Scorecard Updates (2014; 2015)
- Startup and Create Week (2014; 2015)

Creative Portland for the following projects:

- Branding Portland
- LiveWork Website Update
- Creative Economy Metrics
- Artspace Survey
- Creative Map and Guide
- Creative Space (inventory, web-based clearing house, resource guides)
- UNESCO Creative Cities Application
- Work in Place Summit
- Green Light Series Finale
- Update to Portland Cultural Plan
- Hire Professional "Experience Design" Consultant/Cultural Application

Portland Performing Arts Festival

City of Portland - Staff participation in the Maine International Trade Center Mission to Iceland and UK

City of Portland/Portland Community Chamber – Industry Sector Research Conducted by the Maine Center for Business and Economic Research

City of Portland – Greater Portland Economic Development Corporation/ Maine International Trade Center/Invest in Maine Program

City of Portland – Office of Economic Opportunity for the following projects:

– Develop Strategies and Measurable Plan to Integrate Immigrants

– Create Professional Connector Program/Jobs for New Mainers

World Affairs Council for its Celebrate Immigration Initiative

Cooperative Development Institute – Institutional Food Service and Procurement

Maine Center for Enterprise Development for the following projects:

– Top Gun Overhaul and Preflight

– E*Next Pilot Project

Maine Convention Center Collaborative/Portland Community Chamber – Feasibility Study for Convention Center

Portland Buy Local – Host Community Forum to Strengthen Portland's Economy

Portland Downtown for the following projects:

– Parking Study

– Walking Tour

Maine College of Art – Campus Master Plan

GPCOG – Portland Food Launch and Festival

Women United Around the World – Vocational Training Program for Immigrant Women

Maine Immigrant Rights Coalition – Create Database/Immigrant Economic

Opportunity Network

Maine Crafts Association – Gallery at 519 Congress Street for Maine Craft Artists, and a Hub for Education, and Culture
Portland Adult Education – New Mainers Resource Center Education Assistance

PEDPIP Program Discontinued in FY2020

The PDC Board recommended to the City Council discontinuation of this Program because, having been in existence for over 7 years, it produced what it had intended – to help facilitate the implementation of the primary objectives of the August 2011 Vision and Plan to stimulate private sector investment and growth. The Council voted to discontinue the program at its September 16, 2019, meeting.

PDC Annual Awards Program

Due to the continued Pandemic, the Annual Awards Program was again canceled during FY2022.

Summary

The PDC looks forward to continuing to assist in providing and leveraging investment in Portland area businesses and development projects. With grant programs, its loan portfolio growing, and loan funds available to invest, the PDC would like to thank the City Council for its continued support.

PDC Board of Directors:

Tim Agnew
Councilor Tae Chong
Krista Cole
James Dowd, Secretary
Eamonn Dundon
Blaine Grimes, Treasurer
Jeffery Hicklin
Kierston Van Soest
Julie Viola, President
Beverly Werber
Danielle West, Interim City Manager

PDC Staff:

Mary Davis, Interim Housing and Economic Development Director
Nelle Hanig, Business Programs Manager
Lori Paulette, Principal Adm. Officer
Michael Goldman, Associate Corporation Counsel

PORTLAND DEVELOPMENT CORPORATION
Statement of Net Position
June 30, 2022

(Preliminary and Subject to Audit)

Assets		
Cash		$ 3,019,141
Accounts receivable		4,154
Loans receivable	$ 1,901,730	
Allowance for uncollectible loans	(254,800)	1,646,930
Total assets		$ 4,670,225
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 7,406	
Total liabilities		$ 7,406
Fund equity:		
Reserves		
Loans receivable	$ 1,646,930	
Economic Development Fund	85,287	
Unrestricted UDAG	584,455	
Restricted CIP	357,384	
Unrestricted CIP	161,172	
FAME	743,499	
EPA Revolving Loan Fund (Brownfield)	470,602	
FAME SSBCI	595,113	
Brownfield grants	18,376	
Total fund equity		4,662,819
Total liabilities and fund equity		$ 4,670,225

PORTLAND DEVELOPMENT CORPORATION
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended
June 30, 2022

(Preliminary and Subject to Audit)

Revenues and Financing Sources		
Federal grants	$ 490,559	
Application fees	3,077	
Interest received on loans	141,441	
Investment interest income	1,205	
Total revenues and financing sources		$ 636,281
Expenditures and Other Charges		
Administrative services	$ 17,966	
Net payments to contractors	159,625	
Adjustments to allowances	27,164	
Total expenditures and other charges		204,755
Excess (deficiency) of revenues over expenditures		$ 431,526
Fund balance, June 30, 2021		4,231,293
Fund balance, June 30, 2022		4,662,819

ZOOM INFORMATION:

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.

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Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/89911473409?pwd=NllpZXRiWms3Nm9HQTNwaVZSWHlhZz09

Or Telephone: US: +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968
Webinar ID: 899 1147 3409
Passcode: 115765

PLEDGE OF ALLEGIANCE:

Mayor Snyder led all present in the Pledge of Allegiance.

ROLL CALL:

Mayor Snyder called the meeting to order at 5:03pm.
City Councilors Present: Councilor Fournier, Councilor Rodriguez, Councilor Dion, Councilor Ali, Councilor Zarro, Councillor Trevorrow (Via Zoom), Councilor Pelletier, Councilor Phillips, Mayor Snyder.

5:00 P.M. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS:

Mayor Snyder opened the floor for public comment. The following individuals spoke:
George Rheault (West Bayside), Elizabeth Capone (88 Tucker Ave), Mark Stalmack, (Fore Street, District 1), Nila Bilodeau (No address given), Ken Capron (Forest Ave), Danielle West (Interim City Manager)

ANNOUNCEMENTS:

The following individuals gave an announcement:
Mayor Snyder: December 29 will mark the 10-year anniversary of the date that the new law for same-sex marriage took effect in Maine. Portland City Hall opened on Saturday at 12:01am on December 29, 2012 to celebrate the new law for same-sex marriage that took effect that day. Six marriage ceremonies were done on the spot. 15 other couples filed their marriage intentions forms to take with them and get married at another time (within 90 days). Out of those 15 that took the intentions with them, 4 marriage ceremonies were done elsewhere, later that same day, and filed with the Portland City Clerk's office as their wedding date of December 29, 2012.
Councilor Phillips: We will make a motion to take up a non-agenda item regarding Winchester Woods Affordable Housing Project later in the meeting.

RECOGNITIONS:

No recognitions.

PRESENTATIONS:

State of the Schools - By the Portland Board of Public Education, Chair Sarah Lentz

Sarah Lentz, Chair of the Portland Board of Public Education, presented the State of the Schools address.

APPROVAL OF MINUTES OF PREVIOUS MEETING:

Inaugural City Council Meeting -December 5, 2022 6:00PM
Special City Council Meeting-December 5, 2022 6:30PM

Motion was made by Councilor Ali and seconded by Councilor Fournier for approval of the Inaugural City Council Meeting, December 5, 2022 6:00pm and the Special City Council Meeting, December 5, 2022 6:30pm. Passage 9-0.

APPOINTMENTS:

Order 105-22/23 Order Confirming the Appointment of Rachel L. Millette as Associate Corporation Counsel - Sponsored by Michael Goldman, Acting Corporation Counsel

Motion was made by Councilor Ali and seconded by Councilor Fournier for passage. Passage 9-0.
Michael Goldman (Acting Corporation Counsel) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 106-22/23 Appointing Constables for 2023 - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Zarro and seconded by Councilor Fournier for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 107-22/23 Authorizing Special Council and Outside Board and Commission Appointments for 2023 - Sponsored by Kate Snyder, Mayor

Motion was made by Councilor Ali and seconded by Councilor Fournier for passage. Passage 9-0.
Mayor Snyder gave an overview of the item.
Mayor Snyder read into the record one administrative amendment, to add Councilor Ali to the Fish Exchange Board.
Mayor Snyder opened the floor for public comment. No one spoke.

LICENSES:

Order 108-22/23 Granting Municipal Officers' Approval of Prolerized New England Co, LLC dba Schnitzer Northeast. Application for a Scrap Metal Recycling Facility at 568 Riverside Street - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Fournier and seconded by Councilor Ali for passage. Passage 9-0.
Christine Grimando (Director of Planning and Urban Development) gave an overview of this item.
Mayor Snyder opened the floor for public comment.The following individuals spoke: Ken Capron (Forest Ave), George Rheault (West Bayside), Councilor Fournier

Order 109-22/23 Granting Municipal Officers' Approval of Goodfire Brewing Co LLC, dba Goodfire Brewing Company. Application for Class A Lounge with Indoor Entertainment and Outdoor Dining on Private Property at 219 Anderson Street Ste 6 - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Zarro and seconded by Councilor Fournier for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 110-22/23 Granting Municipal Officers' Approval of LB Kitchen, LLC, dba LB Kitchen. Application for Class III & IV FSE at 251 Congress Street - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Zarro and seconded by Councilor Fournier for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 111-22/23 Granting Municipal Officers' Approval of Snake Oil Sales, dba Downtown Lounge. Application for Class A Lounge at 606 Congress Street - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Fournier and seconded by Councilor Zarro for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 112-22/23 Granting Municipal Officers' Approval of Volcano LLC, dba Volcano. Application for Class IA Inn (41+ rooms) at 155 Riverside Street - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Ali and seconded by Mayor Snyder for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 113-22/23 Granting Municipal Officers' Approval of Definitive Brewing, LLC, dba Definitive Brewing. Application for Class A Lounge at 35 Industrial Way- Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Fournier and seconded by Councilor Ali for passage. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

Order 114-22/23 Granting Municipal Officers' Approval of Room For Improvement LLC, dba Room For Improvement. Application for Class A Lounge at 41 Wharf Street- Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Fournier and seconded by Mayor Snyder for passage. Passage 9-0.

Danielle West (Interim City Manager) gave an overview of the item.
Mayor Snyder opened the floor for public comment. No one spoke.

COMMUNICATIONS:

Communication 17-22/23 Regarding the 2022 Annual Tax Increment Financing District Activity Report - By the Housing & Economic Development Committee, Councilor Pious Ali, Chair

Councilor Ali gave an overview of this communication.
This item is a communication. No formal Council action is needed.

Communication 18-22/23 Regarding 2022 Calendar Year Accomplishments - By the Housing & Economic Development Committee, Councilor Pious Ali, Chair

Councilor Ali gave an overview of this communication.
This item is a communication. No formal Council action is needed.

Communication 19-22/23 Appointing Members of the Ethics Committee - Sponsored by Kate Snyder, Mayor.

Mayor Snyder gave an overview of this communication.
This item is a communication. No formal Council action is needed.

Communication 20-22/23 Regarding the 2023 Council Common Goals - By Kate Snyder, Mayor

Mayor Snyder gave an overview of this communication.
This item is a communication. No formal Council action is needed.

RESOLUTIONS:

Resolve 6-22/23 Supporting the Advancing Equality for Wabanaki Nations Act - Sponsored by Councilor April Fournier

Motion was made by Councilor Rodriguez and seconded by Councilor Zarro for passage. Passage 9-0 as amended.
Councilor Fournier gave an overview of the item and read the resolve into the record.Councilor Fournier made a motion to make an administrative change to the resolve to read "Maine is one of a minority of States" on the first sentence of the resolve. Mayor Snyder opened the floor for public comment.The following spoke: George Rheault (West Bayside), Councilor Ali, Councilor Zarro, Councilor Trevarrow.

Written Public Comment on Resolve 6-22/23

ORDERS:

Order 115-22/23 Accepting and Appropriating a $5,000 Anonymous Donation for Those in Need - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Ali and seconded by Councilor Dion to suspend Council rules and wave the second read. Passage 9-0.

Motion was made by Councilor Zarro, seconded by Councilor Fournier for passage of item as an emergency. Passage 9-0.
Danielle West (Interim City Manager) gave an overview of this item.
Mayor Snyder opened the floor for public comment.The following individuals spoke:Ken Capron (Forest Ave), Councilor Pelletier, Danielle West (Interim City Manager), Councilor Fournier, Councilor Ali

Order 116-22/23 Approving the Sixth Amendment of the Land Exchange Agreement Between CPB2 Management LLC, Maine Department of Transportation and the City of Portland Re: 58 Fore Street - Sponsored by Danielle P. West, Interim City Manager

Motion was made by Councilor Trevorrow and seconded by Councilor Rodriquez to postpone item until the February 6th, 2023 meeting.
Motion failed 3-6
Motion was made by Councilor Zarro, seconded by Councilor Fournier for passage of item as presented. Passage 9-0.
Michael Goldman (Acting Corporation Counsel) gave an overview of this item.
Mayor Snyder opened the floor for public comment.The following individuals spoke:Mayor Snyder, Micheal Goldman (Acting Corporation Counsel), Councilor Fournier, Danielle West (Interim City Manager), Councilor Pelletier, Councilor Ali, Councilor Trevorrow, Councilor Dion, Mary Costigan (Legal Counsel for Developer), Mayor Snyder, Councilor Zarro, Councilor Phillips, Councilor Rodriguez, Councilor

Written Public Comment on Order 116-22/23

ADJOURNMENT:
Motion was made by Councilor Ali and seconded by Councilor Fournier to adjourn. Passage 9-0 at 8:23pm.

A TRUE RECORD

____

Ashley Rand, City Clerk

UN-AGENDAED ITEM

Order Appropriating ARPA and Housing Trust funds for Winchester Woods Housing Project - Sponsored by Councilor Regina L. Phillips

Motion was made by Councilor Phillips and seconded by Councilor Ali to suspend council rules to take up an unagended item. Passage 7-2 (Councilor Dion and Mayor Snyder No)
Order Approving and Appropriating ARPA and Housing Trust Funds for Winchester Woods Housing Project has been added for first reading.
Mayor Snyder opened the floor for council debate. The following individuals spoke: Councilor Dion, Councilor Zarro, Councilor Pelletier, Councilor Fournier, Councilor Ali, Danielle West (Interim City Manager), Councilor Phillips.

Motion was made by Councilor Phillips and seconded by Councilor Ali to wave second read and pass item as an emergency. Motion failed 1-8. (Councilor Fournier, Coucnilor Rodriguez, Councilor Dion, Councilor Ali, Councilor Zarro, Councilor Trevorrow, Councilor Pelletier No)

Second read of the Council Order and public comment will be read at the January 4, 2023 meeting.

KATE SNYDER (MAYOR)
PIOUS ALI (A/L)
APRIL D. FOURNIER(A/L)
ROBERTO RODRÍGUEZ (A/L)

CITY OF PORTLAND
IN THE CITY COUNCIL

ANNA TREVORROW (1)
VICTORIA PELLETIER (2)
REGINA L. PHILLIPS (3)
ANDREW ZARRO (4)
MARK DION (5)

PROCLAMATION RECOGNIZING MARTIN LUTHER KING, JR., DAY

WHEREAS, Reverend Dr. Martin Luther King, Jr., a minister, activist, author, and leader inspired so many in this country and the world with his vision and dedication to freedom and equality; and

WHEREAS, Dr. King became the voice of the American civil rights movement in the 1950s and 1960s with his distinctive oratorical style and commitment to nonviolent protest and deliberative, intentional political action that resulted in the passage of the Civil Rights Act of 1964; and

WHEREAS, Dr. King led the Montgomery Bus Boycott, was one of the founders of the Southern Christian Leadership Council, championed the Poor People's campaign and for his many efforts was awarded the Nobel Peace Prize in 1964; and

WHEREAS, Dr. King came to Maine twice to talk about race relations and his dream of Equality, Black Liberation, and Human Rights, planting a seed that continues to inspire and motivate the millions of people continuing his work in Portland, across the United States, and around the world; and

WHEREAS, Dr. King's voice, vision, and dream has persevered for generations since his passing, and his deeply-held faith and unwavering courage in loudly proclaiming the message of liberty, justice and equality for all Americans lives on; and

WHEREAS, The United States Congress passed legislation that was signed into law on November 2, 1983, designating the third Monday in January a national holiday in honor of Reverend Dr. Martin Luther King, Jr.'s birthday; and

NOW, THEREFORE, BE IT RESOLVED, that I, Kate Snyder, Mayor of the City of Portland, Maine and members of the City Council do hereby recognize Monday, January 16, 2023 as Martin Luther King, Jr. Day.

Signed and sealed this 4th day of January, 2023

Kate Snyder

Kate Snyder, Mayor

City of Portland

MEMORANDUM
City Council Agenda Item

FROM:

DATE: December 22, 2022

SUBJECT: Order 118-22/23 Appointing Duane Cote Constable for 2023 - Sponsored by Danielle P. West, Interim City Manager

SPONSOR: The Mayor, City Manager, City Clerk, Corporation Counsel, the Planning Board, or up to three (3) members of the Council shall sponsor any orders or other items. If sponsored by a Council Committee, please include the date the committee met and the results of the vote.

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading **Final Action**

Can action be taken at a later date: No If action cannot be taken at a later date, please explain why. Do NOT write yes or no; that will be automatically generated by the checkbox.

Does this item involve a new contract with the City: no

PRESENTATION: Please list the presenter(s), type, and length of presentation

I. SUMMARY

II. AGENDA DESCRIPTION

This order appoints Duane Cote, from the Permitting and Inspections Department, a Constable for 2023, in order to enforce City Code provisions for business licensing, rental housing, building, electrical and plumbing codes.

This appointment is effective from 12:01 a.m. on January 1, 2023 until 12:00 midnight, December 31, 2023, and is made pursuant to Portland City Code, Sections 2019 and 2019.5. Constables are not allowed to carry a firearm, concealed or unconcealed, in the performance of their duties, or to make arrests or issue parking tickets.

Five affirmative votes are required for passage after public comment.

III. BACKGROUND

Background information that will not appear in the Agenda Description

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

Please indicate whether or not there is a financial impact. Please note that per Council Rule 12, this form must have "a separate fiscal impact statement memo attached if the impact of the item is $50,000 or more in a given fiscal year. This memo shall include details and information describing the fiscal impact including, but not limited to, projected costs, revenues or savings over a three (3) year period and/or any potential impacts on the City tax levy."

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Constable Appointment for Duane Cote 1.4.2023

Prepared by:
Date: 12/22/2022

CITY OF PORTLAND
IN THE CITY COUNCIL

ORDER APPOINTING
DUANE COTE CONSTABLE FOR 2023

ORDERED, that Duane Cote of the Permitting and Inspections Department is hereby appointed constable for the 2023 calendar year; and

BE IT FURTHER ORDERED, that this appointment shall be effective from the effective date of this order until 12:00 midnight, December 31, 2023; and

BE IT FURTHER ORDERED, that this appointment is pursuant to Sections 20-19 and 20-19.5, Portland City Code, and this constable is not allowed to carry a firearm, concealed or unconcealed, in the performance of duties, or to make arrests or issue parking tickets.

MEMORANDUM
City Council Agenda Item

FROM:

DATE: December 22, 2022

SUBJECT: Order 119-22/23 Appointing Gynt Grube Interim Assessor - Sponsored by Danielle P. West, Interim City Manager

SPONSOR: The Mayor, City Manager, City Clerk, Corporation Counsel, the Planning Board, or up to three (3) members of the Council shall sponsor any orders or other items. If sponsored by a Council Committee, please include the date the committee met and the results of the vote.

(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading **Final Action**

Can action be taken at a later date: No If action cannot be taken at a later date, please explain why. Do NOT write yes or no; that will be automatically generated by the checkbox.

Does this item involve a new contract with the City: no

PRESENTATION: Please list the presenter(s), type, and length of presentation

I. SUMMARY

II. AGENDA DESCRIPTION

Gynt Grube was appointed Interim Assistant Assessor by Order 63-22/23 on September 19, 2022. With the resignation of the previous assessor now submitted, this order appoints Gynt Grube as Interim Assessor, while a search process is undertaken to appoint a permanent Assessor.

Seven affirmative votes are required for passage as an emergency after public comment.

III. BACKGROUND

Background information that will not appear in the Agenda Description

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

V. FINANCIAL IMPACT

Please indicate whether or not there is a financial impact. Please note that per Council Rule 12, this form must have "a separate fiscal impact statement memo attached if the impact of the item is $50,000 or more in a given fiscal year. This memo shall include details and information describing the fiscal impact including, but not limited to, projected costs, revenues or savings over a three (3) year period and/or any potential impacts on the City tax levy."

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Grube, Gynt Appointed Interim Assessor 1.4.2023

Prepared by:
Date: 12/22/2022

CITY OF PORTLAND
IN THE CITY COUNCIL

ORDER APPOINTING GYNT GRUBE AS INTERIM ASSESSOR

ORDERED, that Gynt Grube is hereby appointed as Interim Assessor, pursuant to 30-A M.R.S. § 2552; and

BE IT FURTHER ORDERED, that the City Council hereby authorizes the Interim City Manager or her designee to execute any documents necessary or convenient to carry out the intent of this Order; and

BE IT FURTHER ORDERED, that this appointment is enacted as an Emergency, pursuant to Article II, Section 11 of the Portland City Charter, in order to make it effective immediately and allow Gynt Grube to work as soon as possible.

City of Portland | Executive Department
Danielle P. West, *Interim City Manager*

To: Mayor Snyder and Members of the Portland City Council
From: Jessica Grondin, Director of Communications & Digital Services
Date: January 4, 2023
Re: In-Person/Hybrid Meeting Update

This memo is intended to provide an update on returning to hybrid (in-person and remote participation) Committee and Board meetings now that upgraded technology equipment has been installed in the Anita LaChance (Room 209) Conference Room and the Kippy Richardson (Room 24) Conference Room. As you know, City Council meetings are already held hybrid style in Council Chambers.

City staff who help run the various Council Committee and Board meetings have been trained in using the new technology in both conference rooms and successful trials were completed.

As such, Council Committees and Boards should work with their staff liaisons to determine when meetings will be held hybrid or remote, in accordance with their respective remote participation policies.* The public meeting notice for each Committee and Board will indicate whether or not the meeting in question will be hybrid or remote.

While we are still awaiting the arrival of a few more pieces of technology to fully complete the upgrade in Council Chambers, we are excited that we can now offer a hybrid experience in our two City Hall conference rooms so that committees and boards have the opportunity to meet in-person while still offering remote participation. We have seen the public take great advantage of our remote participation methods during Council meetings with attendance typically higher on Zoom than in-person.

** The City Council's Remote Participation Policy can be found here. Other Boards & Commissions, such as the Planning Board, have adopted their own remote participation policies.*

389 Congress Street, Portland, Maine 04101 | 207-874-8689 | citymanager@portlandmaine.gov

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: December 14, 2022

SUBJECT: Order 117-22/23 Approving and Appropriating $3,257,004 in Housing Trust Funds and $1,000,000 in American Rescue Plan Act Funds for the Avesta Housing Winchester Woods Affordable Housing Project - Sponsored by Danielle P. West, Interim City Manager

SPONSOR: Danielle West, Interim City Manager
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 12/19/2022 **Final Action 12/19/2022**

Can action be taken at a later date: No Under the terms of the Purchase and Sale Agreement, Avesta must have all financial commitments in place by December 21.

Does this item involve a new contract with the City: Yes. The City will need to enter into an agreement with Avesta Housing concerning the covenants, conditions and restrictions associated with the provision of these financial resources. Due to the immediate need to provide a financial commitment for this project, the legal document(s) have not yet been drafted.

PRESENTATION: Mary Davis will be available for a brief presentation and to answer questions along with representatives from Avesta Housing.

I. SUMMARY

Approval to appropriate financial assistance to Avesta Housing to purchase a 48 unit rental housing development to house New Mainers.

II. AGENDA DESCRIPTION

This order would approve and appropriate a total of $4,257,004 to Avesta Housing's purchase of a 48-unit rental housing development called Winchester Woods, located in the East Deering neighborhood on Sherwood and Dalton Streets. Avesta intends to purchase the development when construction is completed and provide 48 asylum-seeking families with housing.

The development includes four 12-unit buildings, each comprised of six one-bedroom and six two-bedroom apartments. Construction on all the buildings is estimated to be completed by the beginning of 2023. Avesta will partner with local and state agencies, including MaineHousing, the City's Health and Human Services Department, Prosperity Maine, Greater Portland Family Promise, and Project Home to identify and provide housing and services for those families most in need.

According to Avesta, Maine Housing is restricting 20% (10 units) of the units at 50% of area median income (AMI) for 30 years. Avesta has agreed to an affordability requirement for 28 units at 80% of the area median income, which includes the current owner’s inclusionary zoning requirements (12 units at 80% AMI). Winchester Woods is currently under construction by a private developer as a market-rate rental housing development. As such,25% of the units must be affordable to households at or below 80% of the area median income (1-person $62,550, 2- person $71,500, 3-person $80,450 and 4-person $89,350). Long-term (90 years), these units will remain affordable to families earning 80% of the area median income or less.

To facilitate the purchase of this property, Avesta is seeking financial assistance from MaineHousing, Cumberland County, and the City of Portland.

The State of Maine has provided a preliminary commitment to pay for two years of rental assistance for all 48 units. In response to feedback provided by the Council at a workshop on September 22, 2022, City staff have identified $3,257,004 in funding from the Jill C. Duson Housing Trust Fund and $1,000,000 from the first tranche of American Rescue Plan funding for this project.

This item must be read on two separate days. It received its first reading on December 19, 2022. Staff had previously requested emergency passage, and seven affirmative votes are required for passage as an emergency after public comment.

III. BACKGROUND

City staff have identified funding from the Jill C. Duson Housing Trust Fund (HTF) of $3,257,004, which includes the $500,000 minimum balance approved in the 2022 Jill C. Duson Housing Trust Fund Annual Plan. $548,810 is available because two projects previously awarded a HTF allocation have experienced delays due to increased construction costs and will not be ready for construction until some time in 2023. $1,000,000 allocated for housing in the first tranche of ARP funding, will also be included, bringing the total available to $4,257,004. Avesta originally requested $5,000,000 in assistance from the city. Maine Housing will provide funding to fill the remaining gap.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

Council Goals Addressed: (1) Advance efforts to reduce homelessness and assist people experiencing homelessness through city, regional and state efforts; (2) Increase access to rental and home ownership housing that is safe, affordable, and accessible, with emphasis on the unhoused.

V. FINANCIAL IMPACT

Avesta Housing Development Corporation is a non-profit entity and will own the property once the purchase is complete. As a non-profit entity, Avesta intends to file for real estate tax exemption as a non-profit property owner. When providing financial assistance to a housing development, It has been a practice of the city to include a requirement that states that, in the event ownership of the property becomes tax exempt, an amount equal to the amount that would have been assessed as real estate taxes be paid annually. There is a long documented city history and staff recommendations against a waiver of this payment in lieu of taxes (PILOT) practice.

On November 2nd, a consultant working with the City's Tax Assessor's Office, provided an estimate of value of $9,000,000 to $10,000,000 and an annual tax estimate between $122,000 to $136,000 (utilizing the current tax rate of .01361).

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis that will not appear in the Agenda Description.

VII. RECOMMENDATION

At this time, if the City Council votes to approve funding in the amount of $4,257,004 for this project, staff would make the following recommendation.

Without benefit of an appraisal of the project and utilizing the current financial pro forma, staff recommends loan terms of 0% interest with the payment deferred for 30 years.

VIII. LIST ATTACHMENTS

1. Appropriating ARPA and Housing Trust funds for Winchester Woods Housing Project 10.3.2022

2. Avesta Winchester Woods ARPA Application Public Version
3. Winchester Woods Pro Forma 48 Units 20% at 50% - 12.16.22
4. Council Memo_ Winchester Woods

Prepared by:
Mary Davis, Division Director
Date: 12/14/2022

CITY OF PORTLAND
IN THE CITY COUNCIL

ORDER APPROVING AND APPROPRIATING $3,257,004 IN JILL C. DUSON HOUSING TRUST FUNDS AND $1,000,000 IN AMERICAN RESCUE PLAN ACT FUNDS FOR THE AVESTA HOUSING WINCHESTER WOODS AFFORDABLE HOUSING PROJECT

ORDERED, that the amount of $3,257.004 in Jill C. Duson Housing Trust funding is hereby approved and appropriated to fund a loan to Avesta Housing Development Corporation for the purchase of the Winchester Woods Affordable Housing Project, on the condition that the terms and conditions of the loan are consistent with the description of the Project set forth in the attached Memorandum from Mary P. Davis, Director of the Housing and Economic Development Department; and

BE IT FURTHER ORDERED, $1,000,000 from the first allocation to the City of Portland of federal American Rescue Plan Act funding is hereby approved and appropriated to fund a loan to Avesta Housing Development Corporation for the purchase of the Winchester Woods Affordable Housing Project on the condition that the terms and conditions of the loan are consistent with the description of the Project set forth in the attached Memorandum; and

BE IT FURTHER ORDERED, upon review and approval by the Corporation Counsel's office, the City Manager or designee is authorized to execute a loan agreement and any and all other documents and instruments containing terms and conditions that are consistent with the attached Memorandum as may be necessary or convenient to carry out the intent of this order.

American Rescue Plan Act (ARPA) of 2021

<u>APPLICATION</u>

2nd Tranche Funding

CITY OF PORTLAND, MAINE

Application deadline:

September 16th, 2022 at 4:00pm

OVERVIEW

The City of Portland is inviting applications from pre-approved applicants seeking grant funding to help address impacts from the COVID-19 pandemic. This is a reimbursable grant program, not a loan or grant that provides advance funding. The proposed project/program seeking funding must be designed with clear goals and objectives that facilitate the delivery of meaningful results and is compliant with 2 C.F.R. Part 200. The City will distribute up to $11.2 million in this second round to applicants that are able to demonstrate their project/program will address eligible uses including improving public health, addressing negative economic impacts to households, providing services to disproportionately impacted communities, water/ sewer infrastructure, and broadband infrastructure. Application minimum is $50,000.

INSTRUCTIONS

1. Questions related to the grant and/or application process should be directed to the Finance Department at finance@portlandmaine.gov, no later than September 12th, 2022 at noon; questions submitted after that date will not be answered. The City may share responses with all applicants.
2. Applications must be completed in full to be considered for funding, including the forms included in this application package, a written narrative, and all required documents.
3. Additional attachments, brochures, or other materials may be included as part of the application. However, the electronic application and attachments cannot exceed 10 MB.
4. Please submit your completed application, including forms and attachments, either by:
    a. Mail or hand deliver three (3) hard copies to the Dept of Housing & Economic Development, Attn: Kaela Gonzalez, 389 Congress St, Portland, ME 04101.
    b. Email an electronic copy to finance@portlandmaine.gov.
5. Applications are due by: **4:00 P.M., September 16th, 2022** and will be published for public viewing (with some redactions as noted below).

EVALUATION & AWARD PROCESS

The City's Internal Review Team (IRT) will evaluate all Applications using the following criteria as outlined in the Pre-application package:

- Project Description
- Whether the Project Addresses a "Preferred Area" of Need
- Project Management Team and Experience
- Complexity of Project & Readiness to Proceed – ability to meet expenditure deadline
- Financial Plan, Leveraged/Companion Funds, & Project Budget
- Social Equity & Community Benefit
- Project Sustainability
- Whether the Project Meets a City Council Goal

Incomplete Applications will not be reviewed. Review of a completed Application is not a commitment that the City will fund the project. After reviewing each application, the IRT shall provide one of the following recommendations:

1. Fund or partially fund
2. Fund or partially fund with revisions
3. Do not fund at this time

Applications that are reviewed by the IRT will be made available for public review and discussed openly at a meeting of the Portland City Council. The City of Portland is committed to diversity, equity, and inclusion (DEI), and will consider DEI during its evaluation of grant applications. The IRT may ask applicants for clarifying information or meet with applicants as needed to complete its evaluation process. Each proposal should be evaluated by the members of the IRT using the following weighted scoring categories as a guideline:

Category	**Point Value**
Benefits and Outcomes – Project/Program goals and objectives address social equity and fair distribution of project benefits within Portland, making substantial impact and/or aiding populations most impacted by the pandemic, or broadly to the community as a whole.	40%
Completeness of Proposal and Approach – Proposal is organized, understandable, and provides all the information described in the application package. Project/Program is specific, measurable, achievable, realistic & time-bound, uses Evidence-Based Interventions (if applicable), and clearly describes how it aligns with the applicable ARPA Expenditure Category.	20%
Experience and Qualifications – Proposal includes composition of Project Team; experience administering federal grants; experience of staff in managing and executing programs similar to the one(s) described in the application, including demonstrated effectiveness and outcomes; ability to manage projects to meet milestones and deadlines.	10%
Financial Plan – Proposal includes a detailed Budget and identifies all sources of funding. It describes the project/program timeline and demonstrates that the grant will be fully drawn down and closed by December 31, 2026. If the project is dependent on other funding sources in addition to the ARPA request, it must demonstrate how all sources of funding will be available and spent within the overall timeline for completion. If the project is expected to continue past December 31, 2026, the proposal must describe how the project will sustain itself after ARPA funds are spent.	20%
Priority and Alignment with City Goals – Proposals that address a “Preferred Area” of Need and/or align with one or more City Council Goals will receive additional points.	10%

Projects will be recommended to the City Council by the City Manager based on feedback from the IRT, input from the public survey and participatory process, and other considerations including direct input from Council and whether proposed projects are duplicative or overlap in programming and whether full or partial funding can be sufficiently committed. The City expects to receive applications that triple or quadruple funds available, so some projects may receive a partial funding award and others may receive no funding award. The City will present initial recommendations at a public meeting of the Finance Committee who will then vote on full recommendations to the full City Council. The City Council will then vote on final decisions regarding all grant awards.

Once the City Council has approved funding for a project, awardees will enter into an agreement with the City. The agreement will describe the terms and conditions of the funding, including, but not limited to: purpose, term, eligible uses, scope, reporting requirements, required insurances, process to modify or terminate the agreement, audit requirements, and any other City requirements. The agreement will also include applicable federal terms and conditions, and the terms for reimbursement of funds.

SUBMISSION REQUIREMENTS

Attach a typed narrative limited to 10 pages using 12 point font and normal margins

1. PROJECT / PROGRAM DESCRIPTION & APPROACH
    a. Briefly describe your organization
    b. Describe the program or project for which you are requesting funds
    c. Describe the geographic location that your project will be located, or the area in which it will serve. If the project serves areas other than Portland the budget must be broken down by location
    d. Describe the need for your program/project
    e. Identify any other organizations that also work to address this need, and how you will prevent duplication of effort
    f. Describe your level of collaboration with other agencies on this project
    g. Explain whether this is a new, existing, or changed/expanded program
    h. Explain whether this project / program will not be initiated, or scope will be reduced, if ARPA funds are not provided

2. PROJECT / PROGRAM BENEFITS & OUTCOMES
    a. Identify who will benefit and how they will benefit,
    b. Identify how many individuals/families will benefit and the estimated project/program cost per beneficiary
    c. Describe measurable outcomes that will be used to evaluate social/community impact and overall success of your project/program (not just number of persons served)
    d. Briefly describe your organization's track record and provide examples of measurable outcomes within the past 3 years, regardless of funding

source
e. Provide a project/program timeline, including steps, phases, or milestones, as applicable, and identify a target completion date
f. If applicable, identify whether project/program uses Evidence-Based Interventions, and provide citations as necessary

3. EXPERIENCE & QUALIFICATIONS
   a. Attach list of project team members, position titles and roles of each person in the project throughout the life of this project/program
   b. Describe experience administering federal grants, including compliance and reporting
   c. Describe experience managing and executing project/programs similar to the one(s) described in the application
   d. Please disclose any occurrence, event, or condition that could have an adverse material impact on your ability to complete the project/program
   e. Indicate whether your organization has adopted a DEI Policy, and attach a copy of any such policy; applicants without a formal DEI Policy remain eligible for grant funding, but may be asked to adopt such a policy as a condition of award

4. PROJECT / PROGRAM FINANCIAL PLAN
   a. Using the Budget Overview sheet, provide a schedule of revenues and expenses for the project, along with a description of the sources and uses of funds, including cost categories specifically supported with ARPA funds, i.e. salaries and fringe, real property, equipment, rent and utilities of program space, training, etc.
   b. If project/program is dependent on other funding sources in addition to this ARPA request, describe how all sources of funding will be available and spent within the overall timeline for completion
   c. If the project/program is intended to continue beyond 2026, describe how the project will be financially sustained after ARPA funds are spent
   d. List any other entities you have requested or plan to request ARPA funding from
   e. For projects with multiple locations or that serve areas outside of Portland please include a breakdown of the budget by location.

5. FINANCIAL INFORMATION AND MANAGEMENT (THESE WILL NOT BE PUBLISHED AS PART OF THE PUBLIC POSTING OF ARPA APPLICATIONS)
   a. Attach a copy of your most recent financial statements
   b. Attach a copy of the most recent financial audit results, if applicable, including any findings
   c. Indicate whether the organization ever defaulted on a loan, lease, or other credit agreement
   d. Provide an organizational chart showing the management and administration for your organization, including names of individuals
   e. Attach a copy of your liability insurance to include fiduciary coverage

    for employees handling money
  f. Provide the name of your banking institution
  g. Attach a copy of your financial operating procedures, including procurement process
  h. Describe your organization's fiscal oversight / internal controls to minimize risk of fraud, waste, and mismanagement
  i. Describe how you plan to segregate ARPA funds from other funds for purposes of identification, tracking, reporting and audit

6. LEGAL (THESE WILL NOT BE PUBLISHED AS PART OF THE PUBLIC POSTING OF ARPA APPLICATIONS)
   a. Describe any outstanding lawsuits, citations, or other legal actions against your organization or its officers or employees

THIS PAGE MUST BE COMPLETED AND INCLUDED WITH YOUR APPLICATION

GENERAL INFORMATION

1. Organization Name: Avesta Housing
2. Project Title: Winchester Woods
3. Address: 17 Winchester Drive, Portland, ME
4. Primary Contact Person: Kyle Ambler
5. Title: Development Officer Phone: 207-956-1535
6. E-mail kambler@avestahousing.org
7. ARPA Expenditure Category (see Appendix A): 2.15 - Long Term Housing Security - Affordable Housing
8. Supports Council Goals (optional) Check All That Apply

Reducing homelessness	✓
Improving Equity, Inclusion and Diversity	✓
Safe and Affordable Housing	✓
Advance climate change and sustainability efforts	
Fiscal Responsibility	✓

FUNDING REQUEST (must match Budget Overview sheet)

ARPA Funds Requested	Total Project Cost	Annual Organizational Budget
$ 5,000,000	$ 15,600,000	$ 58,027,224

THIS PAGE MUST BE COMPLETED AND INCLUDED WITH YOUR APPLICATION

BUDGET OVERVIEW / REVENUES AND EXPENSES

PROJECT/PROGRAM TITLE: Winchester Woods

FUNDING SOURCES

SOURCE	FUNDS SPECIFICALLY FOR THIS PROJECT/PROGRAM	SECURED? (YES/NO)
ARPA Funding Requested from City	$ 5,000,000	
Other Government Grants (list below)		
MaineHousing Loan	8,100,000	Tentative
Cumberland County ARPA	2,500,000	Preliminary Approval
Non-government Grants (list below)		
Donations/Other Fundraising		
Internal/Self-Funding		
Loans		
Other (list below)		
TOTAL REVENUES	$ 15,600,000	

EXPENSES

ITEM	ARPA FUNDS	OTHER SOURCES	TOTAL
Construction & Acquisition	$ 5,000,000	$ 10,600,000	$ 15,600,000
TOTAL EXPENSES	$ 5,000,000	$ 10,600,000	$ 15,600,000

NOTE: Revenues and Expenses must balance

AVESTA HOUSING
WINCHESTER WOODS
48 New Apartments for New Mainers

1. PROJECT / PROGRAM DESCRIPTION & APPROACH

a. Briefly describe your organization

Avesta Housing is a Portland based nonprofit organization celebrating 50 years of providing safe, decent affordable housing. Avesta currently has a portfolio of 110 developments which provide homes to over 3,200 households. Our developments are located in 44 municipalities and about one third are in Portland. Avesta focuses its efforts on serving very needy populations including homeless individuals, seniors, persons with disabilities and recent immigrants and asylum seekers (New Mainers). About two-thirds of the residents in Avesta's Portland area family developments are New Mainers.

b. Describe the program or project for which you are requesting funds

Avesta Housing has entered into a purchase and sale agreement to purchase a 48-unit rental housing development called Winchester Woods.. It was being developed by a private developer with the intent to rent the homes at market rates ($1,800-$2,400/month). Avesta's intent is to purchase the development when construction is completed in late 2022 and make the 48 homes available to New Mainer households who are currently living in area hotels and shelters. The development includes four 12-unit buildings, each comprised of six one-bedroom and six two-bedroom apartments.

The buildings will be ready for occupancy starting in October 2022, with the final building scheduled to be completed two to three months later.

c. Location

The property is currently under construction and is located in the East Deering neighborhood on Sherwood and Dalton Streets in Portland, Maine.

d. Need

During the past year, a large influx of asylum-seeking families and individuals have been arriving in Portland. Currently, hundreds of asylum seeker households (comprised of more than 1,000 individuals) are staying in temporary places in the Portland area. Because of the pandemic, traditional shelters have had to reduce capacity, and other non-immigrant homeless individuals and families have exceeded the capacity of the area's shelter system. Most of the recent influx of asylum seekers are staying in hotels in greater Portland with the majority in two South Portland hotels.

e. Identify any other organizations that also work to address this need, and how you will prevent duplication of effort

Avesta will work with Project HOME and the City's Refugee and Immigrant Services Coordinator to provide the most effective means of housing these families. There are a tremendous number of families in need of affordable housing and for that reason we believe there will be no duplication of effort among city and state organizations working to house them.

f. Describe your level of collaboration with other agencies on this project

Avesta will partner with Prosperity Maine, Greater Portland Family Promise, Project HOME and the City's Refugee and Immigrant Services Coordinator in order to identify and provide housing for those families most in need.

g. Explain whether this is a new, existing, or changed/expanded program.

The concept of purchasing a housing development that is currently under construction in order to ensure the apartments are kept affordable is new for Avesta, but with the success of this program, we hope to explore additional opportunities to house families this way in the future. Rarely do affordable housing organizations have the ability to house families so quickly from conception to lease-up.

h. Explain whether this project / program will not be initiated, or scope will be reduced, if ARPA funds are not provided.

Without funding assistance from the City of Portland, this project is not feasible. We are actively seeking significant funding sources in addition to funding from the City. Because of the nature of the transaction, many funding sources we would otherwise seek are not feasible, such at Low Income Housing Tax Credits.

2. PROJECT / PROGRAM BENEFITS & OUTCOMES

a. Identify who will benefit and how they will benefit,

48 asylum – seeking families will be provided with permanent housing for the immediate future. These apartments will remain affordable for a minimum of 15 years, and more likely 30 years or more.

b. Identify how many individuals/families will benefit and the estimated project/program cost per beneficiary

48 families will be housed as a result of this development. 48 families that would potentially face homelessness. The nightly cost of hotel stays is expensive, particularly during the summer tourist months. The cost of the hotel stays is generally averaging $240 per night per household. This huge financial expense is being paid for with a combination of temporary FEMA funds, temporary federally-funded emergency rental assistance programs, and General Assistance. General Assistance is normally paid 70% by the state and 30% by the local municipality. During the pandemic, federal funds have paid for most of the hotel costs, but that funding stream is likely to expire in the coming months. This creates significant potential liability for municipalities and the state. The cost for 48 households to stay in hotels for the next two years is estimated to be in excess of **$8,000,000**.

c. Describe measurable outcomes that will be used to evaluate social/community impact and overall success of your project/program (not just number of persons served)

Avesta has housed over 700 New Mainer families and will work with Prosperity Maine and the City's Refugee and Immigrant Services Coordinator in selecting the residents from among the hotel and shelter population, arranging their move-in, and providing services thereafter. Day care, access to English language learning classes, transportation, legal assistance, furniture, healthcare and job training are among the services will be provided. Evidence-Based Data is readily available throughout this process similar to the extensive data tracking used for Avesta's 110 other properties. This includes tracking the number of interested households, number of applicants, number of qualified applicants, number of successful move-ins, immigration/asylum status and qualification, and number of households that successfully move beyond the rental assistance provided at Winchester Woods and secure employment once work permits and income stabilization have occurred.

Researcher after researcher has proven that safe decent housing is an effective intervention. To quote a 2018 article in Social Science and Medicine by Anna Ziersch and Clemence Due …. "People with refugee and asylum-seeking backgrounds can face a range of risk factors for poorer health and wellbeing, including experiences of trauma, dislocation, and violence, with associated loss of family and community support (Fazel et al., 2005; Fozdar and Hartley, 2014; Hollifield et al., 2002; Taylor, 2004; Phillips, 2006; Silove and Ekblad, 2002). When building a new life, either temporarily within a refugee camp or longer term within countries of resettlement, there are several factors that are important for successful health outcomes, including housing. Secure housing is an important social determinant of health (Marmot, 2005) and both a means and marker of successful integration for refugees and asylum seekers."

d. Briefly describe your organization's track record and provide examples of measurable outcomes within the past 3 years, regardless of funding Source

Avesta Housing has provided affordable, safe, and high-quality homes to over 3,200 households in Maine and New Hampshire across 110 developments. More recently, Avesta has developed the following:

Southgate – 38 new family apartments in Scarborough
Wessex Woods – 40 new senior apartments in Portland
Deering Place – 75 family apartments in Portland
West End I – 64 new family apartments in South Portland

Each of these developments is comparable in scope to Winchester Woods, and utilized a combination of public and private funds including Low Income Housing Tax Credits and Federal Home Loan Bank funding totaling over $48 million.

e. Provide a project/program timeline, including steps, phases, or milestones, as applicable, and identify a target completion date.

The project has passed all development hurdles and is currently under construction. Apartments will become available for occupancy in November of this year. The project is expected to be fully completed in February 2023. We anticipate occupancy to begin as early as November.

We are currently in the process of procuring funding from MaineHousing and Cumberland County. Once all funding sources are in place, we will be able to complete the acquisition and begin occupying the buildings.

f. If applicable, identify whether project/program uses Evidence-Based Interventions, and provide citations as necessary.

3. EXPERIENCE & QUALIFICATIONS

a. Attach list of project team members, position titles and roles of each person in the project throughout the life of this project/program

Project team & Roles attached.

b. Describe experience administering federal grants, including compliance and reporting

Avesta Housing has successfully administered funding from Federal, State, Local, and Private funding sources including ARPA, HOME, HUD, RD, Section 8, Choice Neighborhoods Initiative, and Low Income Housing Tax Credits. More recently, Avesta was selected as the development partner for a transformational redevelopment site in Lewiston which received $30m in HUD Choice Neighborhoods grant funding which will leverage more than $100m in additional development. Avesta is also currently administering more than $1.2m in ARPA funds for development and operating activities.

c. Describe experience managing and executing project/programs similar to the one(s) described in the application

The aggressive timeline of this project is exciting and unique for how quickly we will be able to house families in need. And Avesta Housing has an exemplary record of managing the execution of similar complex developments with strict funding timelines. This includes the aforementioned Southgate development, West End I, Deering Place, and Wessex Woods. Each was financed utilizing competitive tax credits with strict funding deadlines, complex approval processes, and sophisticated design and construction. And each was completed and leased-up successfully.

d. Please disclose any occurrence, event, or condition that could have an adverse material impact on your ability to complete the project/program

The success of this project relies on the continued collaboration between Avesta, the project owner, contractor, MaineHousing, the City, and the county to provide funding. As the project is already approved and under construction, and we have maintained close monitoring of the construction process and schedule, we do not anticipate any adverse events. However, we are prepared to work diligently through any issues that may arise.

e. Indicate whether your organization has adopted a DEI Policy, and attach a copy of any such policy; applicants without a formal DEI Policy remain eligible for grant funding, but may be asked to adopt such a policy as a condition of award

4. PROJECT / PROGRAM FINANCIAL PLAN

a. Using the Budget Overview sheet, provide a schedule of revenues and expenses for the project, along with a description of the sources and uses of funds, including cost categories specifically supported with ARPA funds, i.e. salaries and fringe, real property, equipment, rent and utilities of program space, training, etc.

Please see attached budget.

b. If project/program is dependent on other funding sources in addition to this ARPA request, describe how all sources of funding will be available and spent within the overall timeline for completion

Avesta has and will continue to communicate with Cumberland County and Mainehousing in order to secure adequate funding for the project to be successful. In addition to the request for $5m from the city, we have requested $2.5m from Cumberland County and over $8m from MaineHousing.

c. If the project/program is intended to continue beyond 2026, describe how the project will be financially sustained after ARPA funds are spent

Avesta is underwriting this project to sustain continued operation for at least 30 years as affordable housing sustained by rental income. Utilizing our existing portfolio for comparison and extensive internal and external knowledge of operating expenses for similar developments, we believe the proposed financing will sustain the project far beyond 2026.

d. List any other entities you have requested or plan to request ARPA funding from

Cumberland County – Request for $2.5m.

e. For projects with multiple locations or that serve areas outside of Portland please include a breakdown of the budget by location.

5. FINANCIAL INFORMATION AND MANAGEMENT

6. LEGAL

APPENDIX A: Expenditure Categories

The United States Treasury has identified expenditure categories under which ARPA funds can be spent. The City's list of priority expenditure categories are listed below. Applications must identify and justify how their project meets one of these categories. In addition, the City Council will place additional emphasis on any eligible applications which directly address a City Council goal.

Expenditure Category	EC	Previous EC
1: Public Health		
COVID-19 Mitigation & Prevention		
COVID-19 Vaccination ^	1.1	1.1
COVID-19 Testing ^	1.2	1.2
COVID-19 Contact Tracing	1.3	1.3
Prevention in Congregate Settings * (Nursing Homes, Prison/Jails, Dense Work Sites, Schools, Child Care Facilities, etc.) *^	1.4	1.4
Personal Protective Equipment^	1.5	1.5
Medical Expenses (including Alternative Care Facilities)^	1.6	1.6
Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	1.7	1.8
COVID-19 Assistance to Small Businesses^	1.8	-
COVID 19 Assistance to Non-Profits^	1.9	-
COVID-19 Aid to Impacted Industries^	1.10	-
Community Violence Interventions		
Community Violence Interventions*^	1.11	3.16
Behavioral Health		
Mental Health Services*^	1.12	1.10
Substance Use Services*^	1.13	1.11
Other		
Other Public Health Services^	1.14	1.12
	-	1.7
2: Negative Economic Impacts		
Assistance to Households		
Household Assistance: Food Programs*^	2.1	2.1
Household Assistance: Rent, Mortgage, and Utility Aid*^	2.2	2.2
Household Assistance: Cash Transfers*^	2.3	2.3
Household Assistance: Internet Access Programs*^	2.4	2.4
Household Assistance: Paid Sick and Medical Leave^	2.5	-
Household Assistance: Health Insurance*^	2.6	-
Household Assistance: Services for Un/Unbanked*^	2.7	-
Household Assistance: Survivor's Benefits^	2.8	-
Unemployment Benefits or Cash Assistance to Unemployed Workers*^	2.9	2.6

Expenditure Category	EC	Previous EC
Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	2.10	2.7
Healthy Childhood Environments: Child Care * ^	2.11	3.6
Healthy Childhood Environments: Home Visiting * ^	2.12	3.7
Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System * ^	2.13	3.8
Healthy Childhood Environments: Early Learning*^	2.14	3.1
Long-term Housing Security: Affordable Housing * ^	2.15	3.10
Long-term Housing Security: Services for Unhoused Persons*^	2.16	3.11
Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*^	2.17	-
Housing Support: Other Housing Assistance*^	2.18	3.12
Social Determinants of Health: Community Health Workers or Benefits Navigators*^	2.19	3.14
Social Determinants of Health: Lead Remediation*^	2.20	3.15
Medical Facilities for Disproportionately Impacted Communities^	2.21	-
Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	2.22	-
Strong Healthy Communities: Demolition and Rehabilitation of Properties^	2.23	-
Addressing Educational Disparities: Aid to High-Poverty Districts^	2.24	3.2
Addressing Educational Disparities: Academic, Social, and Emotional Services*^	2.25	3.3
Addressing Educational Disparities: Mental Health Services*^	2.26	3.4
Addressing Impacts of Lost Instructional Time^	2.27	-
Contributions to UI Trust Funds^	2.28	2.8
Assistance to Small Businesses		
Loans or Grants to Mitigate Financial Hardship^	2.29	2.9
Technical Assistance, Counseling, or Business Planning*^	2.30	
Rehabilitation of Commercial Properties or Other Improvements^	2.31	-
Business Incubators and Start-Up or Expansion Assistance*^	2.32	
Enhanced Support to Microbusinesses*^	2.33	
Assistance to Non-Profits		
Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)^	2.34	2.10
Aid to Impacted Industries		
Aid to Tourism, Travel, or Hospitality^	2.35	2.11
Aid to Other Impacted Industries^	2.36	2.12
Other		
Economic Impact Assistance: Other*^	2.37	2.13
Household Assistance: Eviction Prevention*^	-	2.5
Education Assistance: Other*^	-	3.5
Healthy Childhood Environments: Other*^	-	3.9
Social Determinants of Health: Other*^	-	3.13

Expenditure Category	EC	Previous EC
3: Public Health-Negative Economic Impact: Public Sector Capacity		
General Provisions		
Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	3.1	1.9
Public Sector Workforce: Rehiring Public Sector Staff	3.2	2.14
Public Sector Workforce: Other	3.3	-
Public Sector Capacity: Effective Service Delivery	3.4	7.2
Public Sector Capacity: Administrative Needs	3.5	-
4: Premium Pay		
Public Sector Employees	4.1	4.1
Private Sector: Grants to Other Employers	4.2	4.2
5: Infrastructure		
Water and Sewer		
Clean Water: Centralized Wastewater Treatment	5.1	5.1
Clean Water: Centralized Wastewater Collection & Conveyance	5.2	5.2
Clean Water: Decentralized Wastewater	5.3	5.3
Clean Water: Combined Sewer Overflows	5.4	5.4
Clean Water: Other Sewer Infrastructure	5.5	5.5
Clean Water: Stormwater	5.6	5.6
Clean Water: Energy Conservation	5.7	5.7
Clean Water: Water Conservation	5.8	5.8
Clean Water: Nonpoint Source	5.9	5.9
Drinking water: Treatment	5.10	5.10
Drinking water: Transmission & Distribution	5.11	5.11
Drinking water: Lead Remediation, including in Schools and Daycares	5.12	5.12
Drinking water: Source	5.13	5.13
Drinking water: Storage	5.14	5.14
Drinking water: Other water infrastructure	5.15	5.15
Water and Sewer: Private Wells	5.16	-
Water and Sewer: IIJA Bureau of Reclamation Match	5.17	-
Water and Sewer: Other	5.18	-
Broadband		
Broadband: “Last Mile” Projects	5.19	5.16
Broadband: IIJA Match	5.20	-
Broadband: Other projects	5.21	5.17

** Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions*

^ Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities

Winchester Woods

Avesta Housing Development Corporation

48 New Affordable Apartments in East Deering

Avesta has housed over 700 New Mainer families and will work with Prosperity Maine and the City's Refugee and Immigrant Services Coordinator in selecting the residents from among the hotel and shelter population, arranging their move-in, and providing services thereafter. Day care, access to English language learning classes, transportation, legal assistance, furniture, healthcare and job training are among the services will be provided. Evidence-Based Data is readily available throughout this process similar to the extensive data tracking used for Avesta's 110 other properties. This includes tracking the number of interested households, number of applicants, number of qualified applicants, number of successful move-ins, immigration/asylum status and qualification, and number of households that successfully move beyond the rental assistance provided at Winchester Woods and secure employment once work permits and income stabilization have occurred.

Researcher after researcher has proven that safe decent housing is an effective intervention. To quote a 2018 article in Social Science and Medicine by Anna Ziersch and Clemence Due …. "People with refugee and asylum-seeking backgrounds can face a range of risk factors for poorer health and wellbeing, including experiences of trauma, dislocation, and violence, with associated loss of family and community support (Fazel et al., 2005; Fozdar and Hartley, 2014; Hollifield et al., 2002; Taylor, 2004; Phillips, 2006; Silove and Ekblad, 2002). When building a new life, either temporarily within a refugee camp or longer term within countries of resettlement, there are several factors that are important for successful health outcomes, including housing. Secure housing is an important social determinant of health (Marmot, 2005) and both a means and marker of successful integration for refugees and asylum seekers."

Avesta Housing is a Portland based nonprofit organization that has developed 110 apartment developments across Maine and New Hampshire providing homes to over 3,200 households. Avesta has another 16 under development or in construction. Each of these developments has utilized a combination of Federal, State, Local, and Private funding sources including: ARPA, HOME, HUD, RD, Section 8, Choice Neighborhoods, and LIHTCs. More recently, Avesta is the development partner for a transformational redevelopment site which received $30m in HUD Choice Neighborhoods grant funding which will leverage more than $100m in additional development. Avesta is also currently administering more than $1.2m in ARPA funds for development and operating activities.

Avesta Housing has an annual budget of $58,000,000 and has received many grants and assistance from the City of Portland. Avesta undergoes many annual audits and reviews by CPAs and federal, state, and municipal regulators with outstanding results. Neighborworks America has classified Avesta Housing as an 'exemplary' organization.

Avesta focuses its efforts on serving very needy populations including homeless individuals, seniors, persons with disabilities and recent immigrants and asylum seekers (New Mainers).

About two-thirds of the residents in Avesta's Portland area family developments are New Mainers. In 2021, 6,231 households applied to Avesta for housing and only 483 were able to be housed. Clearly the demand for affordable housing is huge and Avesta is working tirelessly to address this need.

Avesta's Winchester Woods development represents a unique and exciting opportunity to convert 48 new apartments into affordable housing for asylum seeker households currently living in shelters and hotels. These new apartments would be available almost immediately, with units available in October 2022 and with all 48 ready for occupancy by January 2023. This development would drastically lessen the huge financial burden on both Portland and the State who are currently paying expensive nightly hotel rates upwards of $240 per family per night and estimated to be in excess of $8,000,000 over two years.

Not only will this development provide for substantial savings over hotel rooms by cutting rental expenses, residents will enjoy substantially improved living conditions and stability. Separate bedrooms, kitchens, living areas, and laundry facilities will greatly improve the lives and dignity for these New Mainer households.

The development includes four 12-unit buildings, each with six one-bedroom and six two-bedroom apartments and is located in the East Deering area of Portland, Maine and is adjacent to Presumpscot School with nearby ball fields. Nearly every essential service is within walking distance.

Initially intended as a market rate development with much higher projected rents, Avesta is working with the current private developer to purchase the development at completion and make the units available to asylum seeker families. Long term, these apartments would remain affordable to families earning 80% or less of AMI.

Avesta has secured a preliminary commitment from the State of Maine to pay for two years of rental assistance for all 48 apartments, so that the asylum seeker households who move in would not need to rely on municipal General Assistance. These households are ineligible for traditional section 8 vouchers and are unable to have personal income until they secure work permits. However, we expect that the two years of rental assistance would provide them with sufficient time to file their asylum claims and gain work authorization, after which they would be able to join Maine's workforce and pay the rent on their own.

Because this development is already under construction, traditional affordable housing finance options such as tax credits or Federal HOME block grant funds are not feasible. Instead, Avesta is seeking to finance the development with public purpose loans from MaineHousing and from subsidy providers including the City of Portland, Cumberland County, and MaineHousing.

We cannot over-emphasize the urgency and need for housing solutions for asylum-seeking families arriving in Portland. Arguably, there is no humanity or financial challenge for the city of Portland more daunting than the unhoused crisis associated with the recent influx of asylum seekers. Currently, hundreds of asylum seeker households (comprised of more than 1,000 individuals) are staying in temporary shelters and hotels in the Portland area. Because of the pandemic, traditional shelters have had to reduce capacity, and other non-immigrant homeless individuals and families have exceeded the system's capacity. Most of the recent influx of asylum seekers are staying in hotels in greater Portland with the majority in two South Portland hotels.

In the introduction to Portland's FY 23 budget, the Acting City Manager stated "The second, and larger, budget challenge we face is quite unique to Portland… the State of Maine and the City of Portland continue to attract record numbers of asylum-seeking families from the southern U.S. border… we are in a dire situation … our shelters are beyond their capacity, and it is increasingly harder to find enough hotels to provide overflow….” In short, Winchester Woods represents a fast, humane, and cost-saving housing solution for the asylum seeker households who are currently living in hotels and shelters. All, while providing for substantial long-term savings to the city over the existing program.

This project also meets several of the Council’s 2022 Goals. In fact, this project directly responds to four of Portland’s five goals. It will: reduce homelessness; it will improve equity, inclusion and diversity; it will provide safe and affordable housing; and it will demonstrate fiscal responsibility. This development implements most all practitioners’ understanding, recognition, and agreement that affordable homes are the most important solution to unhoused vulnerable populations.

Avesta Housing Development Team

AVESTA HOUSING

Rebecca Hatfield, President & CEO

Rebecca Hatfield joined Avesta Housing in 2015. She assumed her current role at Avesta in 2022 after previously serving in the positions of assets & acquisitions officer, director of real estate development, and Senior Vice President. In her current role, Rebecca oversees Avesta's Real Estate Development and Property Management divisions. Her experience in this role has facilitated a deep understanding of how to balance the feasibility challenges of property development with the operational needs of property management to maintain Avesta's high standards in development and management.

Prior to Avesta, Rebecca held a senior vice president position at Citigroup working in various roles within the commercial and corporate bank. She has more than a decade of experience in finance with a focus on deal structuring, underwriting, credit risk analysis, and portfolio management. Rebecca has worked with a range of clients from small businesses to multi-trillion-dollar entities and has seen a wide range of transactions. Additionally, she has extensive experience completing real estate transactions. Rebecca's previous employment also includes five years as a software and network management engineer, serving as project manager and lead developer.

Rebecca earned a BS in Computer and Information Science from University of Maryland and an MBA from University of California Los Angeles, Anderson School of Management. She is a Certified Compliance Professional (C3P) for Low Income Housing Tax Credits. She currently serves as the board vice chair and loan committee chair for Genesis Community Loan Fund, and as a board member of Maine Real Estate Development Association (MEREDA).

Todd Rothstein CHPC, Director of Construction Services

Todd Rothstein started at Avesta Housing in 2013. As the director of construction services, he is responsible for managing the construction design standards and processes for new and major-rehabilitation projects. He plays a major role in most pre-construction design and construction planning of new projects and works with the real estate development staff as an owner's representative during select construction projects. Todd also works with our Property Management division to improve energy efficiencies, purchasing and contract mechanisms, contractor warranty work, and the overall physical integrity of our properties.

Prior to joining Avesta, Todd worked for a construction management company as project manager and business development manager. Todd also worked for a commercial millwork manufacturing company, managing all facets of design, store layout, installation, and business development activities.

Todd earned a B.S. in Education from S.U.N.Y. Cortland and ROTC Certificate at Norwich University Military Academy in Northfield, VT. Todd is a Certified Passive House Consultant, and has completed OSHA training and Lead Smart Renovator training. He is a former board member of the Maine Association of Building

Contractors. He is a part-time adjunct faculty member at Southern Maine Community College, teaching a portion of the Facilities Management Certification training. Todd is also a member of Efficiency Maine's Low-Income Advisory Group.

Catherine Elliott, Development Officer

Catherine Elliott came to Avesta Housing in 2016 as a Development Associate and was promoted to her current role in 2017. Catherine has managed all stages of renovation and development of multifamily rental housing, from land leads and municipal approvals to applications, contract negotiation, construction management, and closeout. She has experience with both 4% and 9% LIHTC deals and has developed properties in both Maine and New Hampshire. Catherine has over a decade of experience working with people with low incomes across a variety of issue areas, including healthcare, literacy, housing stability, lead poisoning, domestic violence, and financial stability.

Catherine earned a Bachelor of Arts in Politics and in Studio Art from Bates College.

Patrick Hess, Director of Real Estate Development

Patrick Hess started at Avesta Housing in 2017. Prior to Avesta, Patrick worked in a range of real estate, community, and economic development capacities for the City of New York, most recently as Chief of Staff for Development at the New York City Department of Housing Preservation and Development. He also worked on the construction of affordable housing with Habitat for Humanity – New York City as an AmeriCorps volunteer and site supervisor.

Patrick earned a Bachelor of Arts in History from Boston College and a Masters of Urban Planning from New York University, Wagner Graduate School of Public Service. He was formerly certified with the American Institute of Certified Planners (AICP).

Nate Howes, Development Officer

Nate Howes joined Avesta in 2019 as a development officer. Prior to Avesta, Nate worked as a multifamily underwriter and tax credit administrator for MaineHousing. At MaineHousing he oversaw projects from application to completion ensuring their financial solvency and regulatory compliance.

Nate earned a Bachelor of Arts in History from George Washington University and a Master of Science degree in International Affairs: Conflict Studies from the London School of Economics and Political Science. He is also a certified tax credit underwriter under the National Development Council's Rental Housing Development Financial Professional (RHDFP) program.

FIRM RESUME

HOUSING INDUSTRY QUALIFICATIONS

The Firm has been involved in the assisted housing industry (including public housing authorities) since its inception in 1974. Partners and staff attend most State housing conferences throughout the year, in addition to a number of housing and tax credit seminars. Well over 750 government assisted and tax credit projects (RD, HUD, MSHA, VHFA, NHHFA) currently use our services.

We are well versed with the federal low income housing tax credit program and its numerous complexities. We assist our current clientele in structuring tax credit deals, in addition to providing tax returns and timely information to syndicators and the accounting firms that they work with.

Our engagement team has housing industry expertise and will provide continuity of personnel from one year to the next. Unlike some firms, who may have relatively inexperienced staff performing the day-to-day audit work, our partners, managers and seniors perform a major part of the field work. Our entire staff has extensive experience with housing projects and the LIHTC program. Our tax partner, Thomas Gioia (CPA, MST), has worked extensively with real estate tax issues, including ongoing compliance with the low income tax credit regulations throughout his career.

AUDIT QUALIFICATIONS

As indicated above, we currently serve more than 750 government assisted projects pursuant to HUD, MSHA, NHHFA, VHFA and Rural Development guidelines.

In addition, we serve approximately 100 other clients in the housing industry.

Our firm and each of the key professional staff assigned to the engagement team has received a minimum of one-hundred-twenty (120) hours of continuing professional education during the past three (3) years, as required by the American Institute of Certified Public Accountants and our firm. In addition, each member of the staff has met or exceeded the CPE requirements outlined in "Government Auditing Standards" (the "Yellow Book").

TAX COMPLIANCE QUALIFICATIONS

We currently provide tax services for approximately 600 limited partnerships and 150 nonprofit organizations. Our tax staff has vast experience in syndicated real estate partnership taxation ranging from development structuring issues to annual compliance matters.

Project Attorney: Curtis Thaxter

Maurice A. Selinger, III, Attorney

Cito Selinger practices in real estate, commercial and corporate law, with emphasis on affordable housing and community redevelopment. In his affordable housing and community redevelopment practice, Cito represents developers, lenders and investors, and is lead counsel on multimillion dollar projects using financing vehicles such as the low income housing tax credit, historic tax credit (federal and state) and New Markets tax credit.

Prior to joining the firm, Cito worked at another large firm in Portland and served as law clerk to former Chief Justice Daniel E. Wathen and the late Justice David A. Nichols of the Maine Supreme Judicial Court.

Cito's community activities generally relate to housing and social services. He is a member and past President of the Board of Directors of Preble Street, and received that organization's "Board Member of the Year" award in 2007. Cito served for many years on the Board of Directors of the Maine Affordable Housing Coalition, was President and Secretary-Treasurer and remains active in that organization. Cito has received numerous Preservation Honor Awards from Maine Preservation and Greater Portland Landmarks for his role as counsel in landmark redevelopment projects throughout Maine. In 2003, Cito received the Hope Award from Shalom House, in recognition of his community service in affordable housing for mental health consumers. Cito also served for nine years as a Trustee of the Freeport Historical Society.

Cito was named the Best Lawyers® 2015 Real Estate Law "Lawyer of the Year" in Portland, ME and was recently selected by his peers for inclusion in *The Best Lawyers In America* 2019 in the fields of Real Estate and Project Finance Law.

Contact Info

- 207.774.9000, ext. 205
- Email
- Print bio »

Practice Areas

- Real Estate
- General Business, Corporate and Finance

Education

- J.D.,—Georgetown University Law Center—1985
- B.A., English—Bowdoin College—1981

Bar Admissions and Memberships

- Maine
- Maine State Bar Association

Amanda Gilliam

Director of Property Management

Amanda Gilliam joined Avesta Housing in 2014 as a property manager. Since that time she has served in a number of roles on the property management team and has worked with our LIHTC, Rural Development and HUD properties across Southern Maine and New Hampshire. In her current role Amanda oversees Avesta's property management, maintenance, leasing and resident services staff, as well as our reception and administrative support team.

Amanda's interest in affordable housing began in college when she interned for a nonprofit builder serving families in need in the Pittsburgh area. She subsequently worked in construction sales, property management, and real estate development before spending seven years in international education with a Portland based nonprofit organization. Amanda holds a Certified Occupancy Specialist, Certified Credit Compliance Professional and an RD 515 STAR, among a number of additional affordable housing certifications. She earned an MBA from the University of Southern Maine and a BS in International Business from Grove City College.

Manuel Urgiles

Regional Property Manager

Manuel Urgiles has worked at Avesta Housing since 2014. Manuel started as Property Manager Trainee and was quickly promoted to Property Manager. In 2018, Manuel was promoted to Senior Property Manager. Manny is Certified Occupancy Specialist (COS) and Low-Income Housing Tax Credit Compliance specialist (TaCCs). Before joining Avesta, he previously worked at Boys & Girls Club. In his spare time, he plays guitar in a band and has taught music to at risk kids. Manuel received his Bachelors in Music Business from Berklee College of Music in Boston. He currently resides in Portland with his wife.

Nicholas Kjeldgaard

Resident Service Manager

Nick Kjeldgaard joined Avesta Housing in 2014 as a resident service coordinator after working for several years in the field of international aide. At Avesta, Nick has worked as a resident service coordinator, property manager and Avesta's 504 Coordinator, and he currently serves as the Resident Service Manager. Nick's primary reasonability's include proving leadership to the resident service coordinators, building partnerships with other community nonprofits, and gathering and analyzing data on residents to provide meaningful and measurable programmatic outputs.

Nick is a Certified Occupancy Specialist (COS), a Fair Housing Specialist, and holds a certificate in Conflict Transformation. Nick received his Bachelor of Arts degree in Geography from Bucknell University in 2004, and his Master of Arts degree in Sustainable Development from the School for International Training in 2008.

PROJECT NAME:	Winchester Woods
LOCATION:	Portland, ME
Constr. Type:	New Construction

Date: 12/16/22

DEVELOPMENT ASSUMPTIONS

Total Units		48	Inflation Adjustments	Yr 1-5	Yr. 6-15	Yr. 16-30
# @ 30% AMI	0.0%	0	Rent	2.00%	2.50%	3.00%
# @ 50% AMI	20.8%	10	Operating Expense	3.00%	3.00%	3.00%
# @ 60% AMI	0.0%	0	Other Income	2.00%	2.50%	3.00%
# @ 80% AMI	79.2%	38	Debt Coverage Ratio	1.20		
# @ Market	0.0%	0	Vacancy	3%		
Appraised Market Value		10,313,143	Market Value/Unit	$214,857		

PRO FORMA DEVELOPMENT BUDGET

		Residential	Per Unit	Commercial	TDC
Site Improvements		0	0	0	0
New Construction		0	0	0	0
Historic Construction		0	0	0	0
General Requirements		0	0	0	0
Builder Profit		0	0	0	0
Bond Premium		0	0	0	0
Solar		0	0	0	0
Construction Contingency	#DIV/0!	0	0	0	0
Subtotal Construction Costs		**0**	**0**	**0**	**0**
Building Permits and Fees		0	0	0	0
Survey & Engineering		0	0	0	0
Architectural & Design		0	0	0	0
Legal		60,000	1,250	0	60,000
Title & Recording		0	0	0	0
Accounting		0	0	0	0
Construction Period Tax		0	0	0	0
Construction Period Insurance		0	0	0	0
Other		0	0	0	0
Subtotal Soft Costs		**60,000**	**1,250**	**0**	**60,000**
Construction Loan Origination Fees		0	0	0	0
Construction Loan Interest		0	0	0	0
Equity Bridge Loan Interest		0			0
MH Permanent Loan Fees		166,571	3,470	0	166,571
Other Permanent Loan Fees		0	0	0	0
Other		0	0	0	0
Subtotal Finance Costs		**166,571**	**3,470**	**0**	**166,571**
Market Survey		0	0	0	0
Appraisal		6,500	135	0	6,500
Environmental Study		0	0	0	0
LIHTC Fees & Prepaid Monitoring		0	0	0	0
Relocation Costs		0	0	0	0
FF&E		42,000	875	0	42,000
Other:		0	0	0	0
Subtotal Miscellaneous		**48,500**	**1,010**	**0**	**48,500**
Acquisition: Buildings		15,600,000	325,000	0	15,600,000
Acquisition: Land		0	0	0	0
Acquisition: Existing Reserves		0	0	0	0
Acquisition: Legal		0	0	0	0
Acquisition: other		0	0	0	0
Subtotal Acquisition		**15,600,000**	**325,000**	**0**	**15,600,000**
Operating Deficit Escrow		0	0	0	0
Pre-funded Replacements		21,600	450	0	21,600
Tax & Insurance Escrow		33,250	693	0	33,250
Working Capital		0	0	0	0
Total Syndication Expenses		0	0	0	0
Transfer Tax		35,000	729	0	35,000
Developer Overhead		0	0	0	0
Developer Profit		0	0	0	0
Other		26,000	542	0	26,000
Subtotal Fee and Reserves		**115,850**	**2,414**	**0**	**115,850**
Total Project Costs		**15,990,921**	**333,144**	**0**	**15,990,921**

Max LIHTC Available	0
LIHTC Alloc.	0
Equity yield	0.87
Synd. %	99.99%
Equity Raise	0
Historic Credit FED	0
Equity yield	0.90
Synd. %	99.99%
Equity Raise	0
Historic Credit STATE	0
Equity yield Equivalent	0.00
Synd. %	100.00%
Equity Raise	0
Solar	0
Equity Yield	1.00
Synd.	99.99%
Equity Raise:	0
Total Equity:	0
Gross Square Footage	43,591
Construction Cost/Sq ft.	**0**

Notes:

Maximum Gross Developer Fee (10%/15%)	1,613,388
Maximum Net Developer Fee (per unit max)	750,000
Actual Proposed Gross Fee	35,000
% of maximum Gross Fee	2.2%
Proposed Net Fee Collected	35,000
% of Maximum Net Fee	4.7%

Minimum Deferred Fee: **0**

FLOW OF FUNDS

	During Construction								
Date Estimate:	3/1/2022						1st Equity Occupancy	Final Capital	
Sources	**CLC**	**25%**	**50%**	**75%**	**100%**	**PLC**	**Milestone**	**Payment**	**Total**
Beginning Cash	0	0	0	0	0	0	0	0	0
Capital Contribution	0	0	0	0	0	0	0	0	0
Equity Bridge Loan	0	0	0	0	0	0			
Construction Loan	12,957,381	0	0	0	0				12,957,381
GP Bridge Loan									0
MH: MaineHousing Subsidy	452,690	0	0	0	0	452,690			905,380
MaineHousing Debt	0	0	0	0	0	0			0
Cumberland County	2,500,000	0	0	0	0	0			2,500,000
City of Portland	0	0	0	0	0	4,257,004			4,257,004
State Historic Bridge:	0	0	0	0	0	0			0
MaineHousing IO Debt	0	0	0	0	0	8,328,537			8,328,537
South Portland	0	0	0	0	0	0			0
	0	0	0	0	0	0			0
HUD CDBG	0	0	0	0	0	0			0
Existing Reserves	0	0	0	0	0	0			0
Seller's Note	0	0	0	0	0	0			0
Cash Flow Note	0	0	0	0	0	0			0
									0
TOTAL SOURCES	15,910,071	0	0	0	0	13,038,231	0	0	28,948,301
Uses									
Acquisition	15,600,000								15,600,000
Construction		0	0	0	0				0
Soft Costs	60,000								60,000
Financing Costs	201,571								201,571
Miscellaneous	48,500					26,000			74,500
Dev Fee	0					0	0	0	0
Reserves	0				0	54,850			54,850
TOTAL DEV. COSTS	15,910,071	0	0	0	0	80,850	0	0	15,990,921
Repay GP Bridge Loan						0			0
Repay Construction Loan						12,957,381			12,957,381
Other Syndication Costs	0								0
SUBTOTAL OTHER ITEMS	0	0	0	0	0	12,957,381	0	0	12,957,381
TOTAL USES OF FUNDS	15,910,071	0	0	0	0	13,038,231	0	0	28,948,301
Ending Cash	0	0	0	0	0	0	0	0	0

PROJECT FINANCING

Source		Amount	Rate	Term	Amort.	Lien	Annual D/S Yr. 1-5	Yr. 6-15	Yr. 16-20	Yr. 21-30
Source 1:	MaineHousing $18,862 Subsidy/Unit	905,380	0.00%	30		2nd	0	0	0	0
Source 2:	MaineHousing Debt	0	4.68%	30	45	1st	0	0	0	0
Source 3	Cumberland County	2,500,000	0.00%	30		2nd	0	0	0	0
Source 4	City of Portland	4,257,004	0.00%	30		2nd	0	0	0	0
Source 5	MaineHousing IO Debt	8,328,537	5.50%	30		1st	458,070	458,070	458,070	458,070
Source 6	South Portland	0	0.00%	30		2nd	0	0	0	0
Source 7		0	5.50%	15		2nd	0	0	0	0
Source 8	HUD CDBG	0	5.50%	15		3rd	0	0	0	0
Source 9	Seller's Note	0	0.00%	30		1st	0	0	0	0
Source 10	Cash Flow Note	0	0.00%				CF	CF	CF	CF
Source 11	State Historic Bridge:	0								
Source 12	Existing Reserves	0								
Source 13	Net Syndication	0								
	Capitalization Gap	$0								
	Total	15,990,921								

COLLATERAL COVERAGE

	Total	Per Unit
Projected Mortgage	8,328,537	173,511
Appraised Market Value	10,313,143	214,857
Loan to Value Ratio	81%	
Market Rent Differential	172,776	300
Subsidy per Unit		18,862
Subsidy per Low Income Unit		90,538

MaineHousing Subsidy Limits:

Per Project Max:	5,000,000
Per LI Unit Max:	160,000
Actual Request:	905,380
Request per LI Unit:	90,538

PROPOSED RENT SCHEDULE Type	AMI	# Units	Maximum Gross LIHTC/HOME Rents	Utility Allow.	Maximum Net Tenant Rent	Rents from Applicant	Market Rent	Total Rent
Efficiency	30% AMI	0	0	0	0	0		0
	50% AMI	0	0	0	0	0		0
	60% AMI	0	1,173	0	1,173	1,173	$1,200	0
	80% AMI	0	0	0	0	0		0
0	Market	0	0	0	0	0		0
1BR	30% AMI	0	0	0	0	0		0
	50% AMI	5	1,048	0	1,048	1,048	$1,257	62,880
	60% AMI	0	1,257	0	1,257	1,257	$1,257	0
	80% AMI	19	1,676	0	1,676	1,676	$1,676	382,128
24	Market	0	1,800	0	1,800	1,800	$1,800	0
2BR	30% AMI	0	0	0	0	0		0
	50% AMI	5	1,258	0	1,258	1,258	$1,509	75,480
	60% AMI	0	1,509	0	1,509	1,509	$1,509	0
	80% AMI	19	2,012	0	2,012	2,012	$2,012	458,736
24	Market	0	2,200	0	2,200	2,200	$2,200	0
3BR	30% AMI	0	0	0	0	0	$0	0
	50% AMI	0	0	0	0	0	$0	0
	60% AMI	0	0	0	0	0	$0	0
	80% AMI	0	0	0	0	0	$0	0
0	Market	0	0	0	0	0	$0	0
4BR	30% AMI	0	0	0	0	0	$0	0
	50% AMI	0	0	0	0	0	$0	0
	60% AMI	0	0	0	0	0	$0	0
	80% AMI	0	0	0	0	0	$0	0
0	Market	0	0	0	0	0	$0	0
								0
								0
Subtotals		48						979,224
Bedrooms		72						
			Other Income:	HAP Differential			0	0
			Other Income:	RSC			0	25,000
			Vacancy Rate			3.00%		(30,127)
			Other Income:	Laundry			0	0
			Other Income:	TIF (trends at 3%)				0
			Effective Gross Income					974,097

AFFORDABLE AMORTIZING MORTGAGE CALCULATION		
Effective Gross Income (w/TIF)		974,097
Annual Operating Expense		458,607
Stabilized NOI		515,490
DSC	**1.20**	85,915
$ Avail for D/S		429,575
Other DS		0
Balance		429,575
Affordable Fully Amortizing Mortgage	0.00%	12,887,260
Affordable Interest Only Mortgage	0.00%	#DIV/0!

BREAKEVEN ANALYSIS:	RENT SENSITIVITY Total	OCCUPANCY	Annual
Operating Expense	458,607	Gross Revenues	1,004,224
Debt Service	458,070		
Breakeven Rent	1,591	Breakeven Occupancy	91%
	1013450.81		

OPERATING EXPENSES Expense	Annual	Annual Per Unit	Monthly Per Unit
Administrative Expenses:			
Management Fees	60,253	1,255	105
Management Charges	60,253	1,255	105
Marketing Expenses	500	10	1
Legal Expenses	1,500	31	3
Auditing Expenses	5,500	115	10
Other Administrative Expenses	4,000	83	7
Administrative Expenses	132,007	2,750	229
Operating Expenses:		0	0
Janitorial Payroll	0	0	0
Janitorial Supplies and Equipment	0	0	0
Janitorial Contractual Services	0	0	0
Fuel and Gas	0	0	0
Electricity	145,000	3,021	252
Water and Sewer	35,300	735	61
Garbage and Trash Removal	10,000	208	17
Vehicle and Equipment Expenses	0	0	0
Other Operating Expenses	0	0	0
Operating Expenses	190,300	3,965	330
Maintenance Expenses:		0	0
Grounds Maintenance Payroll	0	0	0
Grounds Tools and Supplies	0	0	0
Grounds Contractual Services	25,000	521	43
Miscellaneous Ground Maintenance	0	0	0
		0	0
Building Maintenance Payroll	40,000	833	69
Building Tools and Supplies	8,000	167	14
Building Contractual Services	5,000	104	9
Building Systems Maintenance	6,000	125	10
Miscellaneous Building Maintenance	2,200	46	4
		0	0
Maintenance Expenses	86,200	1,796	150
General Expenses:		0	0
Property Taxes	0	0	0
Property and Liability Insurance	28,500	594	49
Tenant Service Expenses	0	0	0
Other General Expenses	0	0	0
General Expenses	28,500	594	49
		0	0
Replacement Reserve Funding	21,600	450	38
		0	0
Commercial Expenses (if applicable)	0	0	0
		0	0
Total	458,607	9,554	796

10800

Management Costs Analysis

Management Fees	60,253	
Management Charges	60,253	
Other Administrative Expenses	4,000	124,507
Effective Gross Rental Income		974,097
Cost Percentage for use in Management Agreement		**13%**

1013450.81

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT												
YEAR		1	2	3	4	5	6	7	8	9	10	11
	Lease Up	**Stabilized**										
Mos:	**10**	3/2/2023	3/1/2024	3/1/2025	3/1/2026	3/2/2027	3/1/2028	3/1/2029	3/1/2030	3/2/2031	3/1/2032	3/1/2033
Effective Rental Income	811,748	974,097	993,579	1,013,451	1,033,720	1,054,394	1,080,754	1,107,773	1,135,467	1,163,854	1,192,950	1,222,774
TIF Reimbursement		0	0	0	0	0	0	0	0	0	0	0
Less Operating Expense	382,172	458,607	472,365	486,536	501,132	516,166	531,651	547,601	564,029	580,949	598,378	616,329
Net Operating Income	429,575	515,490	521,214	526,915	532,588	538,228	549,103	560,172	571,439	582,904	594,572	606,445
Less RLP Repay	0	0	0	0	0	0	0	0	0	0	0	0
Less Other Repay	381,725	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070
Cash Flow	47,851	57,421	63,145	68,845	74,518	80,159	91,033	102,103	113,369	124,835	136,503	148,375
Cash Flow per Unit	997	1,196	1,316	1,434	1,552	1,670	1,897	2,127	2,362	2,601	2,844	3,091
Debt Coverage Ratio	1.13	1.13	1.14	1.15	1.16	1.17	1.20	1.22	1.25	1.27	1.30	1.32
Principal Balance (1-4)	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384
Principal Balance (5-10)	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537
Operating Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0
Per Unit Annual Deficit		$ 1,914	$ 2,105	$ 2,295	$ 2,484	$ 2,672	$ 3,034	$ 3,403	$ 3,779	$ 4,161	$ 4,550	$ 4,946
Per Unit Per Month Deficit		$ 160	$ 175	$ 191	$ 207	$ 223	$ 253	$ 284	$ 315	$ 347	$ 379	$ 412

First Year End: 12/31/2023

Total Cash Flow
Projected over 12 Years

1,393,504

1,824,560

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued												
YEAR		12	13	14	15	16	17	18	19	20	21	22
		3/1/2034	3/2/2035	3/1/2036	3/1/2037	3/1/2038	3/2/2039	3/1/2040	3/1/2041	3/1/2042	3/2/2043	3/1/2044
Effective Rental Income		1,253,343	1,284,677	1,316,794	1,349,714	1,383,457	1,424,960	1,467,709	1,511,740	1,557,093	1,603,805	1,651,920
TIF Reimbursement		0	0	0	0	0	0	0	0	0	0	0
Less Operating Expense		634,819	653,864	673,480	693,684	714,495	735,929	758,007	780,748	804,170	828,295	853,144
Net Operating Income		618,524	630,813	643,314	656,030	668,962	689,031	709,702	730,993	752,923	775,510	798,776
Less RLP Repay		0	0	0	0	0	0	0	0	0	0	0
Less Other Repay		458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070
Cash Flow		160,455	172,744	185,245	197,960	210,893	230,961	251,632	272,923	294,853	317,441	340,706
Cash Flow per Unit		3,343	3,599	3,859	4,124	4,394	4,812	5,242	5,686	6,143	6,613	7,098
Debt Coverage Ratio		1.35	1.38	1.40	1.43	1.46	1.50	1.55	1.60	1.64	1.69	1.74
Principal Balance (1-4)	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384
Principal Balance (5-10)	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537
Operating Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

PROFORMA OPERATING INCOME AND EXPENSE STATEMENT, continued									
YEAR		23	24	25	26	27	28	29	30
		3/1/2045	3/1/2046	3/2/2047	3/1/2048	3/1/2049	3/1/2050	3/2/2051	3/1/2052
Effective Rental Income		1,701,477	1,752,521	1,805,097	1,859,250	1,915,027	1,972,478	2,031,653	2,092,602
TIF Reimbursement		0	0	0	0	0	0	0	0
Less Operating Expense		878,738	905,100	932,253	960,221	989,028	1,018,698	1,049,259	1,080,737
Net Operating Income		822,739	847,421	872,844	899,029	926,000	953,780	982,393	1,011,865
Less MaineHousing RLP Repay		0	0	0	0	0	0	0	0
Less Other Repay		458,070	458,070	458,070	458,070	458,070	458,070	458,070	458,070
Cash Flow		364,669	389,352	414,774	440,959	467,930	495,710	524,324	553,796
Cash Flow per Unit		7,597	8,111	8,641	9,187	9,749	10,327	10,923	11,537
Debt Coverage Ratio		1.80	1.85	1.91	1.96	2.02	2.08	2.14	2.21
Principal Balance (1-4)	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384	7,662,384
Principal Balance (5-10)	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537	8,328,537
Operating Reserve Balance	0	0	0	0	0	0	0	0	0

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

To: Mayor Kate Snyder and Members of the Portland City Council

From: Mary Davis, Interim Director,
Housing & Economic Development Department

Date: December 16, 2022

Re: Avesta Housing Development Corporation
Winchester Woods – Funding Proposal

This memo is intended to provide information on the grant request made by Avesta Housing Development Corporation (AHDC), as well as inform the Council of concerns staff has related to contract negotiations. In light of the desperate need for affordable housing, staff wants to be able to recommend this important project for Council approval, but cannot in good conscience do so at this time given an absence of documentation related to the project, and which normally accompanies requests for the subsidization of affordable housing development.

Specifically, we need an appraisal of the property to be provided by the applicant and evaluated by staff prior to a recommendation to the Council. When this item was first rescheduled from the November 21st Council meeting to the December 19th meeting, AHDC was aware that these missing documents were needed and that various other issues needed to be resolved before we could make a recommendation in support of AHDC's funding request. We were very hopeful that we would be there by now, and share the applicant's disappointment that we are not.

As you know, AHDC requested a grant of $5,000,000 for the purchase of a 48-unit rental housing development that is currently under construction. Utilizing $3,257,004 from the Jill C. Duson Housing Trust Fund (JCD HTF) along with $1,000,000 from the first tranche of ARPA funding, the City has $4,257,004 available for this project. The funding represents a capital subsidy of $88,688 per residential unit.

It is our understanding that the housing provided by AHDC will serve asylum seeking individuals and families for the first two years. The State of Maine/Maine Housing (MH) has indicated they will cover the rent during this 2-year period. After the first two years, the housing will serve a mix of income levels with 10 units affordable to households at 50% AMI, and 28 units affordable at 80% AMI and 10 units at market rates. The project in total will contain 24 1-bedroom units and 24 two-bedroom units.

Sources and Uses

Maine Housing IO Debt:	$8,328,537	Acquisition:	$15,600,000
City of Portland:	$4,257,004	Hard Construction:	$0
Cumberland County[1]:	$2,500,000	Soft & Misc Costs:	$169,500
South Portland[2]:	$0	Financing Costs:	$166,571
Maine Housing Subsidy:	$905,380	Pre Funded Reserves:	$54,850
		Developer Fee:	$0
Total Sources:	$15,990,921	Total Uses:	$15,990,921

At this time, the City has not received written funding commitments for any of the sources noted above. Portland's Housing and Community Development (HCD) staff has been in contact with both MH and Cumberland County regarding their potential financing. To date, both lenders indicate they are reviewing the application and have not made a final funding decision. Following is a brief review of the December 16, 2022 financial proforma submitted by AHDC.

Acquisition: AHDC has an agreement to purchase the Winchester Woods project for $15,600,000. In mid-November, Both AHDC and MH had indicated that an appraisal is in process and is expected to be completed within four to six weeks of that date. On November 2nd, a consultant for the City's Tax Assessor's Office, provided an estimate of value to be between $9,000,000 to $10,000,000. This estimate is based on information provided in the AHDC proposal submitted to the HCD Office and through the ARPA application process. The appraisal may contain additional information such as affordability restrictions that could impact this estimate. The City's estimate of value is subject only to the information received to date.

Project Income: AHDC indicates that they will not be completing a market study as the demand for affordable units and specifically affordable units for asylum seekers is well known within the community. While we have not received a written letter of interest, intent or commitment, as we indicated above, MH has stated their intent to provide rental assistance for the project for the first two years.

Rents proposed for the 50% AMI and 80% AMI units appear to be in line with industry standards for the Low-Income Housing Tax Credit program. The rents proposed for the market rate units are within the allowable range for the City's Inclusionary Zoning program.

[1] Cumberland County has scheduled consideration of this funding request for a January 2023 Commissioners' meeting.
[2] On November 16, the South Portland City Council voted against allocating $500,000 in ARPA funding toward this project.

Proposed Rent Schedule:

1 Bedroom Units (24)	50% AMI	$1,048
	80% AMI	$1,676
2 Bedroom Units (24)	50% AMI	$1,258
	80% AMI	$2,012

Operating Expense: AHDC's December 16, 2022 proforma includes project operating expenses of $9,554/unit annually. Administrative expenses, including management fees and charges are higher than the last three AHDC projects financed by the Cumberland County HOME Consortium (Valley Street $7,431; West End Phase II $7,880; and Village Commons $8,028). These costs can be explained, in part, by a higher level of supportive services to be provided for this project.

30 Year Cashflow & Debt Service Coverage Ratio (DSCR): Debt Service Coverage Ratio compares a project expected available cash, or net operating income, to pay the debt service or loan repayment costs. A DSCR of 2.0 is considered strong and many lenders set a minimum DSCR between 1.2 and 1.25. The December 16, 2022 proforma shows a 1.13 DSCR in year one, rising to 1.30 in year 10, 1.64 in year 20 and 2.21 in year 30. There are two factors contributing to these numbers. One, AHDC has requested that the property be tax exempt for purposes of real estate taxes. Second is that in the current financing structure, only MH's debt will be repaid. AHDC's financial proforma does not include repayment of any of the other financing sources. Please refer to the section below entitled Items for Council Consideration/ Direction to Staff for more information on these topics.

Affordability Restrictions/Affordable Housing Agreement: The JCD HTF Ordinance (Section 18.3 of the City's Code of Ordinances) requires affordability restrictions secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds. Units must remain affordable for the life of the housing unit, which is presumed to be a minimum of 30 years.

AHDC is proposing to purchase the project, once construction is complete, from the current owner, Winchester Woods LLC. The current owner originally intended to develop a market rate rental housing development and as such, the Planning Board approved the project with an Inclusionary Zoning (IZ) requirement that 25% of the units (12 units) must be affordable to households earning 80% of the area median income. The IZ Ordinance requires that the developer enter into a Workforce Housing Agreement (WHA) with the City. The WHA ensures that the developer complies with the IZ requirements and is recorded in the Cumberland County Registry of Deeds.

AHDC has agreed to assume the current owner's requirements under the City's IZ ordinance listed above, and has agreed to a City restriction on an additional 16 units.

Maine Housing Restrictions: 10 units at 50% area median income for 30 years
City Restrictions: 28 units at 80% area median income for 90 years
No restriction: 10 units

Other Items for Council Consideration:

1. ***Portland Preference:*** The City has had several conversations with AHDC, MH, and the Governor's Office regarding an assurance that asylum seekers currently being supported by the City would have priority for the units at Winchester Woods. City staff has repeatedly been told that a local preference will not be allowed. There have been positive discussions, however, about a preference for 10 pregnant mothers currently staying in local shelters and hotels.

2. ***Real Estate Taxes:*** The City has a long-standing policy that projects receiving financial assistance from the City must pay real estate taxes. The City's loan documents incorporate a clause which requires that if the property should become exempt, an amount equal to the assessed tax amount would still be payable. This policy was reviewed in 2021 by the Housing and Economic Development Committee (HEDC) as a result of a request received from the IRIS Network. The HEDC did not support the request.

   On November 2nd a consultant for the City's Tax Assessor's Office provided an estimate of value of $9,000,000 to $10,000,000 and annual taxes between $122,000 to $136,000 (utilizing current tax rate of .01361).

   Staff is concerned that this may set a precedent that will have an impact on our current affordable housing portfolio, as well as future projects funded through the City's Affordable Housing Development Program. Aside from the initial cost of almost $5 million, this project would carry an additional cost of up to an estimated $136,000 in property tax revenue annually.

3. The primary source of City funding is the JCD Housing Trust Fund. The 2022 JCD HTF Annual Plan approved by the City Council outlines the terms in which these funds will be used. The Plan specifies the following:

   > ***Maximum Award Amount:*** *The average City investment per unit, excluding TIF financing, is approximately $10,000 per unit. The City contribution per unit will not exceed $18,000. This amount may be adjusted at the discretion of the City Council, only for unusual circumstances where a larger amount is the only way a project that meets other City goals can move forward. In those cases, the higher cost per unit ratio must be tied into the goals outlined in the City's Comprehensive Plan.*

   The current proposal would see a subsidy of $88,688 per unit. As required by the 2022 JCD HTF Annual Plan, the Council needs to approve this larger contribution per unit for this project.

4. ***Financing Terms:*** Staff is requesting that the Council grant it flexibility to negotiate financing terms based on the final proforma, when available. This project is not typical of the developments financed by the City. While the State of Maine has indicated a willingness to cover rent for the first two years, there is uncertainty regarding the project's operating income beginning in year three when the state funding is no longer available.

   As stated above, financing terms as noted in the City's Affordable Housing Development Program Application use debt service coverage ratio as an important tool in the financial analysis of a project. Typically, projects with a DSCR 1.15 are considered for a deferred cash flow loan. At this time, staff is requesting the ability to negotiate loan terms once a final proforma has been approved by Maine Housing.

   Therefore, if the Council were to ultimately approve financing for this project without final financial documents in-hand, staff recommends the approval be conditioned upon receipt of an appraisal, final review and confirmation of loan terms by the City's underwriting contractor, and written confirmation that the project will provide housing for asylum seekers with the State of Maine covering rent for the first two years. Additionally, staff requests explicit guidance on ADHC's request for property-tax-exempt status.