

Minutes

Remote Housing and Economic Development Committee

March 21, 2023

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

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These

Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, March 21, 2023, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and members Mark Dion, Regina Phillips, and Roberto Rodriguez. Present from the City staff were Interim Housing and Economic Development Department Director Mary Davis, Assistant City Manager Anne McGuire, Acting Corporation Counsel Michael Goldman, Parks, Recreation, and Facilities Department Director Ethan Hipple, Public Assembly Facilities Director Andy Downs, Acting Parks Director Alex Marshall, Compliance Officer Heidi McCarthy, and Housing Program Manager Victoria Volent.

Item #1: Review and vote on February 21, 2023 draft meeting Minutes

On motion made by Councilor Dion, seconded by Councilor Phillips, the Committee voted unanimously (3-0) to accept the Minutes as amended.

Item #2: (Public Hearing) Review and Recommendation to the City Council regarding the 2023 Jill C. Duson Housing Trust Fund Annual Plan

Mary Davis introduce this item together with agenda item 3, by starting with a broad review of the Affordable Housing Development and Tax Increment Financing Application, and the 2023 Jill C. Duson Housing Trust Fund Annual Plan. The 2023 housing investments goals and priorities were discussed. New this year, staff has included the goal of supporting “shovel

ready projects”. Also discussed was the application disbursement, review and scoring process, and eligible project guidelines. The City’s new JDEI Director Umaru Balde will review the application prior to distribution. Staff is seeking direction regarding guidelines and priorities for the allocation of city resources (i.e. HOME, Jill C. Duson Housing Trust Fund, and Affordable Housing Tax Increment Financing) as outlined in the July 1, 2023- June 30, 2024 Affordable Housing Development and Tax Increment Financing Application and the 2023 Jill C. Duson Housing Trust Fund Annual Plan.

Councilor Rodriguez joined the meeting at 5:42

Councilor Phillips asked clarifying questions regarding; affordability levels; maximum funding award amounts; is the American Rescue Plan funding a one-time grant (yes); what does the “right of first refusal” mean; are developers required to work with labor unions (projects approved for tax increment funding utilizing a credit enhancement agreement must compensate all employees the greater of Davis-Bacon wage rates or the prevailing wage rates); adding scoring points for projects that support inclusivity (the application does require all projects awarded HOME or other federal funding to follow Federal requirements which include the tracking, and reporting on outreach and contracts given to women and minority-owned business to ensure inclusion to the maximum extent possible. Applicants are encouraged to utilize firms certified as a Minority Business Enterprise or Women’s Business Enterprise as part of the development team).

Councilor Dion encouraged; a commitment to supporting the construction of rental units over home ownership units by including incentives for rental housing construction in the application; analyzing what it means, in relationship to available funding streams, to prioritizing the construction of units at 50% AMI; and clarifying the relationship between the City and the

Portland Housing Authority to capitalize on the expertise between the two entities.

Councilor Rodriquez supports changes to the application to ensure support of the Comprehensive Plan's goal to create housing along transportation priority nodes and corridors (within the Policy Objectives section of the scoring matrix, 7 points are awarded for site selections that supports the Comprehensive Plan goal for development along transit nodes and corridors), and prioritize alternative housing models such a cooperative housing.

Councilor Ali asked; if the Homeport program (direct financial assistance of up to \$30,000 to first-time homebuyers at or below 80% AMI for home purchase or general rehab) was still offered (no); can cooperative housing and land trust developers receive funding under the application (yes); staff to amend the application to include the corresponding dollar amount after each mention of an AMI percentage.

The Committee discussed amendments for this year's application and amendments for next year's application. For the current application, staff is directed to include language prioritizing construction of rental projects and projects at 50% AMI, and add a statement articulating the support of non-traditional housing models such as cooperatives and land trusts. For next year, new financing models (such down payment assistance) should be explored.

Councilor Ali opened the meeting to public comment.

Tyler Plante, a Development Officer at Portland Housing Authority thanked the City of Portland for supporting the creation of affordable housing through its Affordable Housing funding application. Funding is critical for the creation and maintenance of the PHA public housing portfolio. For every \$1 of HOME and Housing Trust funding, PHA leverages up to \$20 to \$30 or \$50 of other funds (LIHTC or bank loans). The low interest rate associated with the

funding is also very valuable. Housing created by PHA (through the HOME and HTF application) allows for the use of project based vouchers which are used by folks who make 30% or less of the area median income. Mr. Plante noted there is collaboration between the city and PHA based on a relationship of advice and assistance, and the relationship would only benefit from a deeper bond. Mr. Plante thanked the city and the HEDC for their work and commitment to affordable housing.

On a motion made by Councilor Dion, seconded by Councilor Phillips, the Committee voted unanimously (4-0) for the recommendation for adoption to the full council the issuance of the 2023 Jill C. Duson Housing Trust Fund Application as amended for income and rental housing priorities.

On motion made by Councilor Phillips, seconded by Councilor Dion, the Committee voted unanimously (4-0) for the recommendation for adoption to the full council the issuance of the 2023 Affordable Housing Development and Affordable Housing TIF Application as amended for income and rental housing priorities.

Item #3: (Public Hearing) Review and Vote to Approve the issuance of the 2023 Affordable Housing TIF and Affordable Housing Development Fund Application for the Jill C. Duson Housing Trust Fund, HOME Program

See above. Agenda items 2 and 3 were discussed concurrently.

Item #4: (Public Hearing) Review and recommendation to the City Council to continue to participate in the Cumberland County HOME Consortium

Heidi McCarthy presented an overview of the request for renewal of the Cumberland County HOME Consortium to the U.S. Department of Housing and Urban Development by June

30 for the contract period July 1, 2024 through June 30, 2027. Staff is requesting the Committee approve and recommend to the City Council that the City renew its participation in the Cumberland County HOME Consortium.

Councilor Phillips asked a clarifying question regarding Consortium participants. Staff noted the Cumberland County HOME Consortium includes 25 cities and towns including the cities of Brunswick and Portland. Citizens are not members of the Consortium.

Councilor Ali opened the meeting to public comment. Seeing no one, the public comment period was closed.

On a motion made by Councilor Rodriguez, seconded by Councilor Dion, the Committee voted unanimously (4-0) for the recommendation to the City Council to continue to participate in the Cumberland County HOME Consortium.

Item #6: Communication

Per the request of Councilor Ali, this item was taken out of order.

The Committee discussed when and how often they would like to meet during the month of April with a final determination the Committee would meet twice during the month of April on April 4 and April 18. During the May 16 meeting, the agenda will also include the presentation of the annual Housing Report by the Housing and Economic Development Department and the Planning Department, as well as a presentation on LD 2003. The previous request from the Rental Housing Advisory Committee will be added to the agenda pending discussions between Councilor Ali and staff.

A motion was made by Councilor Dion to enter into executive session, seconded by Councilor Rodriguez. Councilor Ali asked for a vote on the motion and it passed unanimously (4-0) to enter into executive session at approximately 6:50 p.m.

**Item #5: Executive Session: Review and provide direction to staff on negotiations
with USL Soccer Proposal at Fitzpatrick Stadium**

A motion was made by Councilor Phillips to adjourn the meeting, seconded by Councilor Rodriguez. Councilor Ali asked for a vote on the motion and it passed unanimously (4-0) to adjourn the meeting at approximately 8:13 p.m.

Respectively submitted, Victoria Volent