

Minutes

Remote Housing and Economic Development Committee

February 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, February 21, 2023, at 5:30 p.m. via Zoom. Present from the HED Committee were Chair Councilor Pious Ali, and members Councilors Mark Dion, Regina Phillips, and Roberto Rodriguez. Present from the City staff were Interim Housing and Economic Development Department Director Mary Davis, Acting Corporation Counsel Michael Goldman, Assistant City Manager Anne McGuire, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on January 17, 2023

On motion made by Councilor Dion, seconded by Councilor Rodriguez, the Committee voted unanimously (4-0) to accept the Minutes.

Item #2: Workshop- Responsibilities of the Housing and Economic Development Department

Ms. Davis gave a high-level overview of the Department noting that there are 16 full-time positions that, for one, assist with staffing 11 different committees. This while being down to 9 positions that are filled with 7 vacant. The Department consists of the Housing and Community Development Division, Economic Development, Office of Economic Opportunity, and Office of Creative Portland. (See attached presentation for more information.)

Councilor Rodriguez, noting the vast work of the Department, suggested that there be a good process in place when someone leaves or retires that their knowledge and institutional information does not get lost.

On another subject, Councilor Rodriguez apologized but he would need to leave this meeting at 6:00 p.m. for about a half hour and would then return. (Post note: he returned at 6:45 p.m.)

Seeing no further questions/comments, Chair Councilor Ali thanked Ms. Davis for the refresher on the work of the Department.

Item #3: Review letter from the Rental Housing Advisory Committee (RHAC)

Regan Sweeney, the Vice-Chair of the Rental Housing Advisory Committee presented this item by noting the RHAC is requesting a restatement/clarification of the charge and duties for the committee so that they can better serve the City and its citizens. Absent such revised guidance, the committee feels it is unable to take any meaningful action, and would recommend that the City Council disband the RHAC. The impetus for the request is in light of the recent expansion of the Rent Board's authority. The RHAC is separate from and independent of the Rent Board and its activities, and is seeking to avoid any duplication or otherwise redundant work. The RHAC also seeking a mechanism by which they can be effective and heard by the Housing and Economic Development Committee and City Council.

The HEDC and RHAC considered and discussed maintaining the RHAC with the charge of adopting policy that promotes solutions and enhances tenant safety (which is not under the Rent Board purview). Should however the RHAC be disbanded, the HEDC (with advice from Corporation Counsel) also discussed the procedure to amend the Ordinance (by the full Council) towards dismantling the Committee. The HEDC noted that as the oversight body, they should

provide leadership and focus on items of interest for the RHAC to address while the RHAC indicated they are looking for both a clear mission in which a tenant/landlord perspective would be of valuable input, as well as a mechanism in which to make recommendations to the Council. The HEDC will incorporate suggestions and feedback received during the discussion to formulate next steps.

Item #4: Public Hearing- Review and recommendation to the City Council- FY2024

Housing Program Budget

Ms. Davis presented 2023-2024 Housing Program Budget to the Committee. This is an annual budget for HEDC recommendation. The budget is then incorporated into the packet of Housing and Community Development items that are reviewed by the City Council in two public hearings in March and April. A brief history of the HOME Program was shared with the Committee followed by a more in-depth discussion of the Housing Program Budget which includes allocation of the HUD HOME funding, Lead Safe Housing program income and Housing Trust Fund. As HUD has not announced the 2023-2024 HOME funding, an estimated amount based on the previous year's allocation is in the budget proposal. The Lead Safe Housing Program Income is generated through repayment of loans given under prior Lead Safe Housing Grants. The City also has a Lead Hazard Reduction Grant of \$2,038,041 in funding for lead paint remediation and \$503,655 in funding to assist with code and life safety improvements. The Housing Trust Fund has a current balance of \$4,204,156. Staff recommends maintaining a minimum balance of \$500,000 which would allow an effective budget of \$3,704,156.

HUD has indicated the funding allocations for FY23-24 should be available on February 27. Subsequently, the adjusted Housing Program Budget will be available during the March and April City Council public hearings.

In response to the Committee's inquiry into the Lead Program, Ms. Davis noted the Lead Housing Program Manager position is now filled and the City is accepting applications for the five-year forgivable loans (the average loan is \$10,000 per unit but can go up to \$20,000 per unit). The lead grant is a county-wide program with a target area of Portland and Westbrook. Property owners who participate in the program agree to rent lead-safe units at certain affordability levels with priority to households with children under age six.

The Committee also asked clarifying questions regarding; the maintenance of a \$500,000 minimum balance in the Housing Trust fund to purchase a homeownership unit (to ensure the unit remains deed restricted for affordability) in case of foreclosure; the Municipal Oversight Committee (MOC) (which is made of representatives from each CDBG-County community); the role of the HEDC in determining policy goals and the mechanics for disbursement of funds from the Jill C. Duson Housing Trust Fund; the calculation of the administration budget (which is 10% of all total funding); the utilization of Tenant Based Rental Assistance to pay for security deposits and first-month's rental assistance for individuals and families residing in homeless shelters (program oversight and daily operations are based out of the City's Social Services Division); the Lead Hazard Program Income (the source of which is the repayment of previous loans and grants that does not allow for a steady stream of income that can be relied upon year to year as opposed to the actual three-year Lead Hazard Reduction Grant which has already been established); the assistance provided with completion of the *Affordable Housing Development and AHTIF Application* (staff is available and welcomes questions from applicants); if when determining funding, based on the requests received in the *Affordable Housing Development and AHTIF Application*, is there a priority for disenfranchised developers or is there a priority for specific type of housing units (funding is tied to affordability requirements of the household (not developer) for each program (HOME/HTF/AHTIF), however the Council could set parameters

around developer priority); can a priority be established to determine which households (such as asylum seekers) benefit from the HOME/HTF/AHTIF funding (the Fair Housing Act prohibits discrimination based on seven different protected categories, and prohibits discrimination on who is either eligible or ineligible for housing. Any priority determinations must take into consideration Fair Housing standards to avoid creating ineligibility criteria that discriminates); does the City try to appeal to developers who have the capacity to create large projects that would include ten or more units so that Inclusionary Zoning is triggered (the City does not fund projects to assist with meeting the requirements of Inclusionary Zoning (IZ).

HOME/HTF/AHTIF funding is for projects that go well above and beyond the affordability levels and IZ requirements); capacity is not about the anticipated margins for profit, but rather if the developer has access to technical resources and has demonstrated construction experience to complete a housing project; and who establishes the guidelines for the Jill C. Duson Housing Trust Fund (the Ordinance sets out the parameters on how the funds may be used. Staff creates an annual plan for review by the HEDC for approval and recommendation to the full Council for adoption. The annual plan establishes the funding parameters).

Chair Councilor Ali opened the meeting to public comment. Seeing no request to speak, the public comment period was closed.

On motion made by Councilor Phillips, seconded by Councilor Dion, the Committee voted unanimously (4-0) to forward the FY2024 Housing Program Budget to the City Council with a recommendation for approval.

Item #5: Public Hearing- Review and recommendation to the City Council- HOME-ARP Program Plan

Victoria Volent introduced the HOME ARP program which is intended to provide homelessness assistance and assistance to other vulnerable populations. Those vulnerable

populations include; the homeless; those at-risk of homelessness; those fleeing/attempting to flee domestic violence; and populations where assistance would prevent homelessness. The HOME ARP program provides assistance by; providing affordable rental housing; tenant based rental assistance; supportive services; and non-congregate shelter development. The Cumberland County Consortium, which is a partnership between the City of Portland and Cumberland County, received \$3,594,143 in HOME American Rescue Plan funding. To receive the funding, HUD requires the submission of an Allocation Plan describing the process undertaken by the Consortium for consultation by required groups, impacted populations, service providers, public agencies, and other organizations. The Allocation Plan is a summary of the information gathered from those consultations; it is a review of current conditions, and an assessment of the needs and gaps for qualifying populations within Cumberland County. The Allocation Plan describes the process for determining the most effective uses of the HOME ARP funding. This evening's meeting is an opportunity for review and public comment.

The Committee asked clarifying questions.

Chair Councilor Ali opened the meeting to public comment. Seeing no request to speak, the public comment period was closed.

On motion made by Councilor Rodriguez, seconded by Councilor Phillips, the Committee voted unanimously (4-0) to forward the HOME ARP Allocation Plan to the City Council with a recommendation for approval.

Item #6: Public Hearing- Review and recommendation to the City Council- Thames Street Purchase and Sale Agreement

Chair Councilor Ali asked if the Committee needed to go into executive session, and Mr. Goldman said that, at this time, it is not necessary. Should the Committee feel that it needs to

provide further direction on negotiations to staff, then it would be appropriate. The complete proposed Purchase and Sale Agreement (PSA) is in the packet for a recommendation to the City Council.

Ms. Davis said that this item has been before the Committee a few times, for the sale of the remaining portion of City-owned on Thames Street. The City Council previously approved of the Request for the Proposals for its sale, which resulted in one proposal being received. That proposal is the subject of the PSA.

Ms. Davis noted that the proposal for a mixed-use, multi-tenant office building, with the main tenant being WEX. The development is consistent with the Eastern Waterfront Master Plan to support development along Portland's waterfront adjacent to WEX's headquarters on Thames Street. The purchase price is \$1.1 Million, and the total value to the City for other in-kind contributions is \$2.69 Million. Those contributions include City ownership transfer of the Connector Road and access to 13 on-street parking spaces, cash for public restroom, easements for pedestrians through Mountfort Street Extension (from Thames to Fore Street) and Hancock Street to the Connector Road. In addition, the new construction will increase the City's tax base with an estimated \$170,000 annually in new property taxes, as well as the quality jobs for the construction and office tenant makeup. City staff recommends approval of the proposed PSA.

Councilor Phillips asked if the sales price will go to the City General Fund or to the Jill C. Dusen Housing Trust Fund.

Mr. Goldman noted that the funds are not yet ear-marked; this would be handled by the City Council as a separate item when the property sale closes.

Chair Councilor Ali opened the meeting for public comment. Seeing none, he then closed the public comment session.

A motion was then made by Councilor Phillips, seconded by Councilor Rodriguez, to forward the proposed PSA to the City Council for approval. A vote was then taken on the motion and it passed 4-0.

Item #7: Communication – No vote or public hearing required – 2023 Committee

Work Plan and Schedule.

Chair Councilor Ali noted this Communication and should Committee members have feedback to contact either him or Ms. Davis.

On motion then made by Councilor Phillips, seconded by Councilor Rodriguez, the Committee voted 4-0 to adjourn the meeting at approximately 7:35 p.m.

Respectfully, Lori Paulette and Victoria Volent



MEMORANDUM

TO: Chair and Members of the Housing and Economic Development Committee

FROM: Mary Davis, Interim Director

DATE: February 17, 2023

SUBJECT: Responsibilities/Overview of the Housing and Economic Development Dept.

As the Housing and Economic Development Committee begins its work for 2023, I thought it would be helpful to provide an overview of the work and areas of responsibilities for staff within the Housing and Economic Development Department. As with all City Departments, we perform the operational duties of our Department under the direction of the City Manager, who provides guidance and oversight regarding the implementation of policy set by the City Council.

Attached you will find an overview of the divisions and program areas within the Housing and Economic Development Department. These include:

- Economic Development Office;
- Office of Creative Portland;
- Office of Economic Opportunity; and,
- Housing and Community Development.

We look forward to highlighting the program areas with you and any questions you may have.



HOUSING AND ECONOMIC DEVELOPMENT DEPARTMENT of the City of Portland, Maine

The Housing and Economic Development Department (HEDD) provides Portland with a ***positive financial return to support increased private sector investment, associated property tax revenue, jobs for area residents, affordable housing, economic opportunities for Portland's diverse population, including its businesses and the creative economy sector.***

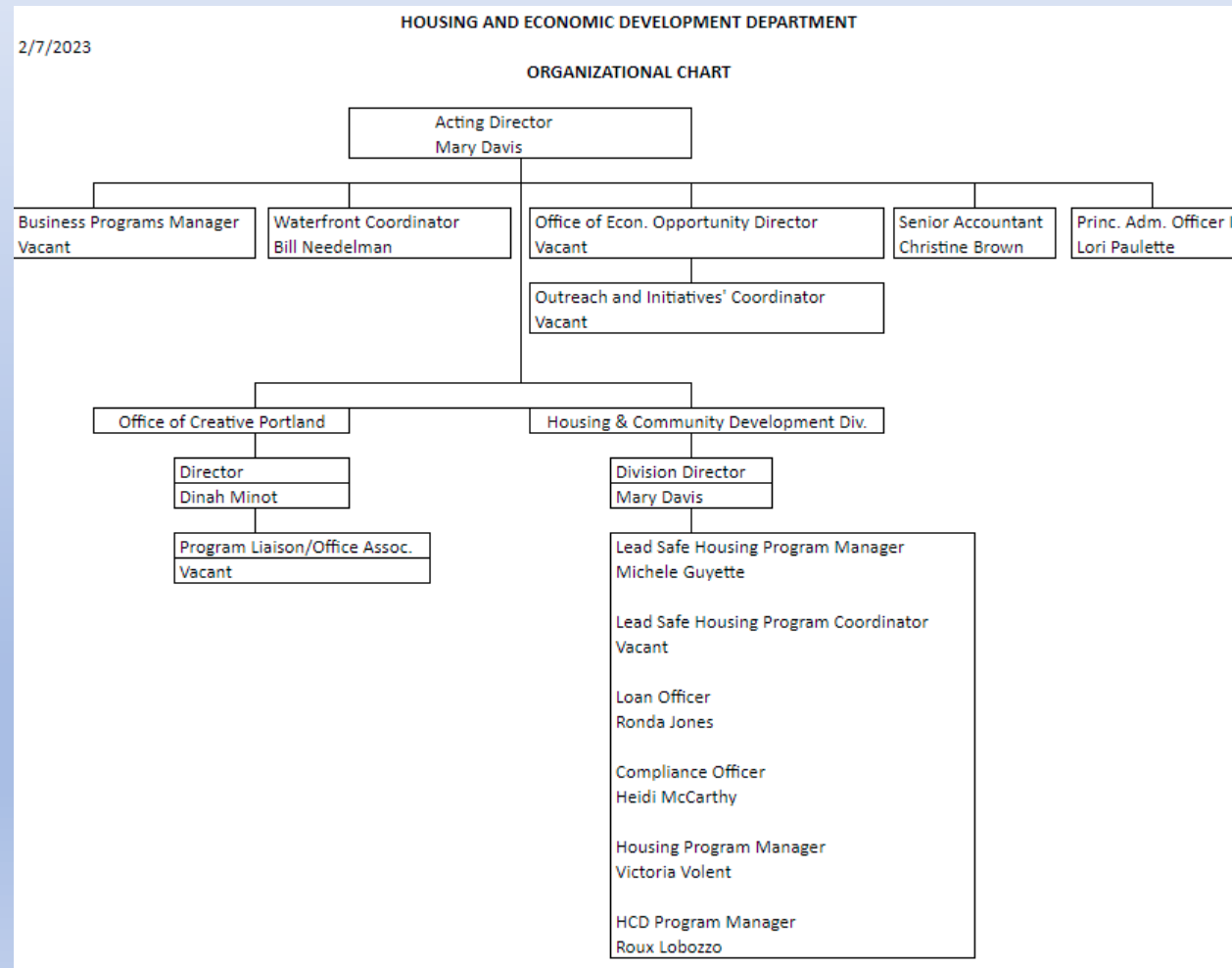
The HEDD takes the lead on Portland's business assistance, retention, expansion, and recruitment programs; affordable housing development; economic opportunities for Portland's diverse populations and creative economy sector; and is the steward of Portland's waterfront.

The HEDD serves as staff to the City Council's [Housing and Economic Development Committee](#).

Housing and Economic Development Department website [link](#).

Annual Operational Budget

The HEDD includes sixteen (16) full-time staff with an FY2023 annual budget of approximately \$1.48 million. Department staff costs are offset by tax revenue generated from Tax Increment Financing Districts, U.S. Department of Housing and Urban Development Grants (CDBG and HOME), and the Portland Fish Pier Authority.



Economic Development Office

The Economic Development Office provides comprehensive assistance to businesses at every stage of development and growth, whether just starting up, expanding, or relocating to the City of Portland. Services are designed to streamline doing business in Portland.

Examples below of program areas:

- [Brownfields Redevelopment Program/Grants](#) from USSEPA of Over \$5.2 Million for the Department for Phase I and Phase II Environmental Site Assessments and remediation and clean-up in the form of grants/loans to businesses and non-profits.
- [Business Loan Programs](#)/Since Inception in 1991 through Fiscal Year End 2022 Over \$12.5 Million Approved
- [Tax Increment Financing](#)/Active Districts: 3 Area-Wide TIF Districts, including a Downtown TOD TIF, TOD TIF At Thompson's Point, 17 Affordable Housing TIF Districts, 3 Commercial TIF Districts

Committees staffed by the Economic Development Office:

- [Portland Development Corporation](#) (City's Business Lending and Granting Board)
- City-Owned and Tax-Acquired Property Committee (internal staff Committee)

The City's Economic Development office facilitated the sale of City-owned land on Thames Street through an RFP process which resulted in it being purchased and developed for the WEX Headquarters.



Office of Creative Portland

Mission is to support the Creative Economy through the arts by providing essential resources, fostering partnerships, promoting Portland's artistic talents and cultural assets. As the official nonprofit arts agency, we support economic development efforts by strengthening and stimulating our workforce, creative industries, and enterprises. Creative Portland website [link](#).

Examples below of program areas:

- [First Friday Art Walk](#)
- [Arts and Culture Summit](#)
- Arts in the Chamber
- [Hear Here](#)
- [Cultural App Development](#)
- [Fiscal Sponsorships](#) & Volunteers
- [Cultural Events Calendar](#)
- Arts and Music Festivals
- [CP Art Gallery](#)
- [Portland Artist Relief Fund](#)
- [Public Art – Creative Bus Shelters](#), [Art Banners for Public Health](#)



Batimbo United, ART
OUTTA THE PARK, Sea
Dogs Field, 2018

Committees staffed by the Office of Creative Portland:

- Creative Portland Board of Directors

Office of Economic Opportunity

Mission is to convene and leverage public and private partners to assure optimal communication and collaboration so that racially and ethnically diverse communities, including immigrants and refugees, and other underserved populations, have access to jobs and related support services, as well as economic opportunities.

OEO's scope of work is guided by its current [Strategic Action Plan for Inclusion](#), with four core outcome areas:

- [Economic Inclusion and Development](#)
- [Civic Inclusion](#)
- [Cultural and Social Inclusion](#)
- [Welcome-Ability](#)



Natural Helpers
Graduation Ceremony

OEO is the only office of its kind in Maine. Its core function is as a convener and not as a direct service delivery agent except for two signature initiatives: [Portland Professional Connections](#) and the [Natural Helpers Leadership Program](#). Both initiatives have become national models.

OEO also supports internal efforts pertaining to racial equity and Language Access compliance

Housing and Community Development

Administers Federally-funded programs that work in partnership with others (government, business, non-profits) to develop strong communities by creating decent and safe [affordable housing](#), expanding economic opportunities, and providing programs that serve the most vulnerable in our community. HCD website [link](#).

Programs of Services:

- [Community Development Block Grant](#) (approximately \$1.9 million annually)
- HOME Program – County-wide consortium; Affordable Housing Development, Tenant Based Rental Assistance (approximately \$900,000 annually)
- Local Housing Trust Fund – Affordable Housing Development (current balance approximately \$2.3 million)
- [Lead Safe Housing Program](#) (\$2.5 million grant, 42 month period of performance through 6/30/2023; extension to be requested through June 30, 2024)
- Affordable Housing Tax Increment Financing

Committees Staffed by the HCD Division:

- [Rental Housing Advisory Committee](#)
- [CDBG Annual Allocation Committee](#)
- [CDBG Priority Task Force](#) (meets every 3-5 years)
- Assist with staffing the City Council's Housing and Economic Development Department

Waterfront Economic Development Office

The [Waterfront Coordinator](#) represents the City's HEDD to promote the waterfront as a center of economic activity, to assist other departments with the management of the City waterfront facilities, and to create opportunities for all Portlanders to participate in harbor activities as a part of their everyday lives.

Programs of Service:

- Waterfront Policy, Land Use, and Zoning
- Eastern Waterfront development, including open space, public access, and community boating
- Climate Change
- Communications and Community Relations – liaison with Harbor Commission, State and Federal agencies, including: FEMA Solutions Based Team for Marine Infrastructure, SEAMaine Seafood Marketing Committee, Maine Offshore Wind Supply Chain and Ports Working Group, and Maine Climate Council, Marine, and Coastal Workgroup.

Special Projects:

- Harbor Dredging and Sediment Disposal
- Portland Fish Pier Strategic Planning
- Public Landing at Ocean Gateway

Committees Staffed by the Waterfront Coordinator:

- [Portland Fish Pier Authority](#)
- City Manager's Waterfront Working Group
- Island Broadband Planning



Serving commercial vessels at the Portland
Fish Pier