

Minutes

Remote Housing and Economic Development Committee

April 4, 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, April 4, 2023, at 5:30 p.m. via Zoom. Present from the HED Committee were Chair Pious Ali, and member 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, Director of Permitting and Inspections Jessica Hanscombe, Director of Planning & Urban Development Christine Grimando, Director of Sustainability Troy Moon, Director of Special Projects Nell Donaldson, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on March 21, 2023

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

Item #2: Presentation of Annual Report from the Permitting and Inspections

Department regarding Short/Long Term Rental Registration Program and Housing Safety

Jessica Hanscombe provided an overview of the responsibilities and accomplishments of the Licensing and Housing Safety Division. This division is responsible for all Long Term and

Short Term Rental Registration, Housing Inspections, Business Licenses, and Health Inspections.

Approximately 4,500 Long-Term Rental renewal registrations were mailed out in the first week of November. Reminder notices were sent out in press releases, weekly newsletters, through outreach to Landlord associations, and with a follow-up notice. 30% of all renewals were conducted online through Citizen Self Service. An overview of the mechanics behind rent increases, and late fees was provided. As of February 28, 682 properties were not in compliance.

763 units in 639 properties account for the non-owner and owner occupied Short-Term Rentals. More units (388) are non-owner occupied compared to owner-occupied (257) units. The four types of short-term rentals were described.

A total of 2,421 inspection were conducted between 7-1-2022 and 2-28-2023. The majority of inspections (1,562) were complaints/single-units/infestations inspections and re-inspections. During the extremely cold weekend of February 4th and 5th, the Housing Safety Inspectors responded to 79 called, working 34 hours straight to keep people in their homes.

The Housing Safety Office staffs the monthly Rent Board Committee which entails numerous responsibilities including but not limited to; creating the agenda, attending meetings, keeping the minutes, and answering questions from the Rent Board. Implementation of rent control is another responsibility of the Department which requires the updating and explanation of how rent control works and the impacts of amendments as well as documentation and complying with requests for application.

Councilor Dion asked a clarifying question regarding enforcement versus compliance. Per Jessica, when a complaint is received, a site visit is conducted and if the complaint is

substantiated, then the landlord is given a set period of time to comply. A follow-up site visit occurs to ensure compliance.

Councilor Rodriguez inquired into the turnaround time for other high level violations. (e.g. smoke detectors – 48 hours; sprinkler system- two or three months; fire doors -five days; short-term rental violations - 24 hours).

Councilor Dion asked about the challenges being confronted with meeting the needs of permitting in regards to new construction and how those challenges will be resolved. Jessica noted supply chain and labor shortage as well as the cost of building materials are commonly heard complaints. Rent Control and the “Green New Deal” are other often heard complaints with building in Portland. Items under her control that are being addressed include staffing shortages and meeting deadlines (since August reviews are conducted by deadline). However, as the work load grows (currently over 100 permits are applied for every week; major renovations are occurring at USM, the old Mercy Hospital and schools, and the largest building in Maine is under construction) staffing remains a concern. Jessica noted that her Department is implementing new methods to assist developers (such as an alternative means to meet code requirements), had hired another building inspector in December (now have five), reorganized plan review, and has employees that are crossed trained and can assist each other.

Councilor Phillips asked clarifying questions regarding compliance and enforcement of the long term rental ordinance and waiving of fees. Jessica provided an overview of the application, notification, and enforcement process of both the long-term and short-term rental process. Only the Director may waive a fee (which has happened once out of 75 requests).

Councilor Ali asked about the number of constables within the department (of 38 employees, 26 or 27 are constables (i.e. able to write summons)) and a clarifying question regarding long-term rentals that are leased as short-term rentals.

Councilor Phillips asked a clarifying question regarding fees that are deposited in the Jill C. Duson Housing Trust Fund (for short-term rentals only, fines and funds after costs are paid are deposited into the Housing Trust Fund. Long term rental fines are deposited into the City's General Fund).

Item #3: Communication- Memo from City staff regarding the Franklin Street Redesign Plan

Ms. Grimando noted that at the March 8, 2023, meeting of the City Council's Sustainability and Transportation Committee, Public Works staff presented a slate of transportation projects, including the Franklin Street redesign, which had been placed on hold in 2018 for funding needs for Marginal Way. Staff is now revisiting this with an eye towards safety, links to neighborhoods, and possibility for housing production. The Franklin Street corridor was originally created to move cars and not designed for multi-use. The initial staff analysis is that it could be used much more efficiently and net four acres not used for roads, but there is more design work to do and more analysis for housing production. Continued analysis is needed particularly as there are six zones in the area to consider, and rezoning some may allow for additional housing opportunity. She closed noting that there is funding available now to move forward with further design work and analysis. When it comes to construction work estimated now at \$30 Million, funding sources will need to be identified/applied for.

Ms. Donaldson noted that are many potential funding sources when it comes to that point in time. The preliminary design work will need to be finalized first in order to apply for those funding opportunities.

Councilor Phillips asked about the various zones and process if they would need amending. Ms. Grimando noted that there would be discussions and public input if there were to be any

proposed zone changes, noting that she anticipated that if there were any recommended zone changes, it would most likely be only one or two parcels deep.

Councilor Dion asked about the cost for the design work to be done, and Ms. Donaldson estimated that to be \$250,000, which would include design and scoping of an RFP, with input from MDOT regarding ramps and highway length.

Councilor Dion noted that the Franklin Street corridor has served its purpose and encouraged staff to move forward looking at redesign; the Committee concurred, with appropriate public outreach and engagement.

Mr. Grimando noted that in 2010 there was strong community engagement, and this will continue when there is more information to share with the public during this next phase.

Chair Councilor Ali thanked all and noted public comment received and in the backup from Markos Miller and welcomed more public input as this moves forward.

Item #4: Communication- Finding of January 2023 Housing Supply Boot Camp

Nell Donaldson presented an overview of the “housing supply boot camp” held to gain a broader understanding of challenges and opportunities around housing creation in Portland. During the January meeting, fourteen external stakeholders representing the development, architecture, construction, financial, affordable housing, real estate industries, and city staff met with members of the New York University Housing Solutions Lab. The discussion resulted in a list of ideas to encourage additional housing production, some of which staff are incorporating into ReCode. The goal was to try to understand how to create more housing supply. A summary of ideas from the Boot Camp are included in the packet of material. Councilor’s Rodriguez and Ali attended the Boot Camp.

Councilor Ali asked what the next steps are from here. Christine noted the Planning Department is actively preparing proposals (based on similar outreach) that will be brought to the City Council this summer.

Councilor Rodriguez requested a list of recommendations under review, annotated as to the feasibility of each item.

Councilor Phillips asked a clarifying question regarding the requirement for set-backs.

Councilor Ali invited Christine to come back to present the annotated spreadsheet of recommendations.

Item #5: Communication- Memo from City staff regarding City-owned property – 0

Marginal Way Parking Lot

Ms. Davis introduced this item noting that in any possible sale of City property, there is process to move forward and this piece of land is at the very beginning of that process. Because of the need for housing, this piece of City property had been highlighted by Chair Councilor Ali and what is in the backup today is the result of preliminary analyses as to what could possibly be done. A next first step in the process would be a City Department-wide survey to obtain input from the Departments as to whether the subject property is excess to the City's needs or not. A staff Committee – the City-Owned and Tax-Acquired Property Committee – would then review the results of the survey and make a recommendation to the City Manager as to whether to sell or retain the property.

Ms. Davis also noted that there is a Memorandum in the backup from Troy Moon about placing EV charging stations on the property, and a memorandum from Ms. Grimando regarding her preliminary housing analysis based on current zoning. No decisions are being made today.

Ms. Grimando noted that the B-2 Zone has no maximum density, and, based on that and no design analysis, there could possibly be anywhere from 70 units to 300 units of housing and structured parking.

Councilor Dion noted that the Miss Portland Diner needs to be incorporated into any decisions going forward. It is a part of Portland's history and a cultural artifact. The City worked with Mr. Manning in his purchase and development of the Diner, with Mr. Manning investing a million dollars in infrastructure alone.

Committee members agreed, and Councilor Phillips also appreciated the historic preservation in the development and preserving the Diner.

Mr. Moon updated the Committee on the proposal to have four EV charging stations on the lot, closer to the Diner, which will also help restaurant patrons. The City has a contract with EVgo to install these charging stations, and they need to be at commercially viable locations. This location is ideal with its proximity to business and housing. If this were a go, the City would need an amendment to the contract and would move the Commercial Street location to this location on Marginal Way.

Ms. Davis noted that direction from the Committee on its thoughts regarding the EV stations would be helpful so that Mr. Moon would know if he should get to work with EVgo and amend the contract. Regarding any future housing, that would be a long process and, again, this is the very beginning of that process; it would also need vetting with MDOT.

Chair Councilor Ali noted the Committee's consensus was to have Mr. Moon move forward with the EV stations at this location. He also noted that this site could potentially be a combination of the Diner, EV stations, and some housing – whether that be a large development or one unit – and more due diligence could continue but all uses should be considered and working together; the Committee agreed.

Item #6: Communication – Work Plan and Schedule

Chair Councilor Ali noted to Committee members to provide feedback to either him or Ms. Davis regarding this item.

There being no further business, on motion made by Councilor Phillips, seconded by Councilor Rodriguez, the Committee voted 4-0 to adjourn the meeting at approximately 7:35 p.m.

Respectively submitted,

Lori Paulette and Victoria Volent