

Minutes

Remote Housing and Economic Development Committee

June 20, 2023

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

<https://www.portlandmaine.gov/602/Agendas-Minutes>

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, June 20, 2023, at 5:30 p.m. via Zoom. Present from the Committee were Chair Councilor Pious Ali, and members Councilors Mark Dion (joining the meeting shortly after it started), Regina Phillips, and Roberto Rodriguez. Present from the City staff were Interim Housing and Economic Development Department Director Mary Davis, Special Projects Director/Planning Nell Donaldson, Assistant City Manager Anne McGuire, Interim Corporation Counsel Michael Goldman, Planning and Urban Development Director Christine Grimando, Principal Adm. Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and vote on April 25, 2023 draft meeting Minutes.

On motion made by Councilor Phillips, seconded by Councilor Rodriguez, the Committee voted 3-0 to accept the Minutes as published.

Councilor Dion joined the meeting at this time.

Item #2: Review of 2022 Annual Housing Report

Ms. Volent provided an overview noting that the Report covers development trends, finances, and various projects. The Planning Department would provide a summary of Part I, and Housing would provide a summary of Part II.

Ms. Grimando provided a summary of Part I pertaining to housing development and policy. She noted that of the 2022 housing approvals, many were for 10+ units, showing higher density developments, while also noting that these are approvals only - not completed developments. Ms. Grimando then highlighted housing production by Certificates of Occupancy issued from 2017, and these have gone up from 504 in 2017 to 1,948 in 2022 – noting that Portland has strived to create more tools to help spur housing developments, with multi-family developments out pacing single-family developments.

Ms. Donaldson continued noting that, in 2021, more rental housing was approved than ownership, and that reversed in 2022. Most of the housing that was approved was on the peninsula. The City's Land use policy was amended to encourage more housing production and expedited review of affordable housing. This garnered strong encouragement from the public.

Ms. Donaldson then noted that staff participated as a member of the Peer Cities Network of the *Housing Solutions Lab* at New York University. At the conclusion of the year-long cohort, a list of ideas to encourage additional housing production in Portland resulted and work of pursuing concepts is expected to continue over the coming months and years.

Regarding LD2003 signed into law by Governor Mills April 2022 to increase housing opportunities, Ms. Donaldson added there will be more public engagement on this in the

Summer but, for the most part, Portland's existing Land Use Code meets and, in many cases, exceeds many of LD 2003 requirements.

Ms. Volent then highlighted Part II of the report, particularly Federal, State, and local resources to assist with more housing production. Locally, in 2022, 63 rental units were supported with AHTIF; sources to increase the Jill C. Dusen Housing Trust Fund Housing Trust Fund (HTF) included over \$860,000 from Inclusionary Zoning fee-in-lieu payments, and another \$650,000 is anticipated from Inclusionary Zoning fee-in-lieu payments into the HTF from the project at 54 York Street. The Federal HOME program supported over \$650,000 for Portland's housing programs.

These sources helped with the developments at the former West School on Dougherty Street; 83 Middle Street AHTIF project, turning a City-owned parking lot into 45 affordable housing units and 11 for long-stayers in shelters; 155 Danforth (known as the 66 State Street AHTIF) development of 30 affordable rental units, and creating transitional opportunities to stable housing opportunities; Washington Gardens AHTIF for 100 units for affordable housing to be online soon; and, Portland Housing Authority Front Street AHTIF in three phases ongoing.

Ms. Volent said that staff monitors all of these projects, which includes monitoring income qualifications, rent, on-site monitoring, meeting maintenance standards - in partnership with Maine Housing.

Councilor Rodriguez thanked staff for the presentations and report and asked Ms. Davis if the position requested in Housing in the FY2024 budget is to assist with monitoring, and Ms. Davis answered in the affirmative. Both she and Ms. Volent assist with the development process as a whole.

Councilor Rodriguez appreciated the feedback from the NYU session, and looks forward to the Recode getting to the Council for action.

Councilor Dion also appreciated the report and presentation. He then questioned future density and goals, particularly to discuss this with homeowners as to what their neighborhoods may look like in the future.

Ms. Grimando responded that density will be lower in neighborhoods and they would still feel like neighborhoods, noting more discussion and outreach will take place this Summer and Fall.

Councilor Dion requested a one-page summary to understand what density means when we move about Portland.

Ms. Donaldson noted that Recode Phase II will be releasing the first wave of edits within the next few weeks and will have various public forums to obtain feedback, including Planning Board workshops. She requested any and all assistance to get this word out. The release of this will also be posted in the weekly news roundup on the website.

Councilor Phillips thanked all for the thorough report and is very interested in continuing discussion regarding affordable housing, including inclusionary zoning and future developments. Councilor Dion also noted interest in developments such as Logan Place to take people off the street.

Staff and Committee discussed the various sources of funding for housing developments and restrictions tied to those funding sources, as well as partnerships with housing organizations such as Portland Housing and Avesta. These need to continue and grow and have an equity lens for support across diverse communities.

Item #3: Preview of Agenda for City Council Affordable Housing Workshop

(June 28).

Mary Davis presented a high level overview of the information that will be provided to the full Council during their June 28 Affordable Housing Workshop. Topics to be discussed include funding resources (HOME, CDBG, Jill C. Duson Housing Trust Fund, Affordable Housing Tax Increment, and City-owned property) and how they work. Chair Councilor Ali requested the presentation memo to the Council include a link to the Power Point Presentation from Permitting and Inspections that highlights the number of improvements the Department made to streamline the permitting process.

Item #4: Approve and Recommend an Affordable Housing TIF for 15 Casco Street

(Public Hearing)

Prior to the discussion on 15 Casco Street, Council Phillips recused herself from the agenda item.

Victoria Volent presented the request from Equality Community Center for an Affordable Housing TIF of 75% for 30 years to construct a five-story elevator-assisted building with 45 rental units for low income households. The building would be comprised of 12 studio (8 at 50% AMI and 4 at 60% AMI), 34 one bedroom (21 at 50% AMI and 13 at 60% AMI) and, 8 two-bedroom apartments (4 at 50% AMI and 4 at 60% AMI). Of the 54 units, 21 would be reserved for households earning at or below 60% AMI (i.e. \$56,800 for two people) while the remaining 33 units would be reserved for households earning at or below 50% AMI (i.e. \$47,350 for two people).

Mary Davis noted the City continues to work with the developer and is requesting the Housing and Economic Development Committee approve and recommend to the City Council support of the Affordable Housing TIF proposal at no higher than 55% for 30 years.

Committee members posed clarifying questions regarding the percentage of the request; site control; timing deadlines; scoring impacts; and density.

Chair Councilor Ali opened the meeting for public comment.

Laura Reading of Developers Collaborative noted the size of the project is based on balancing a couple of factors including the tax credit cap of \$30,000 per unit and a funding cap of \$1.44 million per project. Subsequently, anything above 48 units does not benefit from the primary funding source. This project has 54 units which is a balance between maximizing the footprint and the 48 units. Another factor is the wood construction which keeps the project at four stories above the first floor podium. Additional height would greatly increase the cost of construction without any additional funding sources.

Brian Eng of 33 Storer Street supports the projects and acknowledges the constraints placed on the project through LIHTC funding. He also expressed his support for the funding available through the Jill C. Dusen Housing Trust fund for housing projects aimed at households earning 80 -120% AMI.

George Rheault of 28 Hanover Street referenced the downtown height overlay map and noted there are a few parcels within the overlay district that would allow buildings to be as tall as 210 feet. The parking lot at 15 Casco is one such parcel. Mr. Rheault expressed his concern the City is not ambitiously encouraging a large development in replace of the proposed low income housing project. He suggested the Council postpone action to reconsider its options so as not to miss out on this huge opportunity.

Chair Councilor Ali closed the public comment session.

On motion made by Councilor Rodriguez seconded by Councilor Dion, the Committee voted 3-0 to approve and recommend to the City Council support of the Affordable Housing TIF proposal at no higher than 55% for 30 years conditioned upon the final underwriting recommendation and evidence of site control.

Item #5: Communications: 2023 Work Plan and Schedule

Councilor Philips rejoined the meeting.

The Committee held a discussion regarding their schedule for the months of July and August. The Committee determined they would not meet in July and would meet on August 15.

On a motion made by Councilor Dion, seconded by Councilor Phillips, the Committee voted 4-0 to adjourn the meeting at approximately, 7:41 p.m.

Respectively submitted, Lori Paulette and Victoria Volent