Final, Approved 09/19/2023

Minutes

Remote Housing and Economic Development Committee

August 15, 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, August 15, 2023, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members Councilors Mark Dion and Regina Phillips. Committee member Councilor Roberto Rodriguez could not be present. Present from the City staff were Interim Housing and Economic Development Department Director Mary Davis, Public Assembly Facilities Director Andy Downs, Director of Permitting and Inspections Jessica Hanscombe, Parks, Recreation, and Facilities Management Director Ethan Hipple, 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 June 20, 2023

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

Item #2: Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee will go into executive session to provide staff direction on negotiations with USL Soccer proposal at Fitzpatrick Stadium.

A motion was made by Councilor Phillips to go into executive session per the noted citations above; Councilor Dion seconded the motion.

Chair Councilor Ali asked if there was any public comment. There being none, he closed the public comment session and asked for a vote on the motion which passed 3-0 at 5:33 p.m.

Chair Councilor Ali noted for the public that the Committee would come back to public session after the executive session.

On motion made by Councilor Dion, seconded by Councilor Phillips, the Committee voted 3-0 to come out of executive session at 6:23 p.m.

Item #3: Review, consideration, and feedback on proposed revisions to the Outdoor Dining on Public Property Program (sidewalks only).

Ms. Davis opened the item, noting the Permitting and Inspections Director Jessica Hanscombe was also present as her office does the permitting for outdoor dining.

Ms. Davis then noted that her Department staff conducted a survey to determine if there was interest to extend the program to November 30th, with 73 emails sent. The survey was open for 3 weeks with a few email reminders during that time. The response rate was 23% or 17 responses, with 7 strongly in favor of extending the Winter program and November being the month with the highest level of interest. For City staff – Permitting and Public Works, November 30 is the recommended duration because of Winter snow operations on sidewalks and streets, and this recommendation is for sidewalks only, not streets. She then explained that parklets, with a current duration of 4/15 through 10/31, could convert onto sidewalks through November under this proposal; those on the sidewalks could remain through 11/30, currently 11/15, and there would be no additional fees to do this and does not need Council approval.

Councilor Philips noted support for this extended program.

Councilor Chair Ali noted that if there were no sign of snow, would staff by amenable to keeping this open until the first snow.

Ms. Hanscombe said that it is very difficult to extend this on a daily basis, but agreed that this could be evaluated as the November deadline approaches.

Item #4: Public Comment- Review and recommendation to the City Council regarding a proposed Affordable Rental Housing Incentive Program.

Mary Davis presented the proposal to incentives short-term rental (STR) owners to provide long term housing (for up to one year) for individuals and families receiving rental assistance through Section 8 or General Assistance. This would be a temporary program funded through the Jill C. Duson Housing Trust Fund (HTF). It would require an amendment to the 2023 Jill C. Duson Housing Trust Fund Annual Plan to allow up to $130,000 to be utilized for this incentive program. STR owners would not be required to relinquish their STR license. They would need to apply for a Long Term Rental license. The cost of the program would be funded through the annual deposit into the HTF from Permitting and Inspections of short-term rental registration fees less all administrative expenses. For FY2023, that amount was $129,378.47.

The Committee held a discussion regarding the Incentive Program. Members proposed waiving the Long Term Rental registration fee (of $50 per unit), and suggested increasing the funding from the Housing Trust Fund from $130,000 to $150,000, as well as increasing the minimum incentive of $750 for an efficiency apartment to $1,000 (while collapsing the incentives for one, two, and three or more units to stay within the proposed $2,500 limit for three or more bedrooms). Staff noted landlords would not be required to relinquish their Short Term Rental license with the City; however if the landlord chooses to revert back to short term renting, they do need to register the unit as a short term rental for the following year. There are approximately 800 short-term units (unit meaning one-bedroom to a whole apartment).

The Committee noted there is a difference in the amount of funding available to pay rent to landlords through General Assistance versus the amount of Section 8 vouchers. Knowing those difference may allow for modifications to the program to ensure equity in incentive payments.

Councilor Ali opened the public comment session. Seeing none, the public comment session was closed.

On motion made by Councilor Phillips, seconded by Councilor Dion, the Committee voted 3-0 to approve and recommend to the City Council support of the proposed Affordable Rental Housing Incentive Program, and amendment of the 2023 Jill C. Duson Housing Trust Fund Annual Plan to allow up to $150,000 in funding be set aside with an adjusted floor of $1,000 to $2,500 in incentive funding.

Item #5: Reconsideration of changes to the City's Tax Increment Financing Policy-feedback from the Committee regarding additional information needed from staff.

Mary Davis requested feedback from the Housing and Economic Development Committee regarding what additional information they would like to receive prior to their reconsideration of proposed revisions to the City's Tax Increment Financing (TIF) policy in response to the City Council's vote (6-1) on June 26, 2023 to refer the item back to the Housing and Economic Development Committee for reconsideration. The current TIF policy language is “Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater.” The proposed language is “Any firms employed in the construction phase of a TIF-assisted project must compensate all employees the current wage rates and fringe benefits as required under applicable state prevailing wage law under 26 M.R.S.A. §1306, or Portland City Ordinance Ch. 33, §33-1 to 33-12, whichever is greater. **If a project is required to use Davis-Bacon wage rates as a result of another funding source, Davis-Bacon wage rates will suffice to meet this requirement, provided the minimum wage for each job is greater than the Portland City Ordinance Ch.33, §33-1 to 33-12.”** When a developer is required to use Davis-Bacon wages (for example, other funding sources such as Project Based Vouchers require using Davis-Bacon wage rates), then the intent of the proposed revision is to allow the developer to also use Davis-Bacon wages for TIF funding (as opposed to using state prevailing wages as currently required). Using one wage rate (Davis-Bacon) decreases the challenges for contractors to identify the appropriate classification (which do not always line-up) and wage determination for each worker during affordable housing construction projects that have multiple funding sources that require Davis-Bacon wages (like Project Based Vouchers) and state prevailing wages (like the current TIF policy).

The Committee held a discussion regarding the proposed revision to the Tax Increment Financing policy. Committee members suggested holding workshops with Councilors, developers, and labors. Workshop specifics would be coordinated by staff who will present a draft proposal during a future meeting of the Housing and Economic Development Committee.

Item #6: Communications: 2023 Work Plan and Schedule

On a motion then made by Councilor Phillips, seconded by Councilor Dion, the Committee voted 3-0 to adjourn the meeting at approximately 7:43 p.m.

Respectively submitted, Lori Paulette and Victoria Volent