

Minutes

Remote Housing and Economic Development Committee

March 19, 2024

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 19, 2024, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members Roberto Rodriguez, and Kate Sykes. Present from the City staff were Housing and Economic Development Department Director Greg Watson, **Housing and Community Development Division Director** Mary Davis, Corporation Counsel Michael Goldman, Parks, Recreation & Facilities Deputy Director Ethan Hipple, Public Assembly Facilities Director Andy Downs, Housing Program Coordinator Lauren Bowen, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on March 5, 2024

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

Item #2: Review and vote on a recommendation to the City Council of an Amendment to the HOME-ARP Allocation Plan

Mary Davis introduced this item with a brief funding history of the HOME-ARP program, and noted the primary objective of the amendments to the HOME-ARP Allocation Plan

is to better align the distribution of HOME-ARP funds in accordance with the priority needs of individuals and families who are experiencing, or at risk of experiencing, homelessness. The City of Portland/Cumberland County HOME Consortium proposes to amend its HUD-approved FY 2021 HOME-ARP Allocation Plan in order to: identify a preference for the development of affordable rental housing category for individuals who are homeless (i.e. Qualifying Population 1); to shift funding (\$250,000) from the category of acquisition of non-congregate shelter to supportive services; and, to ensure that any new units created under the grants are made available to individuals who are homeless, unhoused or living in a shelter.

Councilor Sykes inquired into any potential negative impacts resulting from shifting funding from the acquisition of non-congregate shelters to supportive services.

Mary Davis noted that follow-up inquiries with potential hotel owners who had previously been open to selling their property for housing did not produce any promising leads. Without a path forward with acquisition, there is an identified need for supportive services in the community.

Councilor Ali opened the meeting to public comment.

George Rheault (28 Hanover Street) inquired into where the administrative funding goes, and commented on the continual location of low income housing in Bayside. He also noted the potential abuse of the Inclusionary Zoning Ordinance by developers who get a work around, from IZ, by creating a Housing First site without clearly showing how they are financially involved in the Housing First development. Market rate developers are getting away from mixed income buildings through this run around IZ.

Ken Capron (Forest Ave) indicated he would like a shot at the RFP, and objected to being excluded from the process. That needs to be corrected.

Seeing no further comments, Councilor Ali closed public comment.

Councilor Ali asked staff how the public will know when they may apply via the RFP.

Mary Davis indicated the City and Cumberland County would host two separate meetings to solicit public comment on the proposed HOME-ARP Substantial Amendments. When the HOME-ARP RFP is ready for distribution, interested parties would be contacted. Anyone interested in being added to the interested party's distribution list may contact City staff. City staff would also utilize its Communication Office for additional outreach. The City has not held any conversations with any developers.

Mary Davis also noted public outreach is an administrative cost funded from the 15% allowable set aside. The only other expenditure in this category is 75% of the Housing Program Coordinator's salary. In the next fiscal year, a small portion of Mary's salary would be funded. Administrative funding may be spent on all follow-up and compliance with the grant. If the full 15% set aside for administrative cost is not spent, then it would be reallocated.

On a motion made by Councilor Sykes, seconded by Councilor Rodriguez, the Committee voted 3-0 on a recommendation to the City Council to amend the HOME-ARP Allocation Plan.

Item #3: Review of FY2025 HUD Annual Action Plan.

Mary Davis provided a high level review of the 2024-2025 Housing and Community Development Program Annual Action Plan. The Annual Action Plan describes how the funds for a program year would be distributed to address the needs, goals, and priorities identified in the Consolidated Plan. This Annual Action Plan describes the use of fund allocations for 2024-2025, Year 3 of the five-year plan. All programs and activities funded through the CDBG, HOME and ESG programs will help fulfill the following goals: create strong, safe, accessible,

and vibrant neighborhoods; increase housing availability and affordability; create economic opportunities to transition people out of poverty; and prevent and reduce homelessness. The City's public participation process requires two public hearings to allow the public to give input directly to the City Council to consider how HUD-program funding should be allocated. Public hearings for FY25 are set for March 18 and April 8.

Councilor Sykes asked staff to describe efforts undertaken to coordinate, and enhance coordination between the public and private housing and social services agency such as the Portland Housing Authority (PHA).

Mary Davis noted the PHA is contacted to assist with completing certain sections of the Annual Action Plan. The City also works closely with the development arm of the PHA as the PHA undertakes construction and redevelopment of their housing sites. The City also conducts some of the environmental reviews for the PHA.

Greg Watson added the City anticipates having the PHA participate in a future developers' forum.

On a motion made by Councilor Rodriguez, seconded by Councilor Sykes, the Committee voted 3-0 on a recommendation to the City Council to approve the FY 2025 HUD Annual Action Plan.

Item #4: Executive Session: Pursuant to 1 MR.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 for proposed Seadogs/Hadlock Field Lease Agreement

Councilor Ali asked Committee members if they would like to enter into Executive Session.

Greg Watson first noted the next meeting of the Committee is scheduled for April 16 during school vacation. He asked if the Committee would like to move the meeting to another date. The Committee agreed to touch base after referencing their calendars.

Councilor Ali opened the item for public comment.

George Rheault (28 Hanover Street) said he believe it is premature to enter into Executive Session. The public would benefit from seeing the pending contract/lease, and hearing a public orientation of how the agreement works and the history behind it.

Greg Watson noted this item would be brought back to the Committee for a full discussion and public hearing to discuss the old lease and the new lease. This Executive Session is to discuss proposed terms to ensure City staff has the Committee's recommendations and guidance.

On a motion made by Councilor Rodriguez, seconded by Councilor Sykes, the Committee voted 3-0 to enter into Executive Session at approximately 6:15 p.m. pursuant to 1 MR.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to provide staff direction on negotiations for proposed Seadogs/Hadlock Field Lease Agreement. Chair Ali noted that there would be no further public business after the executive session. At approximately 6:50 the Committee came out of executive session.

On motion made by Councilor Sykes, seconded by Councilor Rodriguez, the Committee then voted 3-0 to adjourn the meeting.

Respectfully, Victoria Volent