

Minutes

Remote Housing and Economic Development Committee

September 3, 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, September 3, 2024, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members, Regina Phillips, 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, Associate Corporation Counsel Avery Dandreta, Compliance Officer Heidi McCarthy, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and Recommendation to the City Council to approve the Amendment to the Purchase and Sale Agreement with Maine Cooperative Development Partners regarding 165 Lambert Street (also known as Lambert Woods South); and the Share Loan Terms. (Public Comment will be taken) NOTE: Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to review proprietary confidential information and provide direction to staff regarding negotiations.

Greg Watson and Mary Davis introduced this item by noting during the May 7, 2024 HEDC meeting, the Committee voted 4-0 to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement as well as a loan from the Jill C. Duson Housing Trust Fund for the Lambert Woods South project. The recommendation was conditioned on the completion of several steps, within set deadlines. The deadlines previously approved by the HEDC now require extensions to ensure completion of the required steps. Maine Cooperative Development Partners has proposed the new timeline outlined in the accompanying memo. Staff is seeking Committee input regarding the deadlines connected with the Purchase and Sale Agreement and HEDC financing recommendations, along with approval of the terms for the share loan subsidy.

Councilor Ali asked the Committee if they would like to enter into executive session. On a motion by Councilor Phillips, seconded by Councilor Sykes the Committee voted 3-0 to enter into executive session preceded by a request from Councilor Ali for public comment. Seeing no one, Councilor Ali closed the public comment period.

The Committee returned from executive session at approximately 6:33 p.m.

On a motion by Councilor Sykes, seconded by Councilor Phillips, the Committee voted 3-0 to recommend to the City Council approval of a Second Amendment to the Purchase and Sale Agreement with Maine Cooperative Development Partners LLC for property located at 165 Lambert Street with the terms as outlined in the attached Second Amendment to Purchase and Sale Agreement subject to the timeline included in the backup material preceded by a request from Councilor Ali for public comment. Seeing no one, Councilor Ali closed the public comment period.

On a motion by Councilor Sykes, seconded by Councilor Phillips, the Committee voted 3-0 to recommend to the City Council approval of the terms of the shared subsidy loan program as outlined by staff in attachment B, preceded by a request from Councilor Ali for public comment. Seeing no one, Councilor Ali closed the public comment period.

Item #2: Review and Recommendation to the City Council to approve the Purchase and Sale Agreement with the Hemlock House for its purchase of the former Fort McKinley Hospital Property (a tax-acquired property). Note the Committee may go into Executive Session pursuant to 1 M.R.S.A. 405(6) (C) and 5 M.R.S.A. 13119-A to review proprietary confidential information and provide direction to staff regarding negotiations. (Public Comment will be taken)

Mr. Watson noted that the Committee is familiar with this item through updates but no formal recommendation nor public comment has been received to date. The City Council authorized the original RFP for the redevelopment of the former hospital on April 2022. It was subsequently advertised with no responses received. Due to renewed interest in March this year, it was re-advertised and the City received one response from Hemlock House, with a representative present tonight for any questions.

This property was first tax-acquired in 2003 and had a purchase and sale agreement but the agreement expired in 2019 and has been vacant since 2003 and is in a state of disrepair.

The proposal is consistent with the RFP, and Mr. Watson then described the proposed development of market rate condos, which would include the use of State and Federal historic tax credits. The proposed developer has experience in developing historic properties and also understands the need to work with the Diamond Cove Homeowners Association (DCHA). The tax-acquired property includes the building footprint and the land under the footprint, but

abutting property outside that footprint is owned by DCHA. The developer would need to work with DCHA regarding wastewater hookups and share property off of the footprint for that purpose.

Chair Ali asked if the Committee felt the need to go into executive session, and the consensus among members was that there was no need to do so.

Councilor Sykes thanked all for their due diligence in moving forward on this project, noting that it is worthwhile. She then made a motion to forward this to the City Council with a recommendation for approval; Councilor Phillips seconded the motion.

Chair Councilor Ali opened the meeting for public comment and there was none. He then asked for a vote on the motion and it passed 3-0.

Item #3: Communication Item: 2023-2024 HUD Consolidated Annual Performance Report (CAPER)

Greg Watson provided an overview of the 2023-2024 HUD CAPER which is a required annual report to HUD outlining accomplishments and expenditures within a given program year for HUD-funded programs including CDBG, ESG, and HOME. Heidi McCarthy is available to provide a more in-depth reporting of the CAPER. Mary Davis acknowledged the work undertaken by Heidi McCarthy and the Housing and Community Development staff, as well as the City's Health and Human Services Social Services Division, the Portland Housing Authority, and the Cumberland County Community Development Office.

On motion made by Councilor Sykes, seconded by Councilor Phillips, the Committee voted 3-0 to sponsor the 2023-2024 HUD Consolidated Annual Performance Report (CAPER) as a communication item to the City Council.

On motion made by Councilor Phillips, seconded by Councilor Syskes, the Committee voted 3-0 to adjourn the meeting at approximately 6:55 p.m.

Next meeting is September 17, 2024.

Respectively submitted, Lori Paulette and Victoria Volent