

Minutes

Remote Housing and Economic Development Committee

October 22, 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, October 22, 2024, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members Regina Phillips, 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, Assistant City Manager Dena Libner, Corporation Counsel Michael Goldman, Associate Corporation Counsel Avery Dandreta, Permitting and Inspections Department Director Jessica Hanscombe, Business Programs Manager Nancy Martin, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and vote to accept the Minutes from the September 17, 2024

Committee meeting

On a motion by Councilor Sykes, seconded by Councilor Rodriguez, the Committee voted 3-0 to accept the Minutes from September 17, 2024.

Councilor Philips joined the meeting at 5:36.

Item #2: Communication Item: 2024 Third Quarter Rent Control Update from the Permitting and Inspections Department

Jessica Hanscombe provided the 2024 Quarter 3 Rent Control Report. Two tables were presented; one broke down application activity undertaken by the Rent Board, and the second provided the type and number of rent control related inspections.

Councilor Sykes asked about the decrease in the number of inspections from quarter two, and Ms. Hanscombe noted that complaints take more time and more information needed from the tenant and landlord. She detailed the process and systems entry. Ms. Hanscombe added that the common complaint was that rent was raised more than the allowable amounts; amounts are different and not the same for all units.

Councilor Sykes asked about proactive enforcement, and Ms. Hanscombe noted quality control where they randomly pick a property and not one property pick failed quality control. Education is also ongoing for both tenants and landlords.

Councilor Sykes would like to see a metric of number of complaints that come in and which were actual violations.

Seeing no further comments/questions, Councilor Chair Ali thanked Ms. Hanscombe for the update.

Item #3: Review and vote on recommendation to the City Council to issue a Request for Proposals to lease and develop of city-owned property located at 1125 Brighton Avenue for affordable housing development.

Greg Watson introduced the request to issue a Request for Proposal (RFP) for the lease/development of up to two sites at 1125 Brighton Avenue. If approved by the Committee, this item would require approval by the full City Council prior to issuance of the RFP.

The site would need to be rezoned from R-5 to B-2 Business Zone to accommodate moderate to high-density housing. The RFP emphasizes engagement with the surrounding neighborhood on the issues of density, extent and character of open space, neighborhood compatibility and associated impacts related to any development. The selected proposal would best demonstrate the development team's successful engagement of the public in other projects, incorporation of public feedback collected as part of a robust engagement process, and the team's capacity to complete the project in a successful and timely manner. Development of the site(s) is intended to increase the availability of affordable housing for Portland residents who are experiencing homelessness. A minimum of 50% of total units developed at each site must be reserved for referrals from the City of Portland Social Services office. Preference would be given to proposals that dedicate a higher percentage for this purpose.

Councilor Rodriguez had clarifying questions regarding Exhibit A (the site plan), and the safety issue noted in the RFP. Greg Watson noted, a portion of the parking spaces located in "development site 1" would be relocated throughout the larger site. Parking for current and future users would be provided per city ordinance. The hatched section within "development site 2" is parking that would remain. In regards to safety, Dean Libner indicated developers would need to demonstrate how they would mitigate impacts on the surrounding neighborhoods through tenant and neighborhood engagement.

Councilor Phillips asked if the Barron Center staff had provided input on the proposal to which Dena Libner noted the Barron Center Administrator Mary Beth Daigneault has been involved and is a strong advocate for the safety and interests of employees and residents of the Barron Center. Councilor Philips asked what the other 50% of the tenants would look like to

which Greg Watson noted the expectation would be mixed income households earning up to 80% AMI. Councilor Phillips inquired into available support services for tenants that were previously unsheltered to which Dena Libner responded that the developers would need to show their previous success in providing similar type housing with services. Councilor Phillips noted the RFP should address on-site parking. And Councilor Phillips indicated there should be a concerted effort to really and truly reach out to developers of color, giving them exactly the same opportunities that we're giving a lot of the white developers. To that end, Councilor Phillips would like to know who is going to be on the review team; who is going to ensure community engagement is occurring; who is going to ensure developers of color have the same opportunities.

Councilor Sykes supports issuing a construction loan for the eventual proposal. Greg Watson noted the City is not in the position to be a construction lender, however, as the Council reviews adopting social housing policies, then those policies could be incorporated into the RFP. Councilor Sykes would also prefer a healthy neighborhood which includes more mixed income with some market rates, some middle and some low income households, and less unsheltered individuals as currently proposed.

Councilor Rodriguez also supports a mixed-income neighborhood when determining the AMI levels for the RFP.

Councilor Phillips would like more information before redefining the proposed requirement that a minimum of 50% of total units developed at each site must be reserved for referrals from the City of Portland Social Services office.

The Committee requested more information about the potential population to be housed, and the surrounding neighborhood demographics prior to a vote.

Councilor Ali opened the meeting to public comment.

Richard Niles (33 Celebration Court) asked if any other properties were looked at, and noted the site is not suitable as many homes, and Celebration Court are in the backyard of the proposed site. He does support housing for people aged 55 plus.

Dr. Derryan Plante (79 Holm Ave.) objects to the proposal to construct a homeless shelter across from her home. She noted safety as a concern along with the presence of drugs, discarded needles and other hazardous materials. She also noted housing first develops have failed in every city across the country. Treatment should be offered first to address the root cause of homelessness. The proposed facilities should be placed in locations where they will not negatively affect the well being and safety of existing residential areas.

Chris Carleton (30 Bancroft St) as the owner of Allspeed Cyclery & Snow on Brighton Avenue, the proposed site is a stone's throw away, and, though sympathetic for the unhoused population, there's a point in time where it just becomes a lot of work for business owners and families to be on the lookout and be on the defense. When Allspeed was located in the Bayside area, there were several incidents earlier this spring when people passed out on the front door, attempted theft, and people bringing weapons into the shop. He opposes the project. Safety is an important concern.

Annika Moor (Advocacy Team Leader of Preble Street) thank the committee for setting aside 50% of the units for individuals experiencing homelessness, and would like to expand the proposal to include anyone staying at an emergency shelter in Portland or anyone experiencing unsheltered homeless in Portland. This will incentivize more people to enter and receive services.

Claude Rwaganje (Prosperity Maine) supports housing development, and asks the Committee to alter the language of the RFP to include developing the land for new workforce members of the Portland community who can take advantage of job opportunities within Rock Row, the Barron Center, and other nearby businesses. Secondly, the City and MaineHousing should discuss the use of the site prior to issuance of the RFP to ensure the financial support from MaineHousing.

Jay Waterman (Portland Housing Authority) asked for clarification regarding the language in the RFP concerning the 50% referral from social services division. Any language that allows a preference for a higher proportion of unhoused individuals, such as the model of somewhere between 20% formerly homeless and a housing first project is an untested model. The success of proposing a higher percentage of unhoused individuals (greater than 50%) without providing housing first services is concerning. Also asked for clarification as to who would provide services; would it include the City of Portland, or would it be more like a Preble Street in a housing first model?

Wendy Crosier (66 Holm Ave.) would like clarification as to proposed make-up of the tenants based on income and if there would be separate buildings on the separate sites.

Councilor Ali closed public comment.

Councilor Ali asked staff if the proposal is for a shelter to which Dena Libner indicated it is not.

Councilor Sykes asked if the proposal is for a housing first development to which Dena Libner noted, this is first and foremost an affordable housing development. The RFP would require less than 50% of total units developed at each site to be reserved for unhoused individuals. And referrals would not be from Portland's homeless service center, but rather from

social services which would provide a much broader client base. Staff will bring back a revised RFP to the Committee at a future meeting.

Councilor Sykes would like to receive demographic data for the surrounding neighborhood to be reflected in the tenant make-up within the two proposed buildings. She asked if the RFP could be drafted and released without defining the desired income-level. Per Michael Goldman the current RFP allows for the broad discretion of the Council.

The Committee discussed not sending this item to the Council.

On a motion by Council Sykes, second by Councilor Phillips, the Committee voted 4-0 to postpone discussion to November 19.

Item #4: Staff update on the Downtown Arts District, and feedback received from the business community

Mr. Watson gave a high-level update on the issues that the Downtown arts district is facing. Staff have met with stakeholders and conducted a survey with approximately 60% of those surveyed responding, noting Ms. Martin would go through the survey results.

Ms. Martin noted that the survey included business owners and property owners, with more responses received from business owners than property owners. She then went through her slides that were posted on the website for this Agenda packet.

Councilor Sykes asked about the storefront vacancies, noting that a vacancy property ordinance is needed where there would be fees for vacant property.

Mr. Watson noted that there were many reasons for storefront vacancies and suggested that perhaps could be a method for pop-up businesses to go in those spaces, or artists displaying their art that could alleviate the perception of a vacancy. Staff is working with various City departments for an approach to public improvements like lighting, wayfinding, improving the

streetscape for a better look and feel. Staff has also discussed a vacancy ordinance and this will be on a future Committee Agenda.

Item #5: Discussion regarding the formation of a Social Housing Task Force

Councilor Sykes indicated she has not had time to work on this item and would like to postpone the discussion until the next meeting. Greg Watson noted staff is reviewing previous task forces that could potentially be used as a benchmark on how the Social Housing Task Force could come together. People in the development community have indicated their desire to participate. Michael Goldman added that the formation details from the Committee would be forwarded to the Council as a recommendation for final approval.

Item #6: Discussion regarding proposed amendments to Chapter 33, regarding increasing Portland's minimum wage and eliminating Portland's sub-minimum wage for service employees.

Councilor Sykes noted that she was hoping to get this on the ballot, perhaps June 2025.

There was discussion about a have a public comment meeting on this to have all voices at the table, as well as timing for a June ballot. The City Clerk would need to be consulted on the timing. It was also noted that these are two different issues and maybe should be discussed separately, and this could be incorporated into the Committee's 2025 Work Plan.

There being no further discussion, Councilor Sykes made a motion to adjourn, seconded by Councilor Phillips and passed 4-0 at 8:05 p.m.

Next meeting is November 19, 2024.

Respectively submitted, Lori Paulette and Victoria Volent