

Housing & Economic Development Committee Meeting

Tuesday, March 18, 2025 at 5:30 PM
VIA ZOOM



MEMBERS

Councilor Pious Ali, Chair
Councilor Regina Phillips
Councilor Kate Sykes
Councilor Sarah Michniewicz

To submit written public comment on an agenda item, email edd@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Housing & Economic Development meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

REMOTE ACCESS INFORMATION

The Housing & Economic Development Committee will conduct this meeting remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the [Agenda Center](#) following the meeting.

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International numbers available: <https://portlandmaine-gov.zoom.us/j/kdp33K0WvI>

1. **Review and accept Minutes of previous meeting held on February 25, 2025.**
 - a. See attached draft Minutes for approval.

(Discussion and Public Comment) Discussion and public comment only regarding 8/19/2024 TABLED City Council of Order #25-24/25 Setting Election Date on an
2. **Amendment to Chapter 33 of the Portland City Code RE: an Act to Increase Portland's Minimum Wage - City Council referred to this Committee - Councilor Kate Sykes**
 - a. See attached Memorandum and backup.
 - b. Written Public Comment Received/See Attached.
3. **Verbal update on drafting a Commercial Vacancy Ordinance - Michael Goldman/Greg Watson**
4. **Verbal update on proposed Hotel Inclusionary Zoning - Greg Watson**

Next Meeting Date: April 15, 2025

Minutes

Remote Housing and Economic Development Committee

February 25, 2025

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, February 25, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Councilor Pious Ali, and members Councilors Sarah Michniewicz, and Kate Sykes; Committee member Councilor Regina Phillips could not be present. Also present from the City Council was Councilor Wesley Pelletier. 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, Corporation Counsel Avery Dandreta, Assistant City Manager Dena Libner, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on January 21, 2025

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

Item #2: Review and vote on a recommendation to the City Council for the Third Amendment to the First Amended and Restated Purchase and Sale Agreement with

Lambert Woods North, LLC

Mary Davis introduced this item by providing the history of the property, development project, and the previous Purchase and Sale Agreements. Staff is seeking a recommendation from the Housing and Economic Development Committee (HEDC) regarding the *Third Amendment to the First Amended and Restated Purchase and Sale Agreement with Lambert Woods North LLC*, which if approved, would remove or eliminate the 0 Gray Road, Falmouth parcel from the *Amended and Restated Purchase and Sale Agreement*. The City of Portland would retain ownership of the 0 Gray Road, Falmouth parcel with the intention of listing the property for sale without restrictions at some point in the future, if no other City uses are identified for this parcel. If the property is sold, staff would recommend that any proceeds from the sale of the parcel be allocated to the Jill C. Duson Housing Trust Fund. The allocation of sale proceeds would require City Council approval in a future Council Order.

The Committee held a brief discussion regarding the potential for future housing on the Gray Road property, which, if developed, would be undertaken through the Falmouth Planning Board.

Council Ali opened to the meeting for public comment. Seeing none, the public comment period was closed.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee voted 3-0 to recommend to the City Council passage of the *Third Amendment to the First Amended and Restated Purchase and Sale Agreement with Lambert Woods North, LLC*.

Item #3: Review and recommendation to the City Council for approval of:

- a. **FY2025 Housing Program Budget - to be presented by Mary Davis;**
- b. **2025 Housing Policies and Goals for the 2025 Jill C. Duson Housing Trust**

Fund Annual Plan and Affordable Housing Development and Tax Increment

Financing Application – to be presented by Victoria Volent

c. **adoption of the 2025 Jill C. Duson Housing Trust Fund Annual Plan – to be presented by Victoria Volent**

d. **Issuance of the 2025 Affordable Housing Development and Tax Increment Financing Application - to be presented by Victoria Volent**

Item #3(a): Mary Davis introduced the FY2025 Housing Program Budget by providing a brief history of the HOME program and its adoption by the City of Portland and the Cumberland County HOME Consortium. As HUD has not announced the allocation amount for FY 2025-2026, staff is estimating the HUD HOME allocation at the same level as the 2024-2025 year (\$839,923) with \$325,050 reserved for County projects. In regards to the Lead Safe Housing program, the City recently received a Lead Hazard Reduction Grant of \$2,619,960 in funding for lead paint remediation, and \$748,000 in funding to assist with code and life safety improvement. The Jill C. Duson Housing Trust Fund has a current balance of \$863,558. Staff recommends maintaining a minimum balance of \$500,000 which would leave \$363,558 available for funding.

The Committee held a brief discussion regarding the pros and cons of maintaining the \$500,000 balance in the Jill C. Duson Housing Trust Fund account. The Committee did not recommend a change to the minimum \$500,000 balance recommendation.

Council Ali opened to the meeting to public comment. Seeing none, the public comment period was closed.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee voted 3-0 to recommend to the City Council passage of the FY2025 Housing Program Budget.

Item 3(b): Ms. Volent noted that staff is looking for direction for Housing Policies and Goals and then highlighted the programs for Home Funding, Housing Trust Fund, and Tax Increment Financing and their targeted income levels should the Committee request any changes.

A motion was made by Councilor Sykes, seconded by Councilor Michniewicz to recommend to the City Council approval of the 2025 Housing Policies and goals for the Affordable Housing Development and Tax Increment Financing District Application and 2025 Jill C. Duson Housing Trust Fund Annual Plan.

Councilor Michniewicz questioned if there were any funding gaps and rehabilitation programs. Ms. Volent indicated that each type of funding has different requirements to assist in funding gaps for development projects. Rehabilitation projects are mostly done by Portland Housing Authority and gave the examples of Riverton Park and Washington Gardens, and anticipated that they will continue.

Councilor Sykes noted that she was comfortable with the programs and their various targets for affordable housing and varying levels of average median income.

Chair Councilor Ali agreed and then opened the meeting for public comment. Seeing none, he asked for a vote on the motion and it passed 3-0.

Item 3(c): Ms. Volent noted that this item is before the Committee in accordance with City Ordinance that notes each fiscal year the City Council shall adopt an annual plan for the Jill C. Duson Housing Trust Fund (HTF). The components of the proposed Annual Plan were highlighted in the previous item and asked if the Committee had any questions.

Councilor Michniewicz made a motion to recommend to the City Council adoption of the Jill C. Duson Housing Trust Fund 2025 Annual Plan; Councilor Sykes seconded the motion.

There followed discussion regarding whether the City should retain \$500,000 in the HTF for any future emergencies, which has been past practice. Ms. Davis noting that the Annual Plan gives staff budget authority to spend the available balance and would seek HEDC and City Council approval before allocating all the funding. After discussion, consensus of the Committee was to keep it at \$500,000.

Councilor Chair Ali opened the meeting for public comment, seeing none he asked for a vote on the motion and it passed 3-0.

Item #3(d): Ms. Volent noted that staff is recommending that in order to make an application to the City and provide for more efficiency for the City, the Planning Board must have first approved the development. Another update for the process is that developers must have the “Notice to Proceed” from Maine State Housing Authority (MSHA) for projects requesting HOME and/or Housing Trust Funding. Staff has reviewed this with MSHA and MSHA agrees with the updated process. Lastly, the City will notify applicants that they will be responsible for reimbursing the City for all legal and financial underwriting fees associated with the HTF and Affordable Housing TIF requests.

A motion was then made by Councilor Michniewicz, seconded by Councilor Sykes, to recommend to the City Council approval of the issuance of the 2025 Affordable Housing Development and Tax Increment Financing District Application.

The Committee and staff discussed the proposed efficiencies, with staff noting that this process aligns with MSHA’s process.

Chair Councilor Ali opened the meeting for public comment. Seeing none, he asked for a vote on the motion and it passed 3-0.

Item #4: Review and vote on a recommendation to the City Council for the creation of a Social Housing Task Force

Councilor Sykes introduced this item with a recap of the state of housing, noting the private market has been unable to create the amount of housing (specifically missing middle housing) necessary to get us out of the current housing crisis. Social Housing is another option being adopted by other communities looking to address housing needs that are not being met. Formation of a Mayoral Task Force would begin the process of learning more about social housing and its benefits.

The Committee held a discussion regarding Social Housing noting that a project of this magnitude would entail hiring a facilitator and paying consultants brought in to share their subject matter expertise. Staff has applied for a Housing Opportunity Program (HOP) grant to bring in GPCOG as a potential facilitator. The anticipated timeline for the grant award is during June of this year.

Councilor Ali opened the meeting for public comment.

Wendy Cherubini (99 Federal Street) expressed support for the establishment of a Social Housing Task Force as both a means of both building community knowledge and support.

On a motion made by Councilor Michniewicz, seconded by Councilor Sykes, the Committee voted 3-0 to recommend to the Council of the creation of a Social Housing task force.

Item #5: Communication: Verbal Update on Portland Development Corporation's review of new loan program guidelines for Downtown District street front improvements, proposed to be funded from the Downtown Transit Oriented TIF District

Mr. Watson noted this is a proposed PDC incentive funding designed to enhance storefronts for more viable tenancy and for the pedestrian experience along Congress Street. The PDC Board met last week and reviewed proposed loan guidelines and posed questions to staff. It will be taken up again at the next Board meeting. Meanwhile, he and Michael Goldman are working on drafting a proposed commercial vacancy ordinance for this Committee's review.

Councilor Sykes appreciated the work for moving forward on the proposed commercial vacancy ordinance.

On motion then made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee voted 3-0 to adjourn at approximately 6:54 p.m.

Respectfully, Lori Paulette and Victoria Volent

To: **Housing and Economic Development Committee**
Councilor Pious Ali, Chair

MEETING DATE

March 20, 2025

AGENDA ITEM

Agenda Item # 2 – Discussion regarding Order 25-24/25 Setting Election Date on an Amendment to Chapter 33 of the Portland City Code Re: An Act to Increase Portland’s Minimum Wage – Sponsored by Councilor Regina Phillips, Councilor Anna Trevorow, Councilor Kate Sykes and discussed at the Council’s August 19, 2024, meeting and the vote was to refer it to the HEDC for consideration.

PURPOSE

For HEDC to discuss and vote on a recommendation to the City Council to raise the minimum wage in Portland.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

The Council memo attached (and the backup as well) notes raising the minimum wage in Portland will advance the equity goals of the Council.

BACKGROUND/ANALYSIS

Please see attached City Council backup for Order 25-24/25.

This is being presented to the HEDC for discussion and acceptance of public comment. It is not anticipated to have a vote on a recommendation at this meeting but at a future meeting.

FISCAL IMPACT

Please see the Finance Director’s memorandum in the backup when the Council reviewed this at its August 19, 2024, meeting – pp. 141 to 143 herein.

CONCLUSION(S)

N/A

PRIOR COMMITTEE REVIEW

The HEDC last took up the topic three years ago and no formal recommendations were made to the City Council.

PREPARED BY

Greg Watson
Director of Housing & Economic Development
Housing & Economic Development Department

ATTACHMENTS

Attachment - Order 25, 24/25 and Backup

MEMORANDUM
City Council Agenda Item

FROM:

DATE: July 10, 2024

SUBJECT: Order 25-24/25 Setting Election Date on an Amendment to Chapter 33 of the Portland City Code RE: an Act to Increase Portland's Minimum Wage - Sponsored by Councilor Regina Phillips, Councilor Anna Trevorow, Councilor Kate Sykes

SPONSOR: Councilor Regina Phillips, Councilor Ann Trevorow, Councilor Kate Sykes
(If sponsored by a Council committee, include the date the committee met and the results of the vote.)

COUNCIL MEETING DATE ACTION IS REQUESTED:
1st Reading 7/15/2024

Final
Action 8/19/2024

Can action be taken at a later date: No If action cannot be taken at a later date, please explain why. Do NOT write yes or no; that will be automatically generated by the checkbox.

Does this item involve a new contract with the City: No

PRESENTATION: Councilors Phillips, Trevorow, and Sykes /3 Minutes

I. SUMMARY

If passed by the Council, this referendum question will appear on the November 5, 2024 ballot and will be made effective January 1, 2025.

II. AGENDA DESCRIPTION

The minimum wage in Portland was raised by citizen referendum in 2020 and cannot be amended for 5 years, except by referendum.

This item must be read on two separate days. It received its first reading on July 15. Five affirmative votes are required for passage after public comment.

III. BACKGROUND

The current minimum wage in Portland is \$15/hour. If passed by voters, this referendum will increase the minimum wage to \$20/hour by 2028.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The intended result is for Portland City Council to place this question before voters on November 5, 2024. Raising the minimum wage in Portland will advance the equity goals of the Council.

V. FINANCIAL IMPACT

The proposed wage increases would have little impact to the City's FY24-25 budget, but in the following budget year, the increase from \$16.50/hr in 2025 to \$18/hr in 2026 result in a 9.1% wage increase. Finance Department staff have not yet had an opportunity to prepare a detailed analysis of the financial impact of the proposed amendments beyond FY24-25 but they will share that analysis with the Council in time for the August 19 public hearing on this order.

VI. STAFF ANALYSIS AND BACKGROUND

Staff Analysis that will not appear in the Agenda Description.

VII. RECOMMENDATION

VIII. LIST ATTACHMENTS

1. Order 25 - Ch 33 Increasing Minimum Wage
2. Portland-2022-Minimum-Wage-Initiative-analysis
3. Housing Needs Assessment - Portland City
4. Memo Min Wage_Sub Min Wage
5. Portland Minimum Wage 2024 revised
6. \$20 Minimum Wage Proposal - Fiscal Impact Statement
7. 08.19.24 Order 25 Public Comment

Prepared by:

Date: 07/10/2024

MARK DION (MAYOR)
PIOUS ALI (A/L)
APRIL D. FOURNIER(A/L)
ROBERTO RODRÍGUEZ (A/L)

CITY OF PORTLAND
IN THE CITY COUNCIL

ANNA TREVORROW (1)
VICTORIA L. PELLETIER (2)
REGINA L. PHILLIPS (3)
ANNA BULLETT (4)
KATE SYKES (5)

**ORDER SETTING ELECTION DATE ON AN AMENDMENT TO CHAPTER 33
OF THE PORTLAND CITY CODE
RE: AN ACT TO INCREASE PORTLAND'S MINIMUM WAGE**

ORDERED, that the amendment to the Portland City Code called An Act to Increase Portland's Minimum Wage, a copy of which is attached to and made a part of this Order, shall be submitted to the voters of the City, on a ballot with the below summary only as determined necessary by the City Clerk, at the municipal election on November 5, 2024; and

BE IT FURTHER ORDERED, that notwithstanding the limitation on the repeal or amendment of ordinances set forth in Portland City Code Chapter 9 Section 9-46, the City Council may, without a vote of the people, amend or repeal the ordinance set forth below at any time; and

BE IT FURTHER ORDERED, that the Portland City Clerk is hereby authorized to place the following question and summary of An Act to Increase Portland's Minimum Wage on the ballot:

Do you favor the change in the city ordinance proposed by City Councilors as summarized below?

An Act to Increase Portland's Minimum Wage

An Act to Increase Portland's Minimum Wage will increase Portland's minimum wage to \$20/hour by 2028. This amendment will be effective beginning January 1, 2025.

EXHIBIT A

An act to Increase Portland's Minimum Wage

An Act to Increase Portland's Minimum Wage will increase Portland's minimum wage to \$20/hour by 2028. This amendment will be effective beginning January 1, 2025.

BE IT ORDAINED:

That Sections 33.7 and 33.9 of the Portland City Code Chapter 33 are hereby amended effective as of January 1, 2025 to read as set forth below. Notwithstanding the limitation on the repeal or amendment of ordinances set forth in Portland City Code Chapter 9 Section 9-46, the City Council may, without a vote of the people, amend or repeal the ordinance set forth below at any time.

Section 33.7. Minimum Wage.*

* * *

(b) Minimum Wage rate:

- (i) Beginning on January 1, ~~2025~~2022, the regular Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be raised to \$16.50 ~~\$13.00~~ per hour;
- (ii) Beginning on January 1, ~~2026~~2023, the regular Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be raised to \$18.00 ~~\$14.00~~ per hour; and
- (iii) ~~Beginning on January 1, 2027~~2024, the regular Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be raised to \$19.00 ~~\$15.00~~ per hour; and
- (iv) Beginning on January 1, 2028, the regular Minimum Wage for all Employees, including, but not

limited to, service employees, shall be raised to \$20.00 per hour; and

(~~vii~~)—On January 1, ~~2029~~2025 and each January 1st thereafter, the minimum hourly wage then in effect must be increased by the increase, if any, in the cost of living. The increase in the cost of living must be measured by the percentage increase, if any, as of August of the previous year over the level as of August of the year preceding that year in the Consumer Price Index for All Urban Consumers, CPI-U, for the Northeast Region, or its successor index, as published by the United States Department of Labor, Bureau of Labor Statistics or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of 5¢. If the state minimum wage established by 26 M.R.S. § 664 is increased in excess of the minimum wage in effect under this ordinance, the minimum wage under this ordinance is increased to the same amount, effective on the same date as the increase in the state minimum wage, and must be increased in accordance with this ordinance thereafter.

* * *

ARTICLE V. ENFORCEMENT AND VIOLATIONS

Sec. 33.9. Enforcement and Violations.

* * *

(a) Complaint Process.

* * *

(iii) If the City Manager finds that a violation of this chapter has occurred, they ~~he or she~~ may order any and all appropriate relief including, but not limited to, the payment of

any back wages withheld and/or the payment of not less than \$100.00 as a penalty for each day that a violation of this chapter has occurred, per Employee. A violation of this Ordinance may also be considered a civil violation subject to the general penalty provisions of section 1-15 of this Code.

**Note: The amendments set forth above will be effective as of January 1, 2025. Notwithstanding the limitation on the repeal or amendment of ordinances set forth in Portland City Code Chapter 9 Section 9-46, the City Council may, without a vote of the people, amend or repeal the ordinance set forth below at any time.*



Portland 2022 Minimum Wage Initiative Analysis

James Myall, Economic Policy Analyst

Overview: Analysis of the likely impacts of an initiative proposed by Maine DSA to increase the minimum wage in Portland to \$18 an hour by 2025; to phase out the tipped minimum wage by 2025; and to remove certain occupation-based exemptions to the city's minimum wage law.

This analysis includes a summary of some of the major impacted groups and likely effects. A methodology and a detailed set of statistics is provided at the end.

Proposed initiative

The schedules for increasing the minimum wage and eliminating the separate tipped minimum wage in the initiative are as follows. Unless otherwise noted, the statistics presented in this analysis are based on the situation in 2025, when the law is fully phased in.

	Full Minimum Wage		Tipped Minimum Wage	
	Status Quo	Proposed	Status Quo	Proposed
2022	\$13.00	\$13.00	\$6.50	\$6.50
2023	\$14.00	\$15.00	\$7.00	\$10.00
2024	\$15.00	\$16.50	\$7.50	\$14.00
2025	\$15.35*	\$18.00	\$7.68	\$18.00

Note: Status quo wage for 2025 assumes CPI inflation of 2.3 percent in 2024, following the latest forecast from the Congressional Budget Office.

Of the approximately 63,500 private-sector workers in Portland, approximately just over one quarter (17,800) would be directly impacted by the proposed initiative by 2025. These workers are projected to earn less than \$18 per hour by 2025. Another small number of workers (4,800, or 8 percent) would be indirectly impacted. These workers earn slightly above the new minimum wage (up to \$20.70 per hour) and would see a small increase in wages as employers voluntarily raise their wages to remain competitive with the new minimum wage.

The total proportion of workers impacted, 36 percent, is slightly higher than estimated share of workers impacted by the 2016 statewide minimum wage increase (33 percent).¹

A key measure of the impact of a minimum wage increase on an economy is the ratio between the minimum wage and the median hourly wage for full-time, year-round employees. This measure is known as the Kaitz Index. MECEP projects that the median hourly wage for full-time, year-round employees in Portland in 2025 will be \$30.61 per hour. The proposed \$18 per hour would be 59 percent of this. Research has shown that a minimum wage at this level would have little to no negative impact on employment.² However, as noted below, the impacts of a rapid phase-out of the tipped minimum wage are less clear.

Demographics of impacted population

The increased minimum wage will help to close existing pay disparities, as women and workers of color are more likely than men and white workers to be paid wages below \$18 per hour. 42 percent of women working in Portland will see a wage increase, compared to 30 percent of men.

While 34 percent of white, non-Hispanic workers in Portland will receive a pay raise from the initiative, the same is true for 56 percent of Black workers, 51 percent of Asian workers, and 51 percent of Indigenous workers in Portland. Latino workers benefit at a slightly higher rate (39 percent) than white-non-Hispanic workers.³

The new minimum wage would particularly help workers who are either younger (under 25) or older (65 and older). These workers are generally more likely to be lower earners because they are not in their prime earning years. Nearly all workers under 20 would see a wage increase under the new ordinance, as would three quarters of those between 20 and 24, and a little less than half of workers aged 65 or older.

Similarly, the initiative would especially boost the wages of lower-educated workers, with three quarters of workers with less than a high school education seeing a wage increase, as well as almost half of those with a high school diploma or some college credits but no degree.

Sectoral and occupational impacts

While the minimum wage increase will benefit significant numbers of workers in all occupations and industries, those in low-wage service sectors would see the biggest improvement in wages. Two-thirds of leisure and hospitality workers would get a raise, and more than half of retail and social service workers would see an increase in wages.

Similarly, workers in low-wage service occupations would benefit most from the proposed increase. 80 percent of workers in food and drink preparation and serving would see an increase, as more than would three quarters of personal service workers (this includes hairdressers, beauticians and childcare workers). Almost two thirds of workers in cleaning occupations would benefit from a minimum wage increase, as would almost two thirds of health care support workers (this category includes home health and nursing home aides). Other occupations which would particularly benefit are transportation workers, and sales workers (including store cashiers).

Effects of the tipped minimum wage phase-out

The proposed initiative would phase out the current system of allowing workers who receive tips to be paid half the city's minimum wage as a base rate, as long as they receive enough tips to make up the difference. For example, a restaurant server can currently be paid \$6.50 an hour by their employer, as long as they receive enough customer tips over the course of their pay period to earn a total wage equivalent to \$13 per hour.

Under the initiative, the base wage paid by the employer would increase in stages until it equals the full minimum wage in 2025.

Research on the tipped minimum wage system shows that it is generally harmful to the workers covered by it. Although the law requires that employers make up any difference between the base wage and the full minimum wage which is not covered by tips, there's plenty of evidence that this does not always happen, and plenty of tipped workers receive less than the statutory minimum wage after accounting for tips.⁴ The tipped minimum wage system makes many tipped workers reliant on their tips to make ends meet, which means that customers have an unhealthy amount of power of these workers. Research shows that the size of tips received is often dependent on a worker's gender,⁵ race,⁶ and perceived physical attractiveness.⁷ Paying people based on these qualities would be illegal for an

employer but is permissible and pervasive for customers leaving tips. What's more, tipped workers find themselves vulnerable to physical and verbal abuse, and even sexual assault and unable to report it for fear of losing income or their jobs.⁸

It's important to note that ending the tipped minimum wage system will not mean the end of tipping by customers. Data from wireless payment systems shows that customers in states without a tipped minimum wage still leave tips at similar frequencies and amounts to those in other states.⁹ As a result, workers earning the full minimum wage plus tips are better off than those earning a lower minimum wage plus tips.

While the end of the tipped minimum wage system would likely be beneficial to workers, there is some uncertainty about the short-term effects due to phasing the credit out on such a rapid timeline.

Seven states currently do not have a separate tipped minimum wage. However, no state or city has recently eliminated the tipped minimum wage to provide recent data on the potential impact.

The timing of the phase-out in the initiative is significantly more aggressive than most minimum wage initiatives seen in the United States. The base hourly wage for tipped workers will increase from \$6.50 in 2022 to \$18.00 in 2025. This would create a considerable new cost for employers with a short period of time in which to adjust. Employers will certainly be able to take steps to offset this increased cost (for example increasing prices) but will have to undertake these changes quickly.

1011

Demographics of tipped minimum wage workers

It is difficult to identify which workers are paid below the minimum wage using the current tip credit because public datasets provide only limited information about occupation and earnings and does not distinguish between total wages paid before or after tips.

This analysis approximates the population of workers subject to the current tipped credit system by focusing on workers certain occupations and employment sectors – primarily personal care workers (e.g. hair stylists) and food service workers (e.g. wait staff).¹²

Using this methodology, approximately 1,500 Portland workers are currently employed using the tip credit system and would see their base wage rise under the initiative.

Women are much more likely to be paid under the tip credit system. Approximately 70 percent of Portland's tipped workers are women. This is consistent with other analysis at the state and national level.¹³

There is insufficient data to allow for a racial impact analysis specific to Portland, but previous MECEP analysis has found that Black, Latino and Asian Mainers are more likely to work in these tipped occupations statewide.¹⁴

Occupations and industries newly covered by the minimum wage law

The ordinance mostly preserves the current practice of aligning Portland's minimum wage exceptions with those in state law (26 MRS 663(3)). However, it does ensure that some new groups are **newly covered**.

The language on drivers and delivery service includes taxicab drivers who are explicitly exempt under state law, as well as drivers who work for app-based services who may or may not be covered by current minimum wage legislation depending on whether they are classified as employees. The language in the initiative would provide clarity that these workers are employees for minimum wage purposes.

It's not clear how many workers in Portland would be impacted by this language.

Table 2: Detailed Estimates of the Impacted Workforce in 2025

		Total workers in this group	Impacted workers in this group
Total workforce		63,400	22,600
Age	16-19	2,800	2,800
	20-24	5,800	4,300
	25-34	14,000	5,300
	35-44	11,800	2,800
	45-54	13,300	3,000
	55-64	11,900	3,000
	65+	3,900	1,600

Education	No high school diploma	3,300	2,300
	High school or some college	27,900	13,200
	Associate degree	6,800	2,000
	Bachelor's degree	17,200	3,900
	Graduate degree	8,200	1,000
Gender	Men	31,600	9,300
	Women	31,900	13,200
Race and Ethnicity	White, non-Hispanic alone	57,800	19,900
	Hispanic (any race)	1,300	590
	Black alone or in combination	1,800	970
	American Indian alone or in combination	790	350
	Asian alone or in combination	1,500	650
Occupation	Administration	7,400	3,100
	Managers	6,900	920
	Sales	6,300	3,000
	Medicinal practitioners	4,600	680
	Education	4,300	1,500
	Transportation & warehousing	4,200	2,400
	Eating & drinking	3,800	3,100
	Production	3,700	1,100
	Construction	2,800	900
	Business	2,500	290
	Healthcare assistance	2,300	1,500
	Repair & maintenance	2,000	440
	Computing	2,000	200
	Cleaning	1,700	1,000
	Engineering	1,500	50
	Finance	1,300	80
	Social services	1,300	400
	Protective services	1,100	200
	Entertainment	1,000	300
Industry	Health care	9,200	2,700
	Retail	8,200	4,600
	Manufacturing	7,200	1,100
	Education	6,700	2,400
	Professional services	6,000	1,600
	Leisure and hospitality	6,000	4,100

	Finance	5,200	930
	Construction	3,100	960
	Public administration	2,300	300
	Other services	2,100	920
	Social services	1,900	1,100
	Transportation & warehousing	1,800	700
	Wholesale trade	1,400	370
	Information	1,500	400

Source: MECEP analysis of US Census Bureau, American Community Survey, 2016-2020 5-year estimates, public use microdata; US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Q4 2021.

Note: Estimates reflect combined direct and indirect impact by 2025.

Methodology

The primary source for these estimates is the public use microdata for the US Census Bureau's American Community Survey. The ACS does not explicitly measure hourly wages, so these were estimated by taking individuals' total wage income and dividing it by the number of weeks worked last year and the number of hours usually worked each week.

These 2020 hourly wage estimates were extrapolated to produce an estimate of hourly wages in 2025, using historic inflation data and, using congressional budget office projections, assuming wages will rise in line with inflation at an annual rate of 4.7 percent in 2023, 2.7 percent in 2024, and 2.3 percent in 2025.

Hourly estimates were generated for Mainers who listed their place of work as Public Use Microdata Area 23790, which includes Portland, Westbrook, and South Portland. This PUMA includes just under 239,000 workers. Numerical estimates were scaled to reflect Portland's workforce of 66,150, according to the Q4 2021 Quarterly Census of Employment and Wages.

Notes

¹ Maine Center for Economic Policy, “Restoring the Value of Work,” August 2016. https://www.mecp.org/wp-content/uploads/2016/08/Minimum-wage-brief_final_08-17-16.pdf

² Arindrajit Dube and Attila S. Linder, “City Limits: What Do Local-Area Minimum Wages Do?” *National Bureau of Economic Research*, Nov 2020. https://www.nber.org/system/files/working_papers/w27928/w27928.pdf

³ Here, white non-Hispanic includes people identifying with this race/ethnicity combination alone. All others represent race and ethnicity alone or in combination with another identity. No analysis of Native Hawaiian and Pacific Islander residents was conducted, due to a small sample size.

⁴ David Cooper and Teresa Kroeger, “Employers steal billions from workers’ paychecks each year,” *Economic Policy Institute*, May 10, 2017. <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>

⁵ Drew McGraw, “Unequally Gracious: Gender Discrimination In Restaurant Tipping,” *Render* June 20 2014. <http://www.renderfoodmag.com/blog/2014/6/18/unequally-gracious-gender-discrimination-in-restaurant-tipping>

⁶ Michael Lynn et al., “Consumer Racial Discrimination in Tipping: A Replication and Extension,” 2008. <https://www.wagehourlitigation.com/wp-content/uploads/sites/215/2015/10/cornell.pdf>

⁷ Tom Jacobs, “Attractive Servers Get Bigger Tips,” *Pacific Standard*, Jun 14, 2017. <https://psmag.com/economics/attractive-servers-get-bigger-tips>

⁸ Restaurant Opportunities Center United, “Take Us Off the Menu: The Impact of Sexual Harassment in the Restaurant Industry,” May 2018. <https://rocunited.org/wp-content/uploads/sites/7/2020/02/TakeUsOffTheMenuReport.pdf> and Becky Sullivan, “Tips And ‘Service With A Smile’ Rules Fuel Sex Harassment In Restaurants, Study Says,” *National Public Radio*, July 22, 2021.

<https://www.npr.org/2021/07/22/1019017172/tips-and-service-with-a-smile-drive-sexual-harassment-in-restaurants-study-find>

⁹ James Myall, “A Higher Minimum Wage is Good for Tipped Workers,” *Maine Center for Economic Policy*, Apr 4, 2017. <https://www.mecp.org/blog/a-higher-minimum-wage-is-good-for-tipped-workers/>

¹⁰ San Francisco Office of Labor Standards Enforcement, *Historical San Francisco Minimum Wages*, <https://sfgov.org/olse/historical-wage-rates-definition-government-supported-employee>

¹¹ Oregon Bureau of Labor and Industries, *Oregon Minimum Wage*. <https://www.oregon.gov/boli/workers/pages/minimum-wage.aspx>

¹² For a list of occupations see <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>

¹³ National Women’s Law Center, *Tipped Workers by State*, Feb 2021. <https://nwlc.org/wp-content/uploads/2021/02/Women-Tipped-Workers-State-by-State-2021-v3.pdf>

¹⁴ James Myall, “State of Working Maine 2020,” *Maine Center for Economic Policy*, Nov 9, 2020. <https://www.mecp.org/maines-economy/report-state-of-working-maine-2020/>



Housing Needs Assessment

Portland city

Housing Needs Assessment

Portland city

Introduction

The Housing Needs Assessment reviews demographic, economic, housing market, and affordability trends in Portland city to help identify trends and challenges in the local housing market and inform local housing priorities and policies.

Housing priorities should be informed by both a community's values and the conditions in its housing market. An analysis of housing market conditions can identify where a housing market is failing to meet the needs of community members. After this is completed, a community's values then determine which failures in the housing market a community should prioritize.

The following assessment utilizes data from a variety of sources, each listed at the bottom of the chart, graph, or map. For more information on these sources, please see the "Sources" Section of the document.

Population Trends

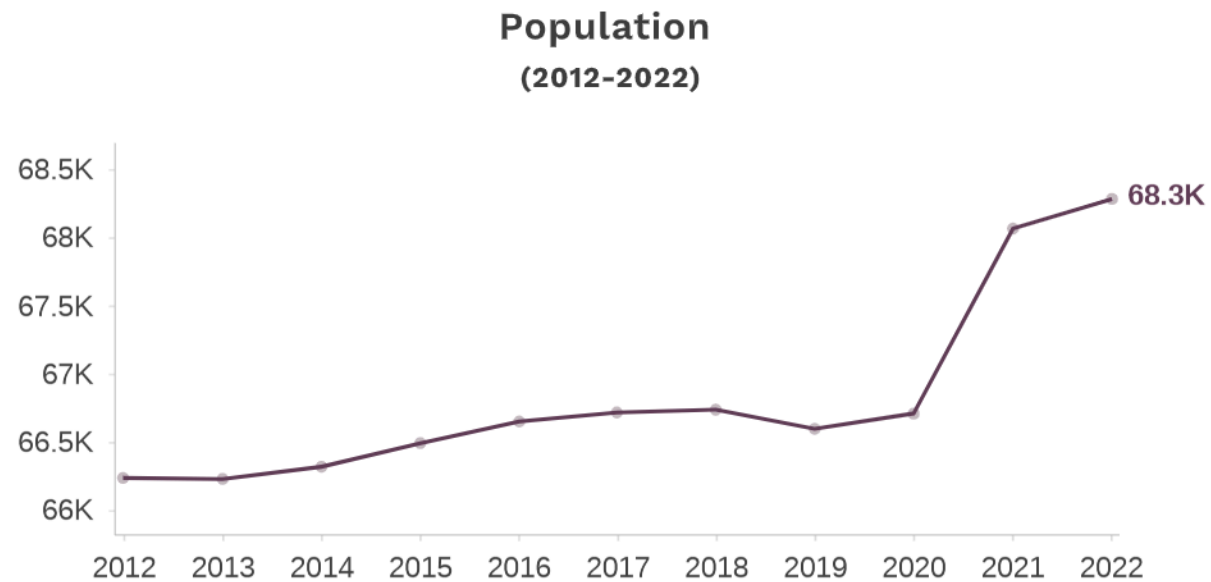
Portland city

Population Trends

To assess current and future housing needs, it is important to understand a region's demographic trends. Changes in total population, household size, and age distribution impact the amount and type of housing needed, and an understanding of economic and racial disparities within the region can highlight which groups are likely to face inequitable access to affordable, quality homes.

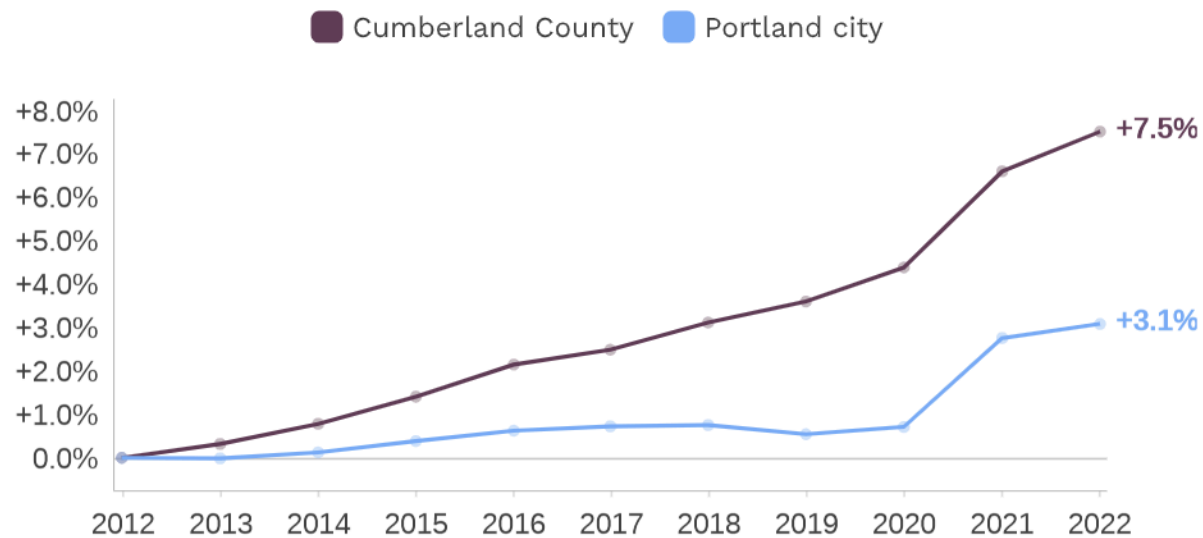
Population

From 2012 to 2022, Portland city's population increased by 3.1% while Cumberland County's population increased by 7.5%.



Source: American Community Survey (ACS), US Census Bureau

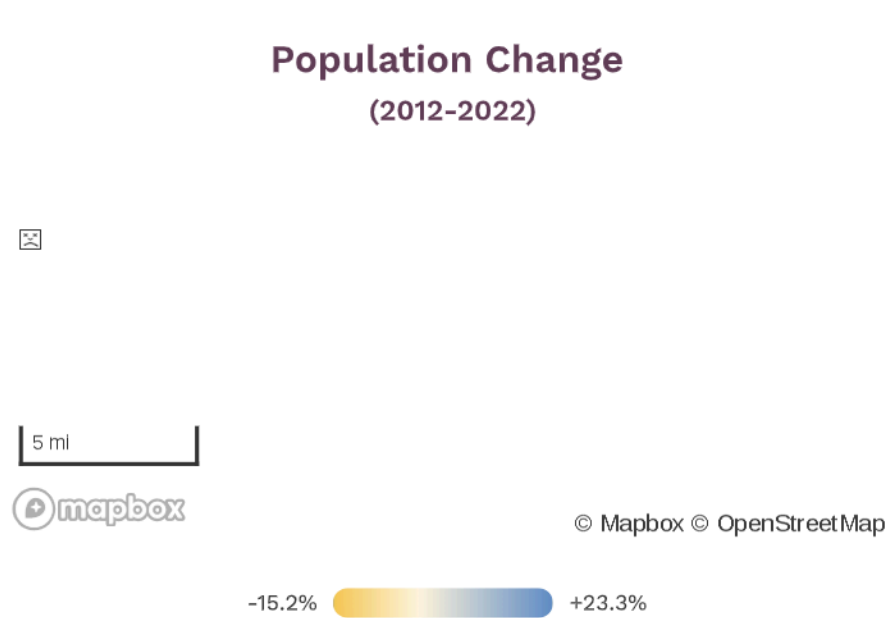
Comparative Population Change (2012-2022)



Source: American Community Survey (ACS), US Census Bureau

Population Growth and Density

On average, there were 3,170 people per square mile in Portland city in 2022.



Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk.

Source: American Community Survey (ACS), US Census Bureau

Regional Population Density Comparison (2022)



5 mi



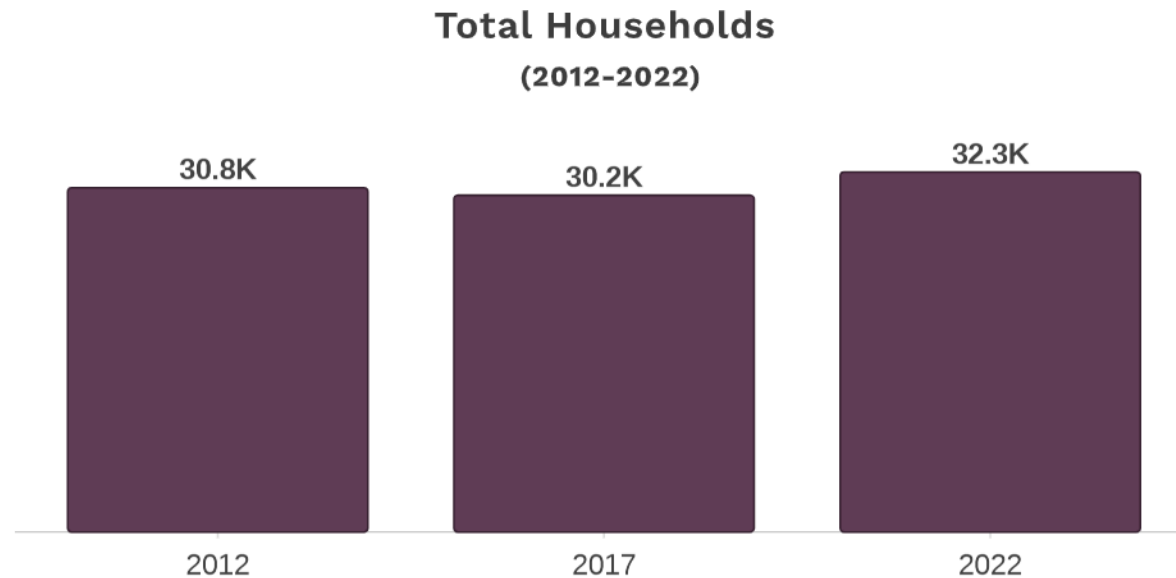
© Mapbox © OpenStreetMap

283 22,645

Source: American Community Survey (ACS), US Census Bureau

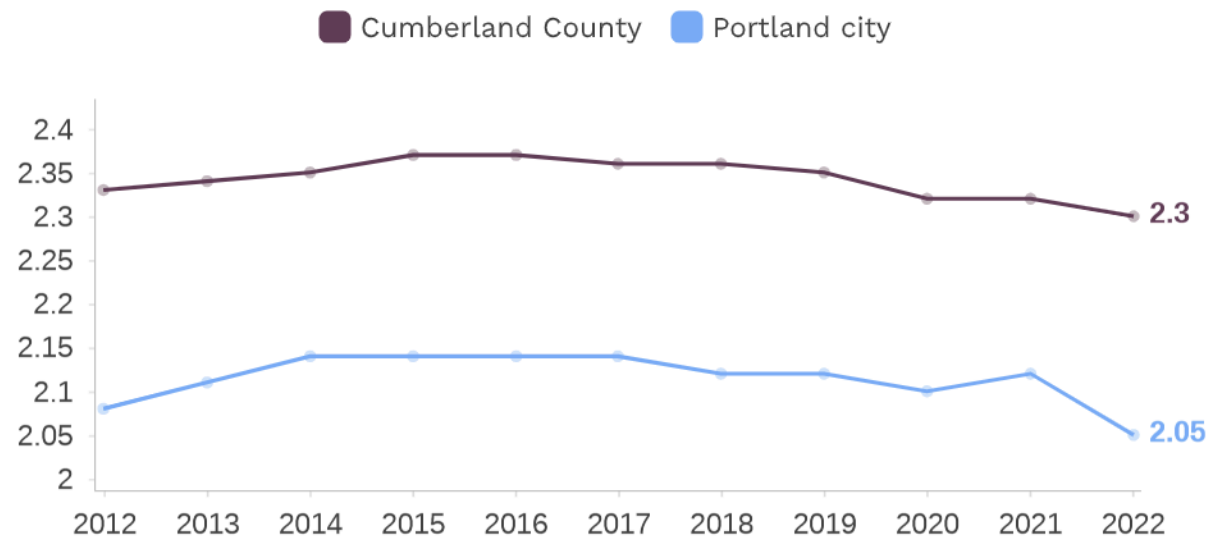
Households and Household Size

In 2022, there were 32,253 households in Portland city. From 2012 to 2022, the total number of households increased by 4.6%. 35.7% of all households were 2 person households.



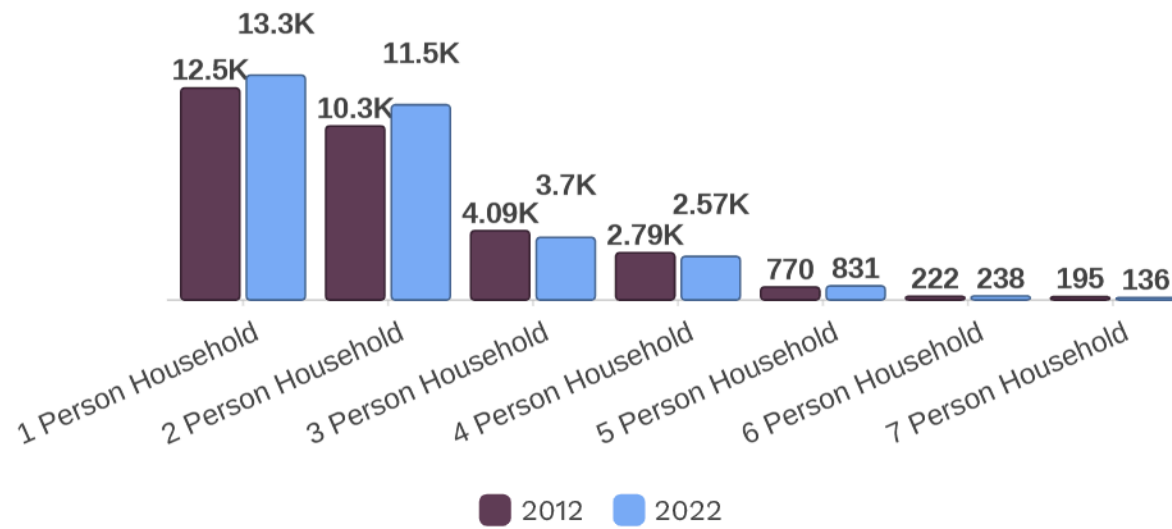
Source: American Community Survey (ACS), US Census Bureau

Average Household Size (2012-2022)



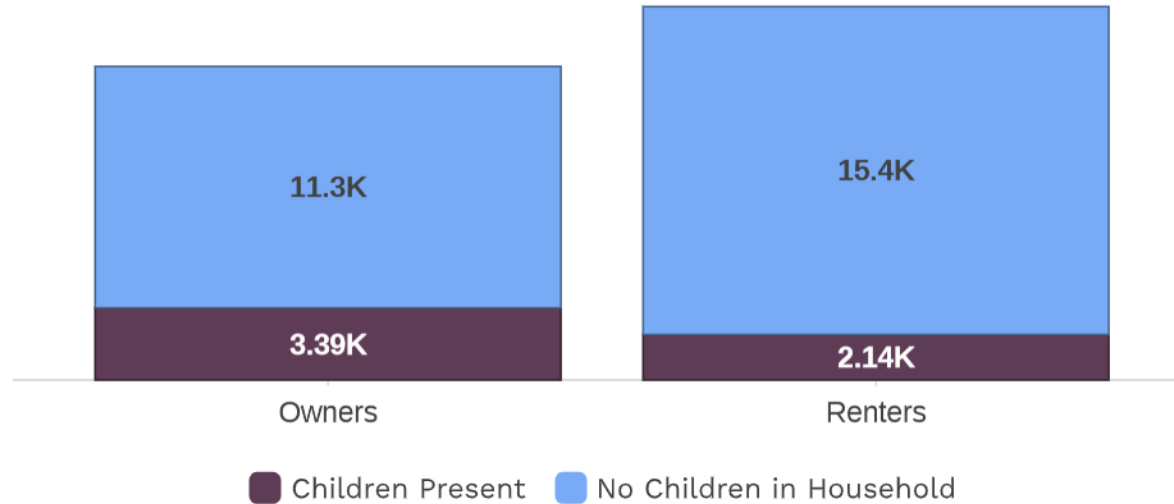
Source: American Community Survey (ACS), US Census Bureau

Distribution of Household Size



Source: American Community Survey (ACS), US Census Bureau

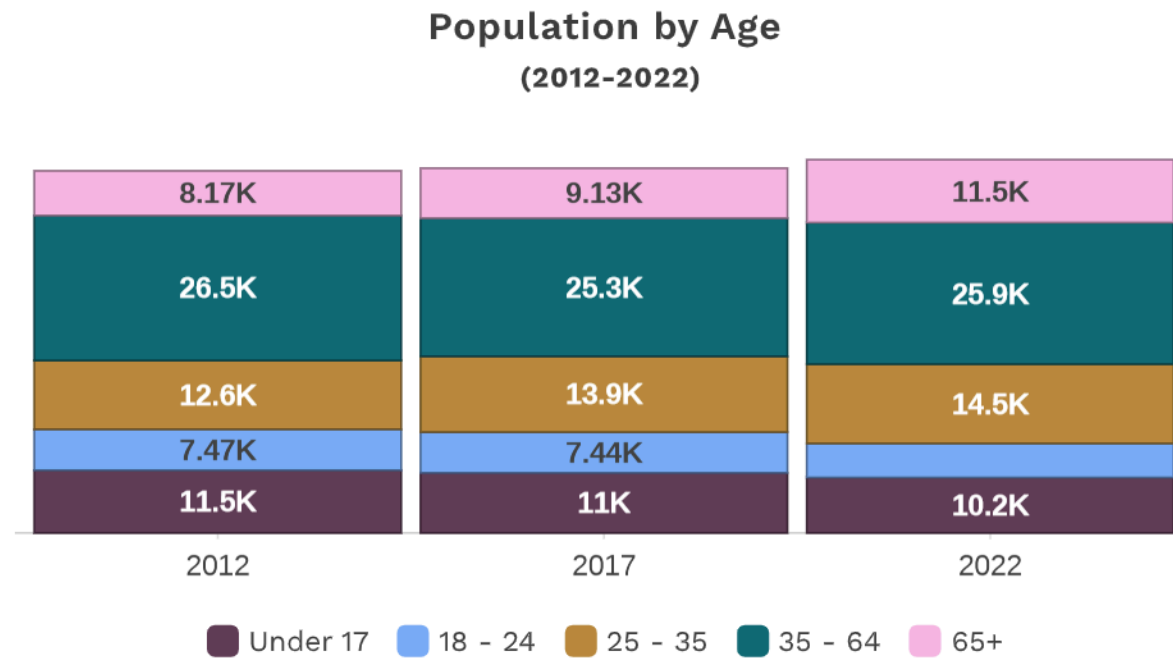
Households by Tenure and Presence of Children (2022)



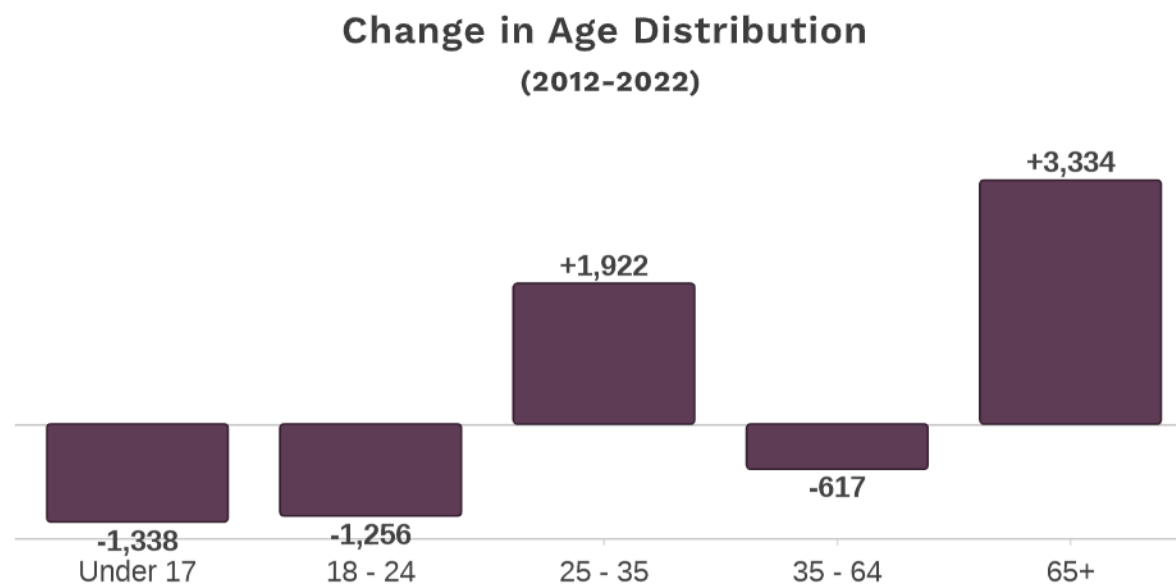
Source: American Community Survey (ACS), US Census Bureau

Age

37.9% of residents in Portland city were between the ages of 35 - 64 in 2022, the largest share of all age groups. 16.8% of residents in Portland city were 65 years or older, up from 15.3% in 2021.



Source: American Community Survey (ACS), US Census Bureau

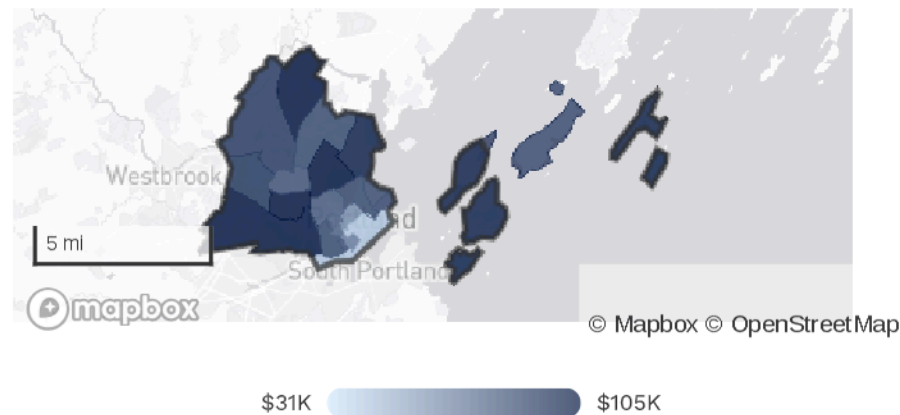


Source: American Community Survey (ACS), US Census Bureau

Median Income

Portland city's median household income increased more than Cumberland County between 2012 and 2022. Portland city's median household income increased by \$27,011 (60.7%), while Cumberland County's median household income increased by \$30,551 (53.4%).

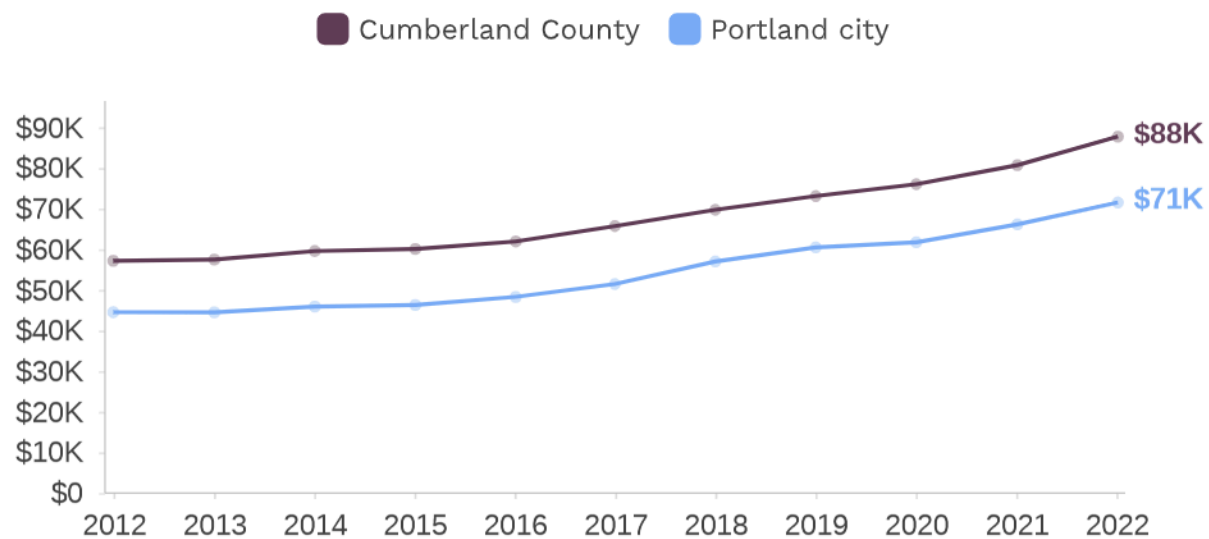
Regional Median Household Income Comparison (2022)



Dollar values are nominal.

Source: American Community Survey (ACS), US Census Bureau

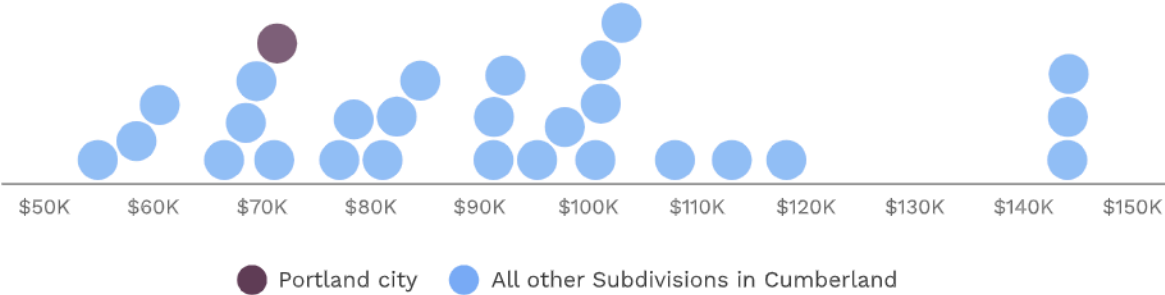
Median Household Income Over Time



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Median Household Income Comparison
(2022)

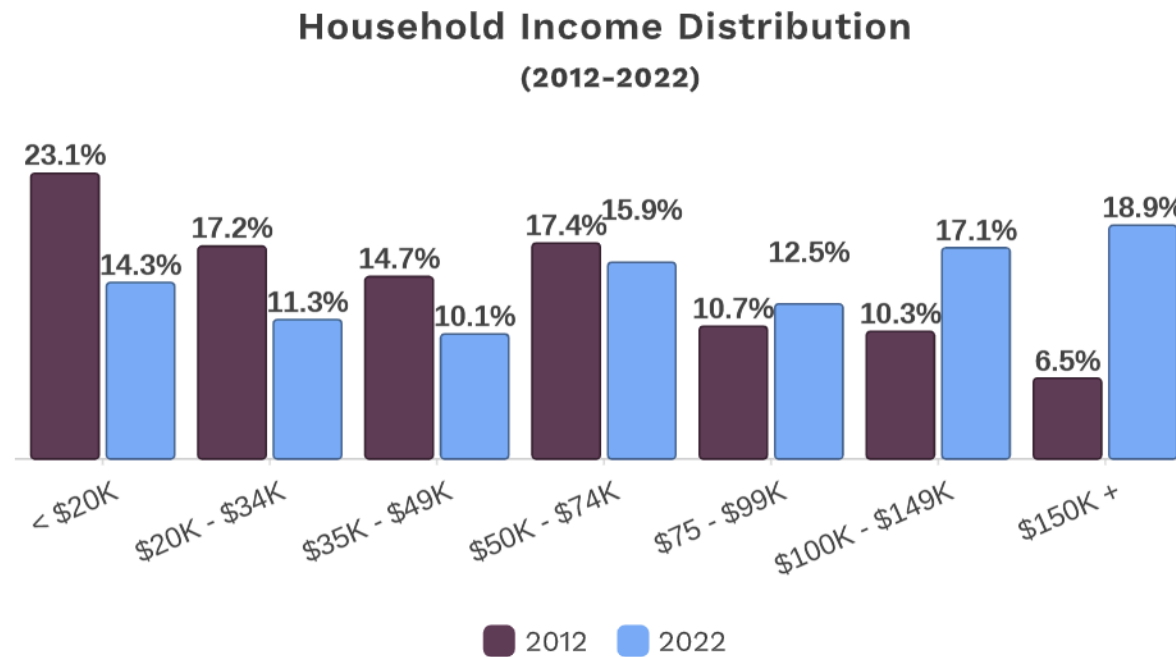


Dollar values are nominal.

Source: American Community Survey (ACS), US Census Bureau

Income Distribution

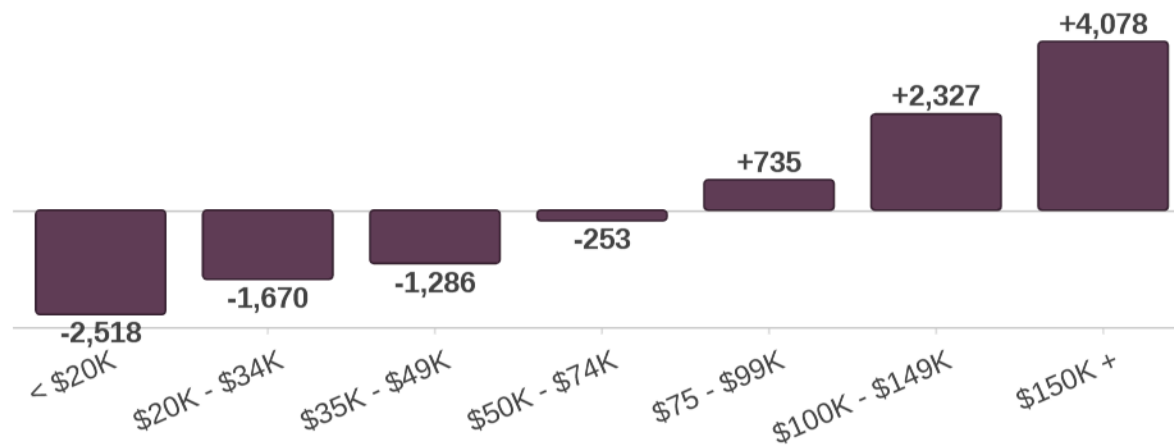
The number of Portland city households earning \$150K + increased by 4,078 households (202.8%) from 2012 to 2022. The number of Portland city households earning below < \$20K decreased by 2,518 households (35.4%).



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Change in Households by Income Group (2012-2022)

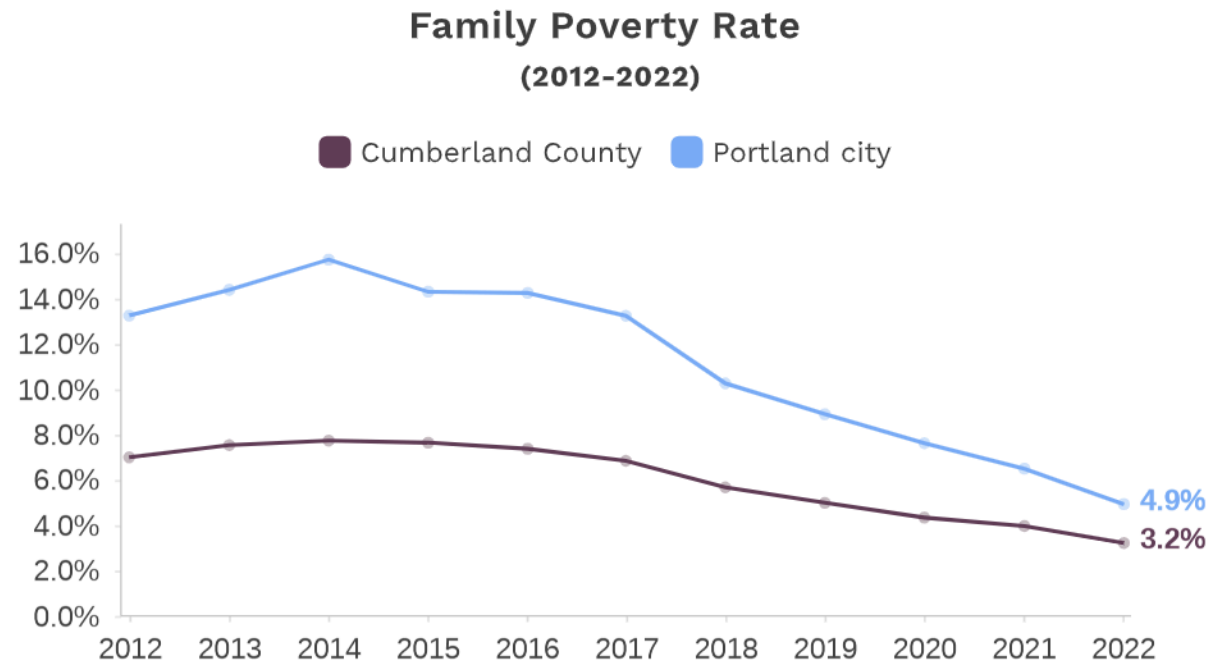


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

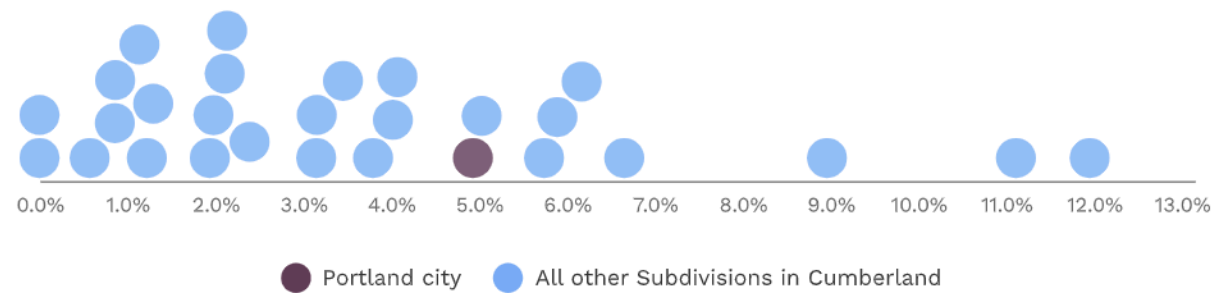
Family Poverty Rate

In 2022, 4.9% of families in Portland city lived below the poverty line, down 8.3% from 2012.



Source: American Community Survey (ACS), US Census Bureau

Family Poverty Rate Compared to Peer Regions (2022)

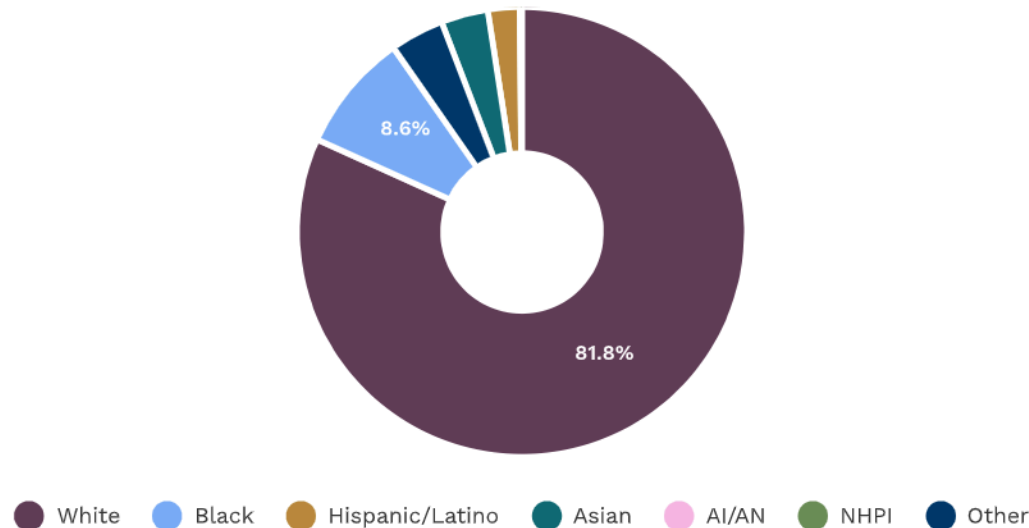


Source: American Community Survey (ACS), US Census Bureau

Racial and Ethnic Composition

In 2022, the racial/ethnic composition of households in Portland city was 85.9% white, 6.1% Black, 2.8% Asian, and 1.8% Hispanic / Latino. White households were the largest racial group (85.9%) within Portland city. The share of Black households changed from 4.3% in 2012 to 6.1% in 2022.

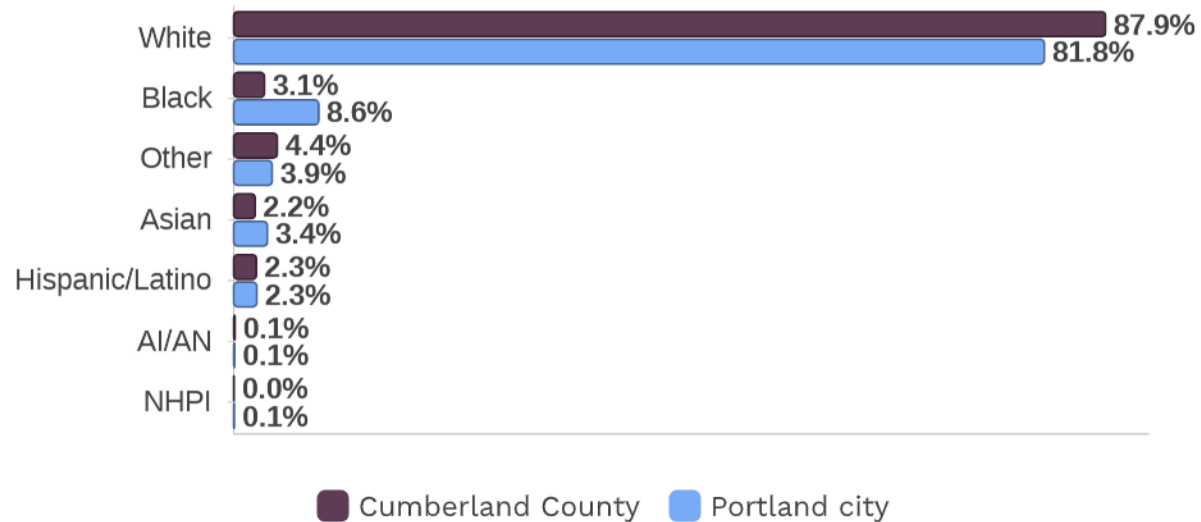
Racial and Ethnic Distribution (Population)
(2022)



Hispanic/Latino refers to those of any race whose ethnicity is Hispanic or Latino. All other groups include non-Hispanic individuals only. AI/AN - American Indian and Alaska Native. NHPI - Native Hawaiian and Other Pacific Islander. Other - Some Other Race or Two or More Races.

Source: American Community Survey (ACS), US Census Bureau

Racial and Ethnic Comparison (Population) (2022)



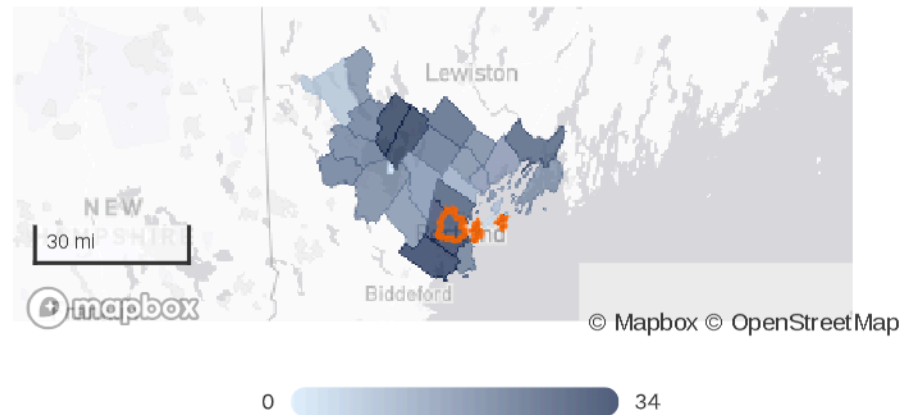
Source: American Community Survey (ACS), US Census Bureau

Hispanic/Latino refers to those of any race whose ethnicity is Hispanic or Latino. All other groups include non-Hispanic individuals only. AI/AN - American Indian and Alaska Native. NHPI - Native Hawaiian and Other Pacific Islander. Other - Some Other Race or Two or More Races.

Dissimilarity Index (Measure of Racial Segregation)

The dissimilarity index demonstrates the degree of racial segregation within specific geographic regions. A dissimilarity index of 0 demonstrates an environment of integration under which groups (in this case racial or ethnic groups) are distributed in the same proportions across all neighborhoods. A dissimilarity index of 100 indicates total segregation such that the members of one group are located in completely different neighborhoods than the second group.

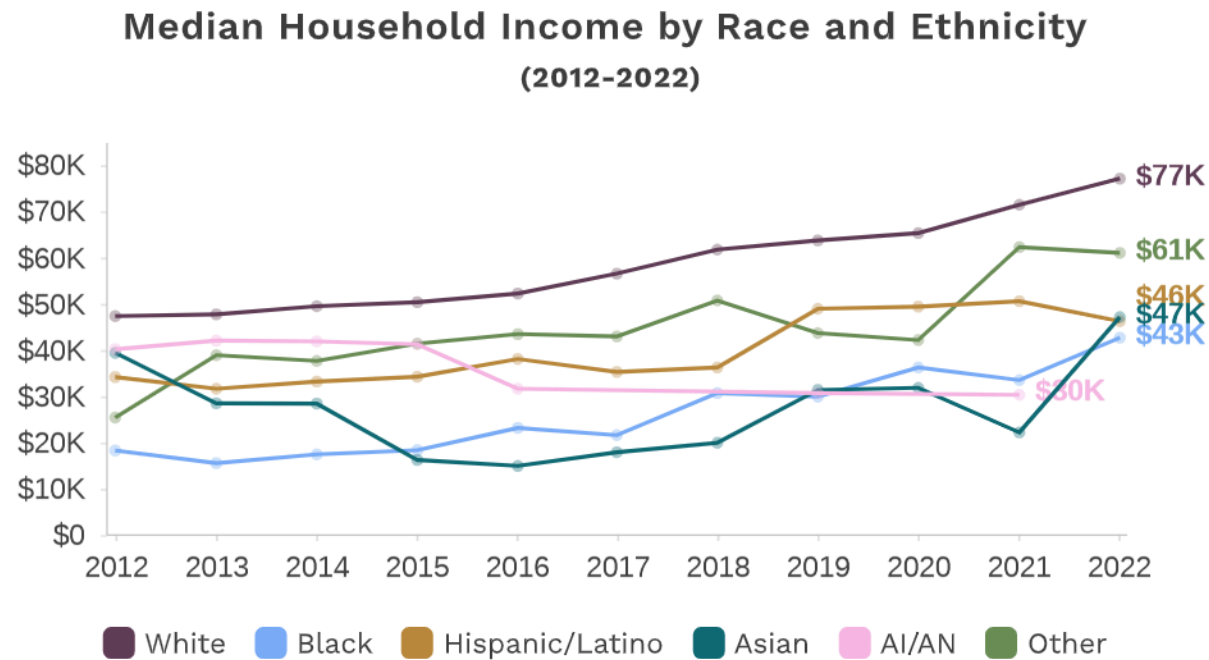
Racial Dissimilarity Index (2022)



Source: American Community Survey (ACS), US Census Bureau, and TIGER/Line Shapefiles

Income by Race and Ethnicity

The income difference in 2022 between the median Black and white household was \$34,394.

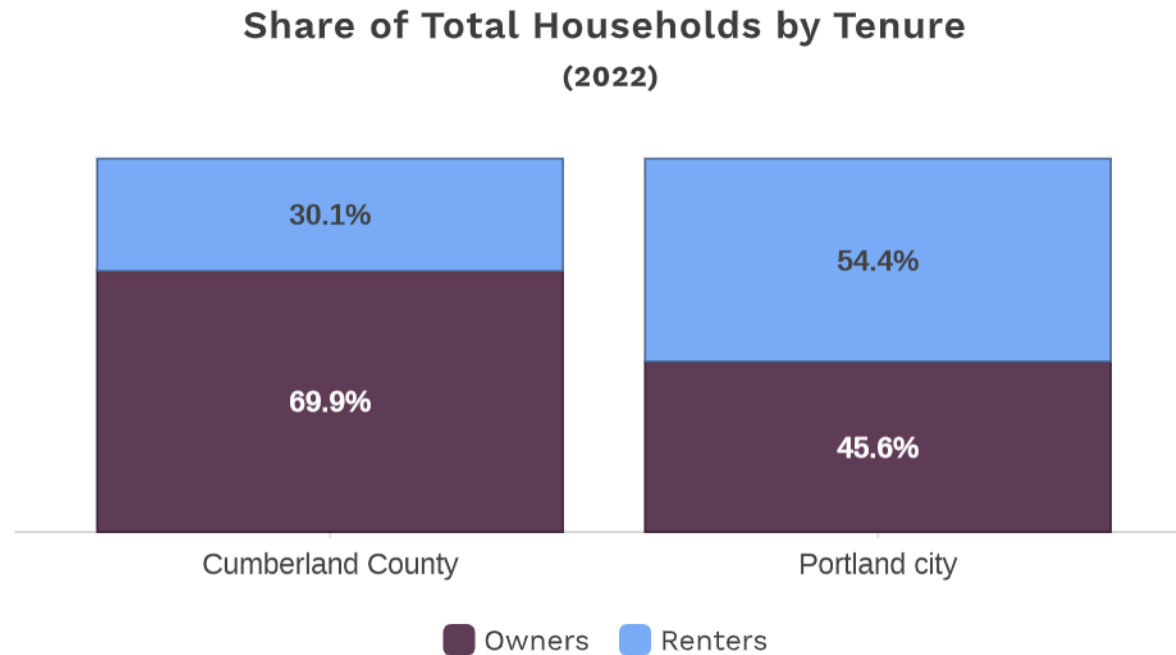


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal. Values may not be accurate for smaller geographies or geographies with very few households of a specific race or ethnicity. Race and ethnicity is provided for the head of household only. White refers to non-Hispanic White heads of household only. Hispanic/Latino refers to those of any race whose ethnicity is Hispanic or Latino. All other groups include both Hispanic and non-Hispanic individuals. AI/AN - American Indian or Alaska Native; NHPI - Native Hawaiian or Pacific Islander; Other - Some Other Race and Two or More Races.

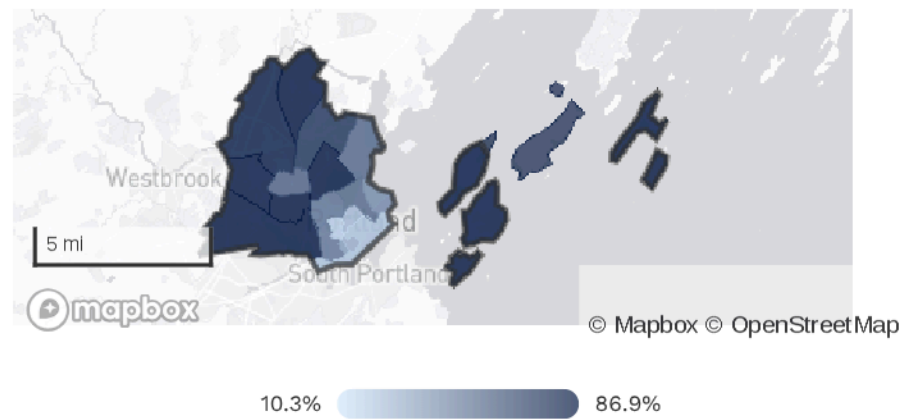
Tenure

In 2022, 54.4% of households in Portland city were renters, compared with 30.1% in Cumberland County.



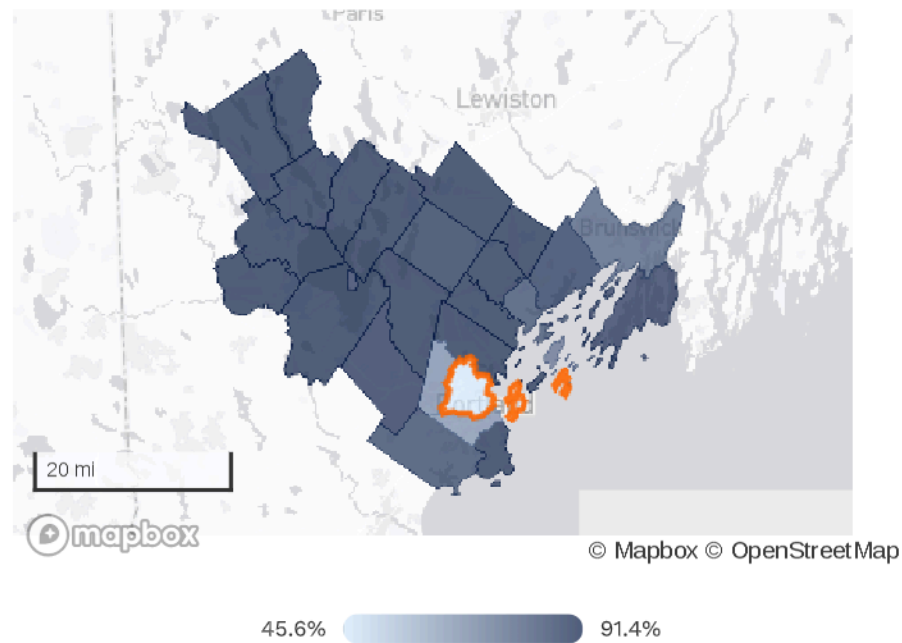
Source: American Community Survey (ACS), US Census Bureau

Homeownership Rate (2022)



Source: American Community Survey (ACS), US Census Bureau

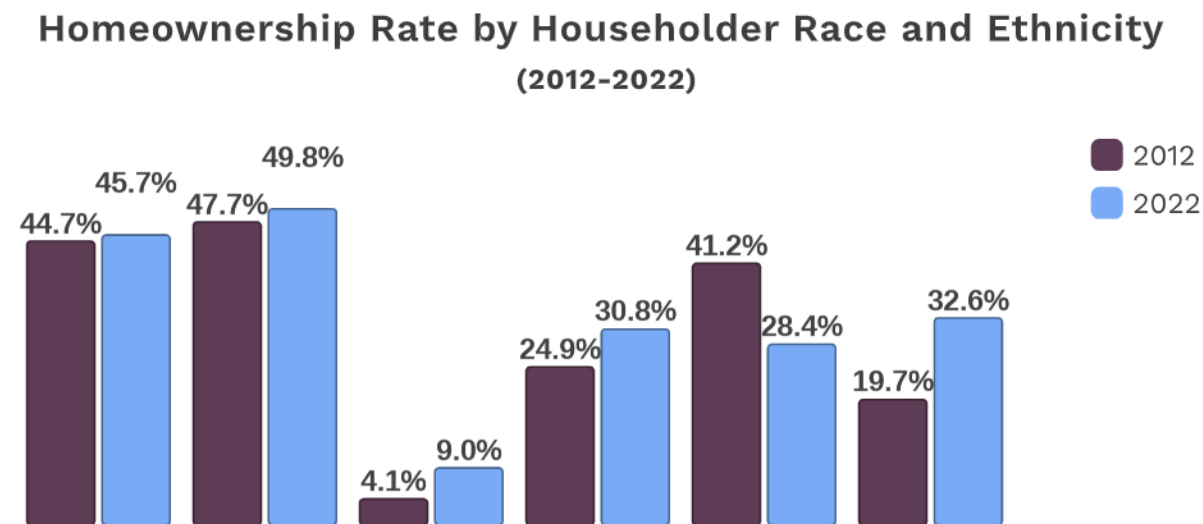
Homeownership Rates by Peer Regions (2022)



Source: American Community Survey (ACS), US Census Bureau

Homeownership by Race and Ethnicity

Between 2012 and 2022, the rate of homeownership in Portland city increased by 2.2%. In Cumberland County, the homeownership rate rose by 2.6%. For Black households in Portland city, homeownership rates were -40.8% less than white households in 2022.

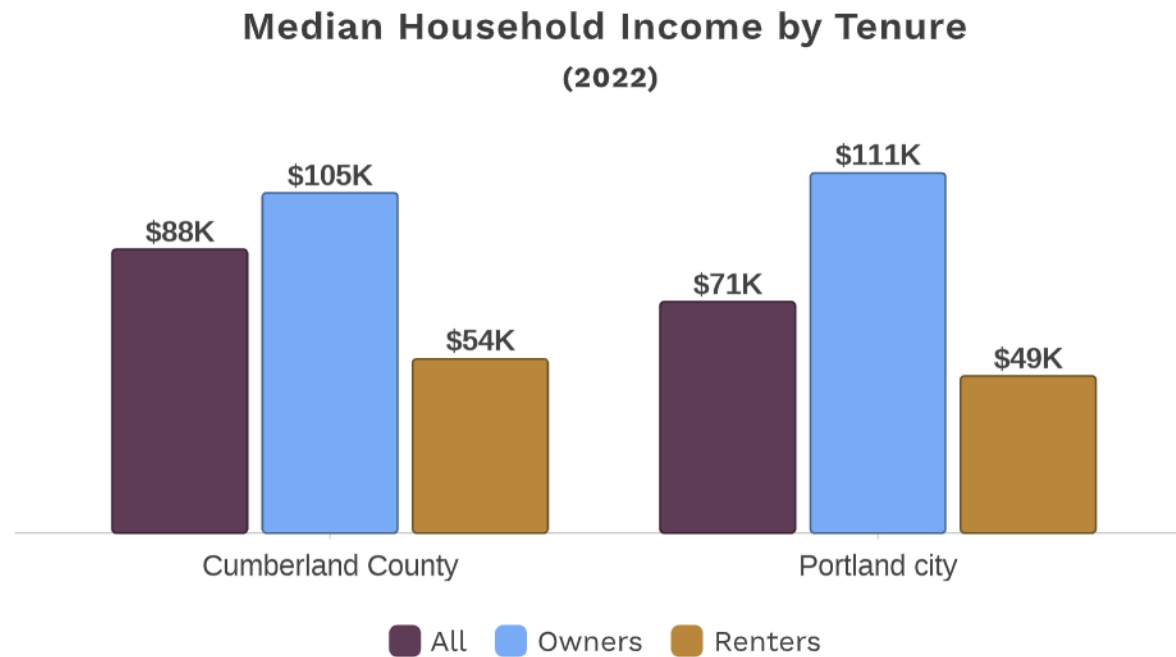


Source: American Community Survey (ACS), US Census Bureau

Values may not be accurate for smaller geographies or geographies with very few households of a specific race or ethnicity. White refers to non-Hispanic White heads of household only. Hispanic/Latino refers to those of any race whose ethnicity is Hispanic or Latino. All other groups include both Hispanic and non-Hispanic individuals. AI/AN - American Indian or Alaska Native; NHPI - Native Hawaiian or Pacific Islander; Other - Some Other Race and Two or More Races.

Median Income and Tenure

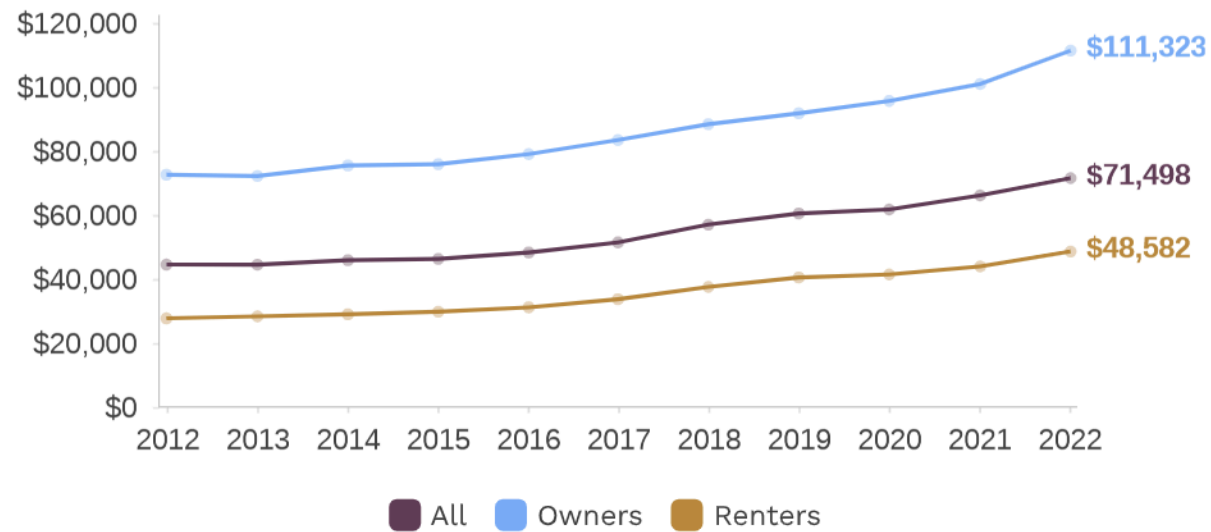
In 2022, median income for owner households was \$62,741 more than renter households in Portland city. For Cumberland County, the difference between owner and renter households was \$51,343.



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Median Household Income Over Time by Tenure (2012-2022)

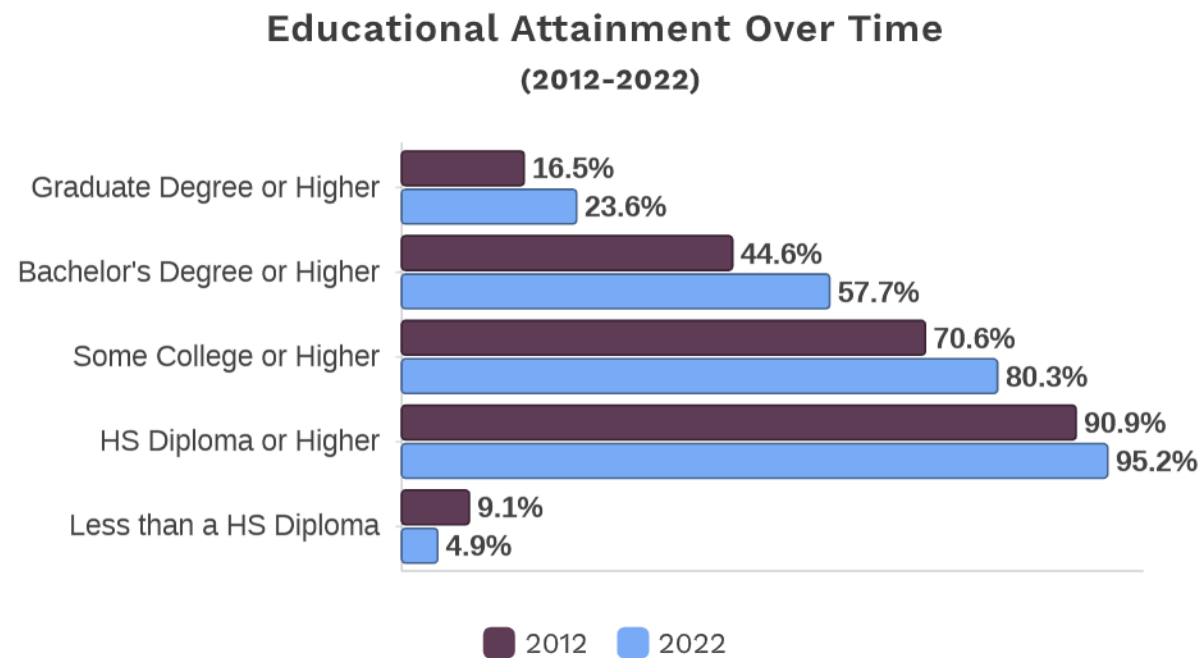


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

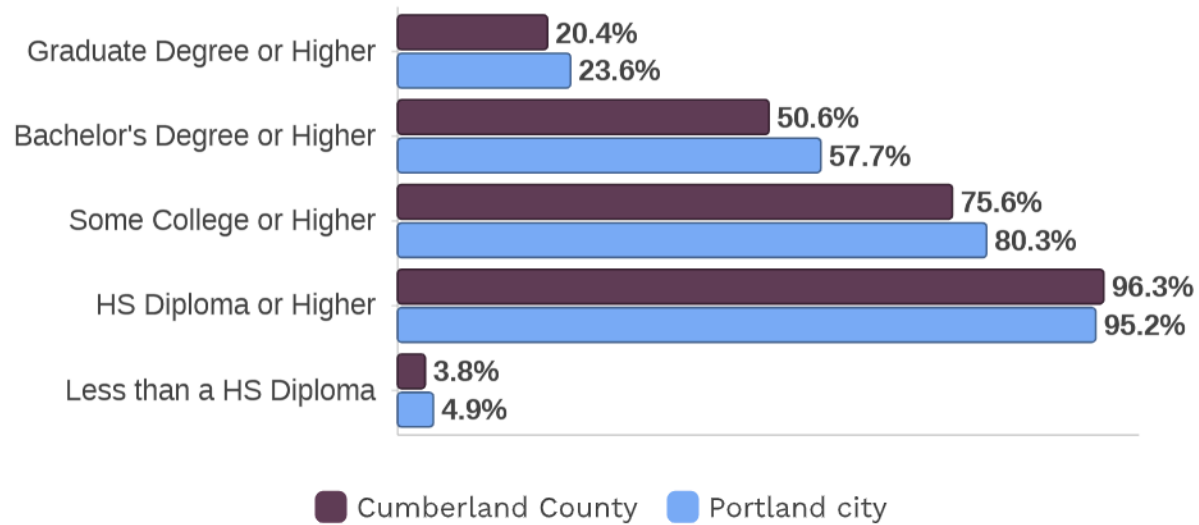
Education

57.7% of the population in Portland city had at least a college degree in 2022, up 13.1% from 2012. 95.2% of the population had a high school diploma, up 4.3% from 2012.



Source: American Community Survey (ACS), US Census Bureau

Comparative Educational Attainment (2022)



Source: American Community Survey (ACS), US Census Bureau

Median Earnings by Educational Attainment

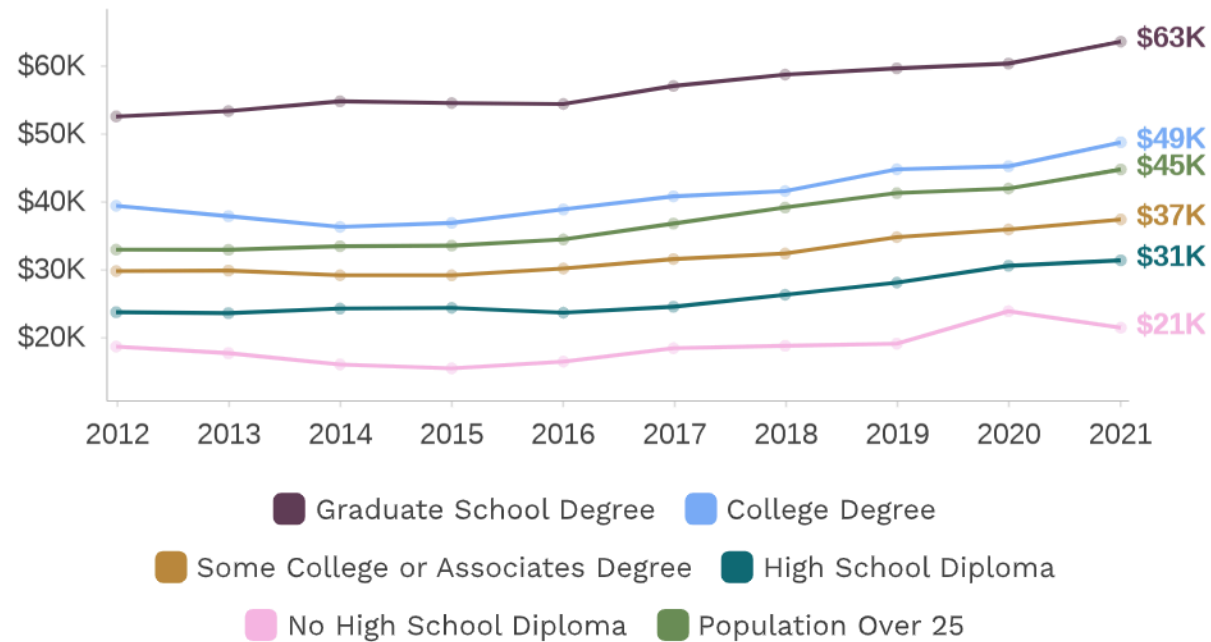
In 2022, residents with a college degree earned on average \$17,115 more than residents with only a high school diploma.

Median Individual Income by Educational Attainment (2022)

Education Level ▲	Cumberland County	Portland city
No High School Diploma	\$30,226	\$20,326
High School Diploma	\$39,336	\$34,002
Some College	\$46,458	\$41,436
College Degree	\$58,206	\$51,117
Graduate Degree	\$76,244	\$68,212
Population Over 25	\$53,078	\$48,760

Source: American Community Survey (ACS), US Census Bureau

Median Income Over Time by Educational Attainment (2012-2022)

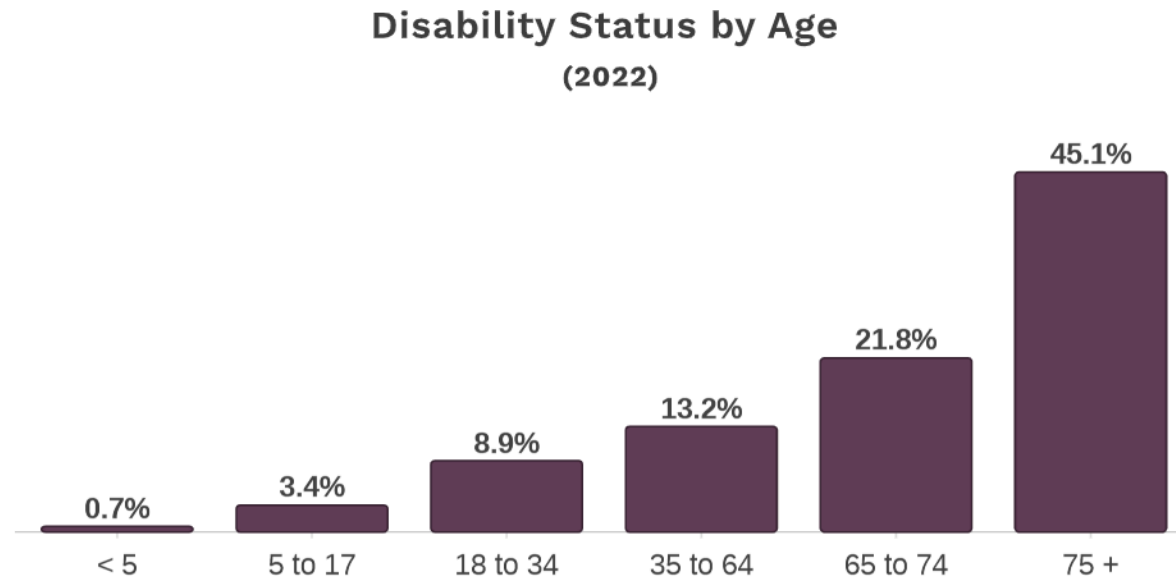


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Disability

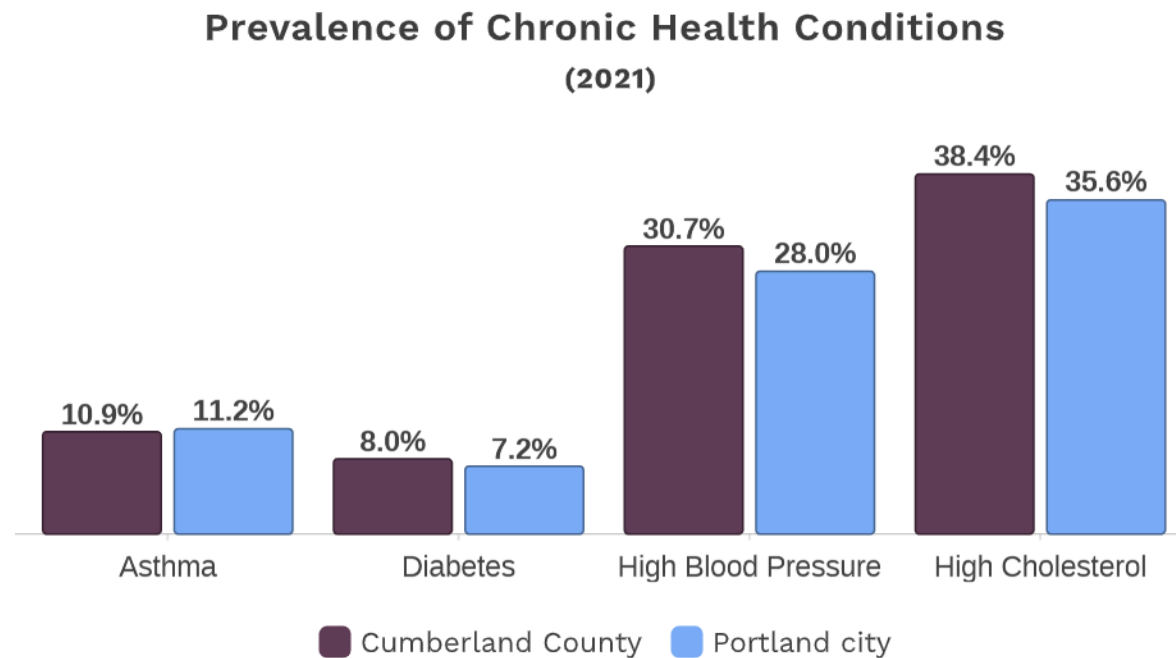
In 2022, 45.1% of people aged 75 and older had a disability in Portland city. The share of all residents with a disability increased by 0.9% between 2012 and 2022, more than in Cumberland County overall.



Source: American Community Survey (ACS), US Census Bureau

Health Outcomes

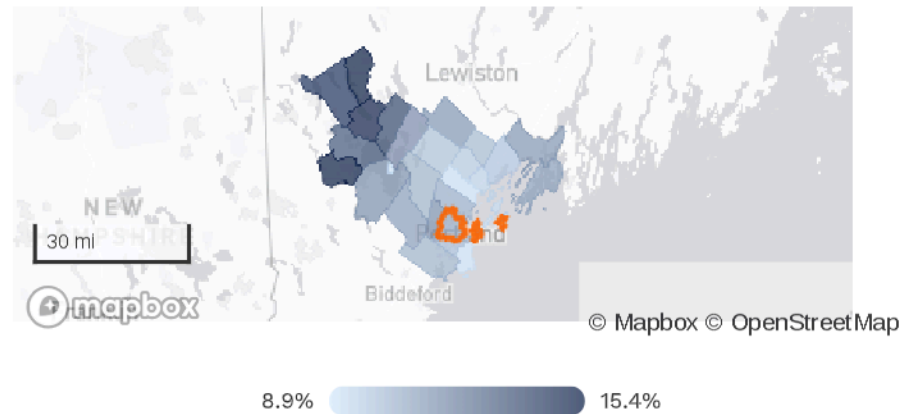
In 2021, 10.8% of the population over 18 years old in Portland city had poor or fair health, as defined by the American Community Survey.



Source: PLACES, US Centers for Disease Control and Prevention (CDC)

Note: The latest year of this dataset is 2021.

Regional Rates of Poor or Fair Health Comparison (2021)



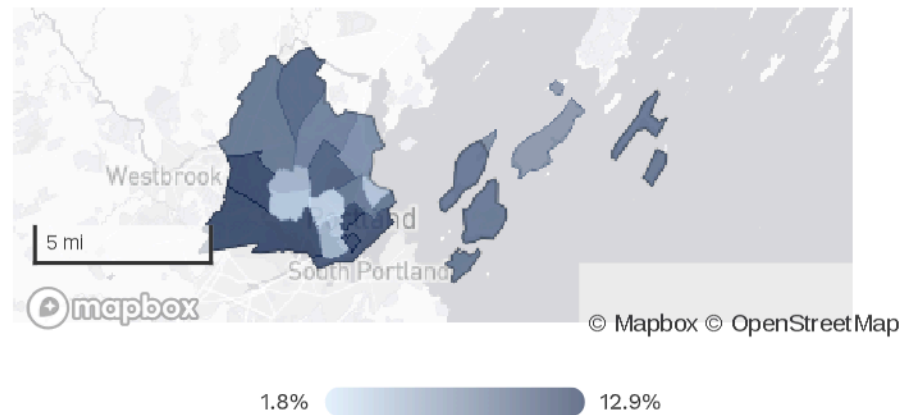
Note: The latest year of this dataset is 2021.

Source: PLACES, US Centers for Disease Control and Prevention (CDC)

Internet Access

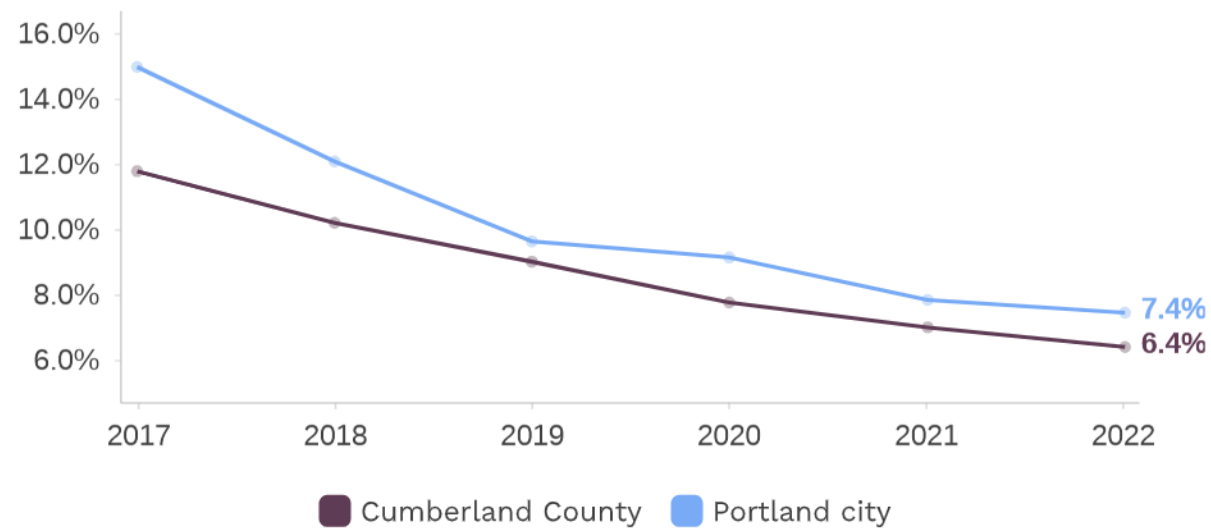
In 2022, 2,399 households in Portland city did not have internet access in their home (7.4% of all households). Internet access refers to whether or not a household uses or connects to the internet, regardless of whether or not they pay for the service to do so.

**Share of All Households
Without Internet Access
(2022)**



Source: American Community Survey (ACS), US Census Bureau

Share of All Households Without Internet Access Over Time (2017-2022)



Source: American Community Survey (ACS), US Census Bureau

Economic Trends

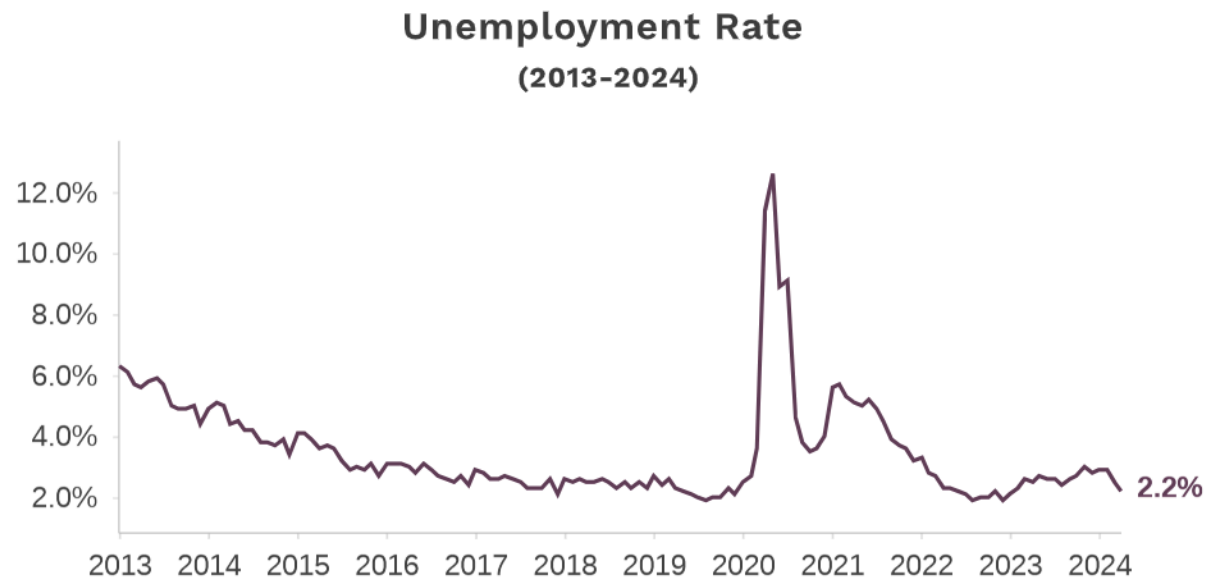
Portland city

Economic Trends

Economic trends in a region, including changes in employment, industries and locations of jobs, impact current and future housing needs. Information about economic trends offers insight into where new housing may be needed and what households can afford to pay for housing based on wages.

Employment

Between 2013 to 2023, the unemployment rate decreased from 5.4% to 2.6% in Portland city.



Source: Local Area Unemployment Statistics (LAUS), US Bureau of Labor Statistics (BLS), except for data for the US overall, which comes from the Current Population Survey (CPS) Labor Force Statistics, US BLS.

Top Occupations and Their Wages

The occupations in Portland-South Portland CBSA, ME with the largest number of employees in 2023 were:

1. Retail Salespersons (6,150 workers; \$35,780 median annual wage);
2. Home Health and Personal Care Aides (6,060 workers; \$36,520); and,
3. General and Operations Managers (5,390 workers; \$99,860).

Note that this data is shown for Portland-South Portland CBSA, ME. Metropolitan areas are the lowest geographic level for data from the Occupational Employment and Wage Statistics (OEWS).

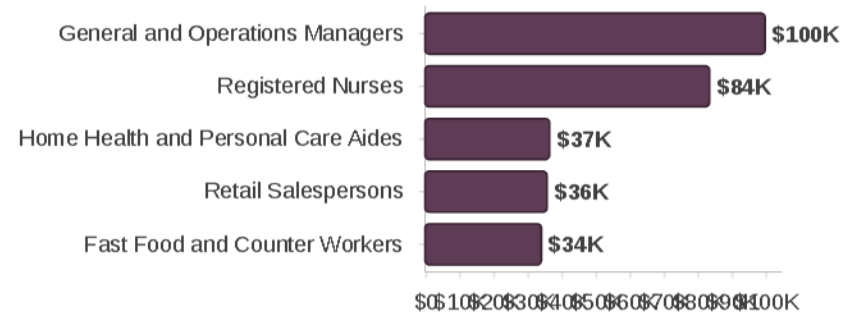
**Top 5 Occupations by Total Employment
(2023)**



Source: Occupational Employment and Wage Statistics (OEWS), US Bureau of Labor Statistics (BLS)

Employment data are shown for the 5 detailed occupations in Portland-South Portland CBSA, ME with the largest total employment across all industries.

**Median Annual Wages in 5 Largest
Occupations by Total Employment
(2023)**



Source: Occupational Employment and Wage Statistics (OEWS), US Bureau of Labor Statistics (BLS)

Median annual wages are shown for the 5 detailed occupations in Portland-South Portland CBSA, ME with the largest total employment across all industries.

Occupations with the Largest Job Growth

The occupations in Portland-South Portland CBSA, ME that saw the largest net increase in the number of employees between 2018 and 2023 were:

1. Childcare Workers (+870 workers; \$34,340 median annual wage in 2023);
2. General and Operations Managers (+860 workers; \$99,860); and,
3. Heavy and Tractor-Trailer Truck Drivers (+640 workers; \$51,880).

Note that this data is shown for Portland-South Portland CBSA, ME. Metropolitan areas are the lowest geographic level for data from the Occupational Employment and Wage Statistics (OEWS).

Occupations with the Largest 5-Year Job Growth (2018-2023)



Source: Occupational Employment and Wage Statistics (OEWS, US Bureau of Labor Statistics (BLS))

Job growth data are shown for the 5 detailed occupations in Portland-South Portland CBSA, ME with the largest net increase in employment across all industries.

Median Annual Wages (2023) in Occupations with the Largest 5-Year Job Growth (2018-2023)

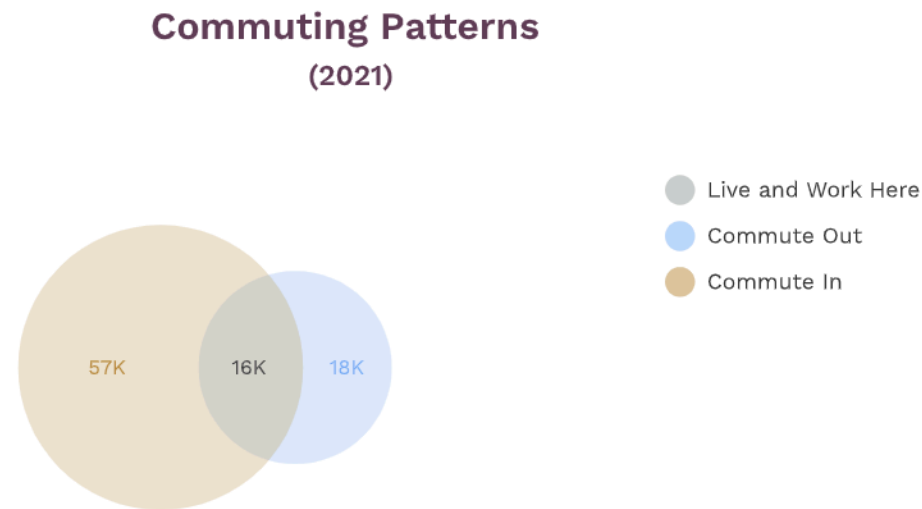


Source: Occupational Employment and Wage Statistics (OEWS, US Bureau of Labor Statistics (BLS))

Median annual wages from 2023 are shown for the 5 detailed occupations in Portland-South Portland CBSA, ME with the largest net increase in employment across all industries.

Commuting Patterns

Among the employed residents of Portland city, 47.7% (16,024 workers) both live and work in Portland city, while 52.3% (17,567 workers) commute out for work. An additional 57,102 workers come to Portland city for work but live elsewhere, meaning 78.1% of the people who work in Portland city do not live in Portland city.



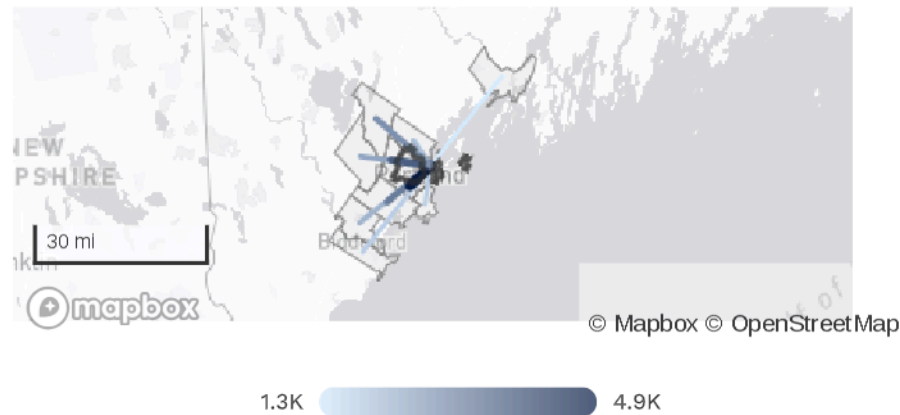
Note: The latest year of this dataset is 2021.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES), Origin-Destination Files

Commuter Inflow

The main points of origin of commuter households into Portland city in 2021 were South Portland city (4,867 commuters), Westbrook city (3,457 commuters), Scarborough town (2,986 commuters), and Windham town (2,659 commuters).

Top Commuter Origins (2021)



Note: The latest year of this dataset is 2021.

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (LODES)

Total Commuters by Origin (2021)

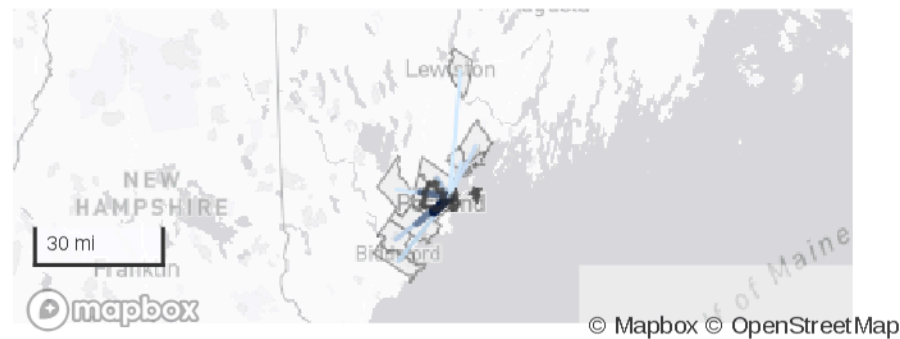
Origin	2021 ▲
Brunswick town	1,319
Cape Elizabeth town	1,712
Biddeford city	1,737
Falmouth town	1,950
Saco city	2,132
Gorham town	2,352
Windham town	2,659
Scarborough town	2,986
Westbrook city	3,457
South Portland city	4,867

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (LODES)

Commuter Outflow

The main destinations of commuting households out of Portland city in 2021 were South Portland city (3,267 commuters), Westbrook city (1,982 commuters), Scarborough town (1,748 commuters), and Falmouth town (880 commuters).

Top Commuter Destinations (2021)



411 3.3K

Note: The latest year of this dataset is 2021.

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (LODES)

Total Commuters by Destinations (2021)

Destination	2021 ▲
Lewiston city	411
Gorham town	412
Yarmouth town	472
Freeport town	545
Biddeford city	660
Saco city	747
Falmouth town	880
Scarborough town	1,748
Westbrook city	1,982
South Portland city	3,267

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (LODES)

Housing Supply Trends

Portland city

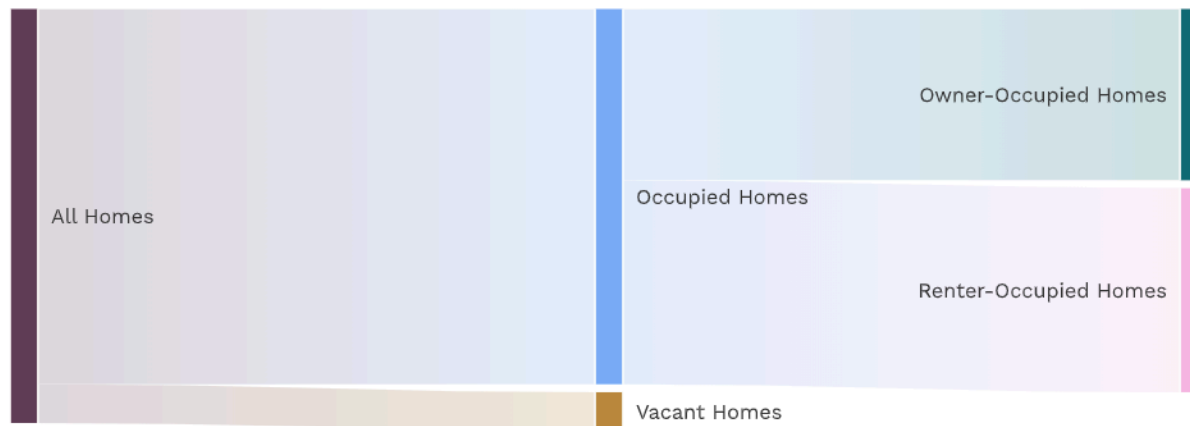
Housing Supply Introduction

This section explores overall housing supply— the total number of homes in a region, as well as their type, tenure, quality, and cost. The overall availability of housing for rent and for sale is an important indicator of a housing market’s ability to welcome new households and support housing choice for existing residents. Housing availability and affordability are closely linked; the Affordable Housing Supply section focuses on affordability trends and the supply of both naturally occurring and publicly subsidized affordable homes for lower income households.

Total Housing Stock

Of the total 32,253 occupied homes in Portland city in 2022, 45.6% were owner-occupied homes and 54.4% were renter-occupied homes. Out of all homes, 9.4% of homes were vacant.

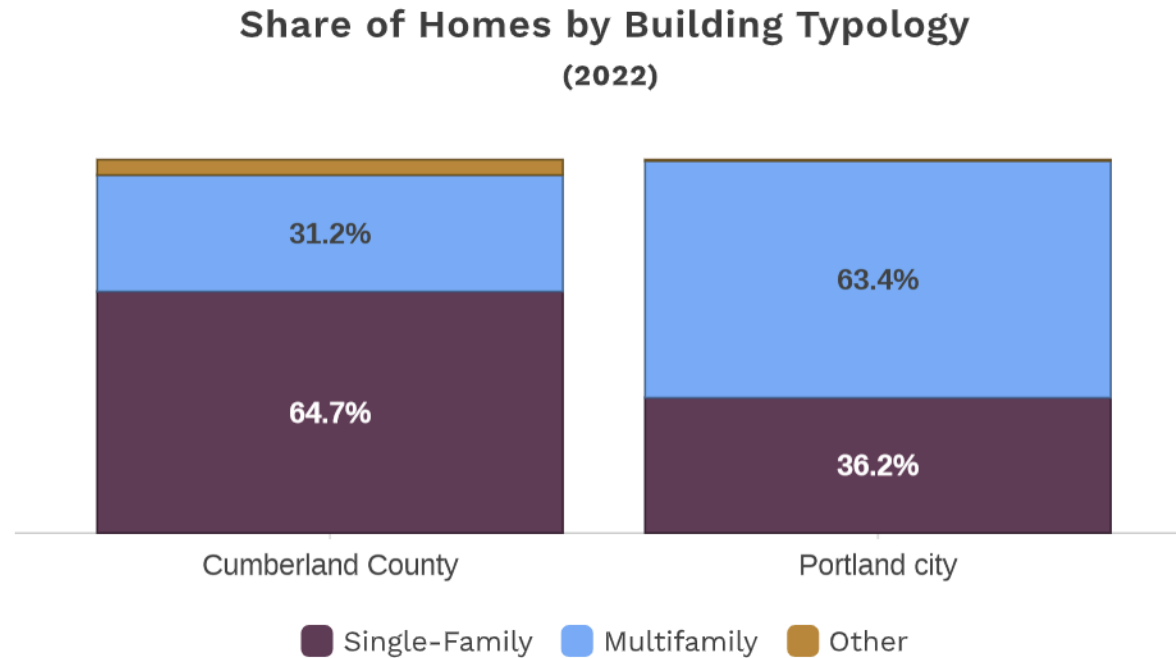
Renter and Owner Occupied Housing Stock (2022)



Source: American Community Survey (ACS), US Census Bureau

Homes by Typology

Multifamily housing made up the largest share of housing in Portland city in 2022 (63.4%, or 22,568 homes). Single family housing was next with 12,897 homes (36.2%). The number of homes in multifamily buildings (2+ units) increased by 1,897 homes between 2012 and 2022.

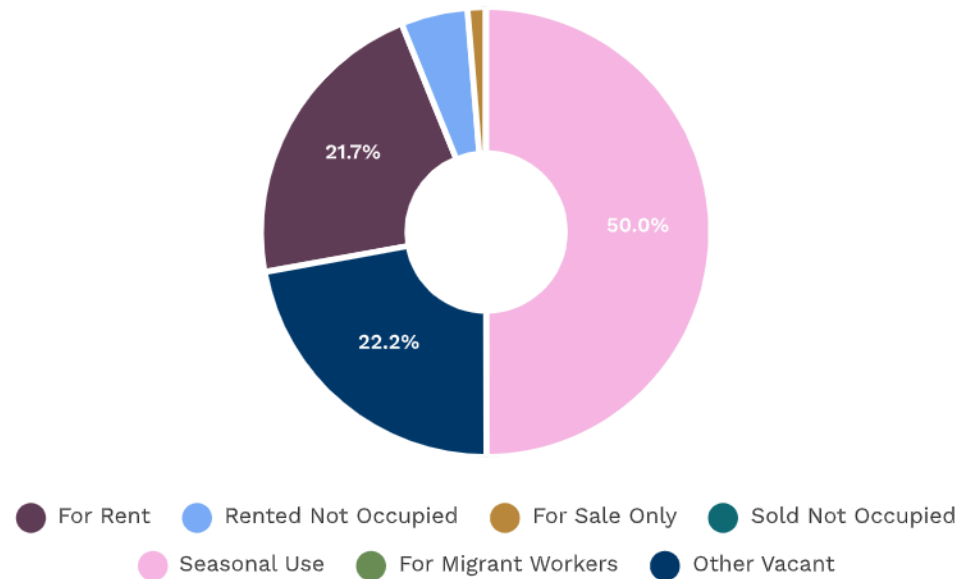


Source: American Community Survey (ACS), US Census Bureau

Vacancy Trends

When determining the share of housing stock available for new renters and owners, only homes that are 'for rent' and 'for sale only' can be occupied by new renters and owners. So while 3,332 of homes were vacant in Portland city in 2022, only 21.7% of these homes were vacant and for rent, and 1.3% were vacant and for sale. 50.0% of all vacant homes were for seasonal use, in which the home is unoccupied most of the year.

Status of Vacant Homes
(2022)



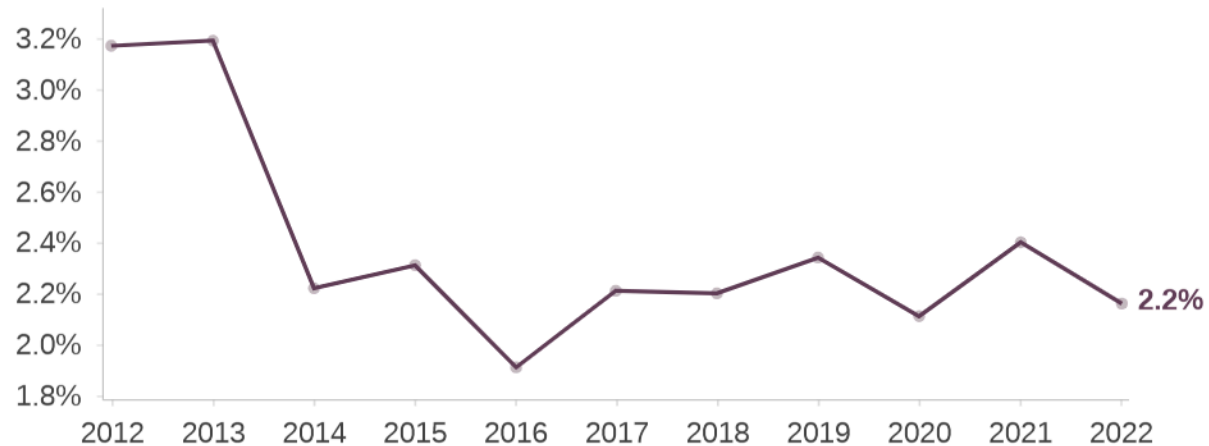
"Other Vacant" may include homes foreclosed on, in need of repair, or if the status is vacant and reason unknown.

Source: American Community Survey (ACS), US Census Bureau

Vacancy Indicators

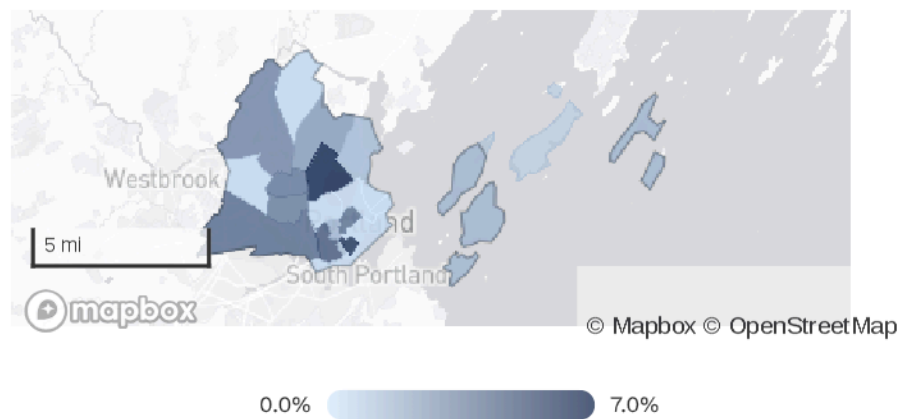
The share of vacant and available homes in Portland city decreased by 1.0%, or by 309 homes, between 2012 to 2022. This indicates that the housing market was more constrained in 2022 compared to 2012.

**Share of Homes That Are Vacant and Available Over Time
(2012-2022)**



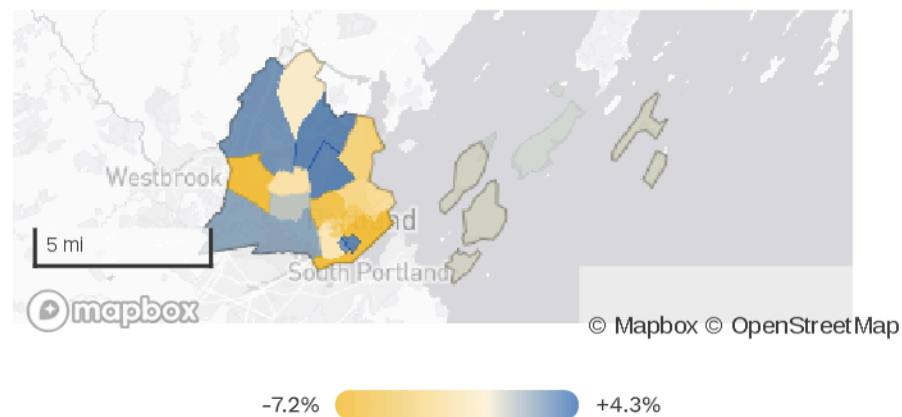
Source: American Community Survey (ACS), US Census Bureau

Share of Homes That Are Vacant and Available (2022)



Source: American Community Survey (ACS), US Census Bureau

Change in Share of Homes That Are Vacant and Available (2012-2022)

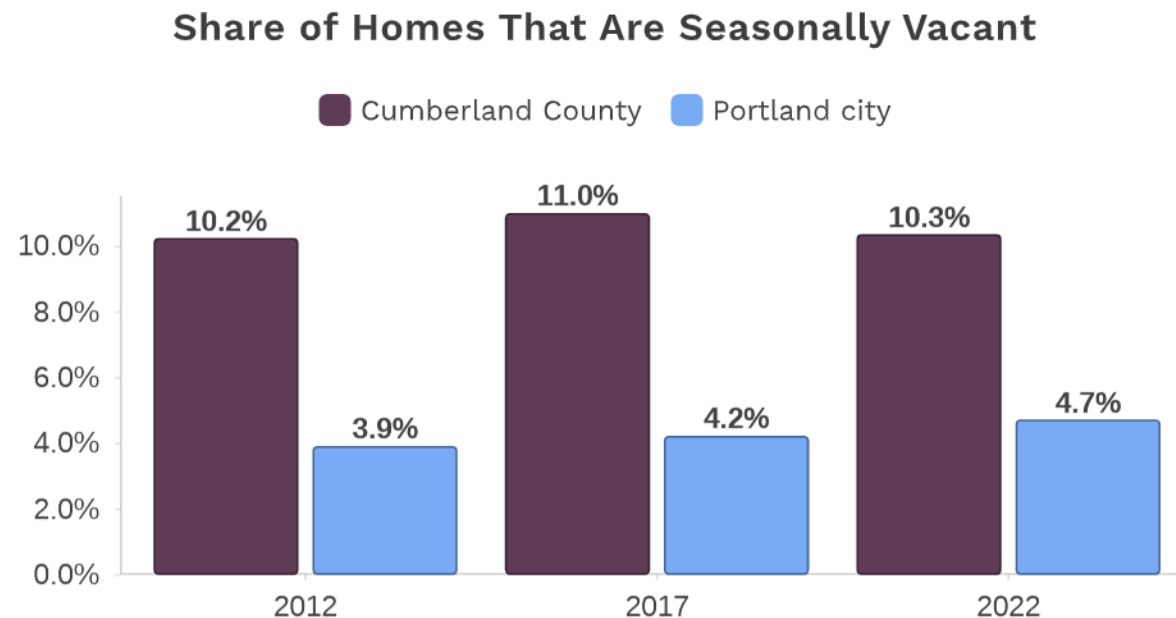


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk.

Source: American Community Survey (ACS), US Census Bureau

Seasonal Vacancies

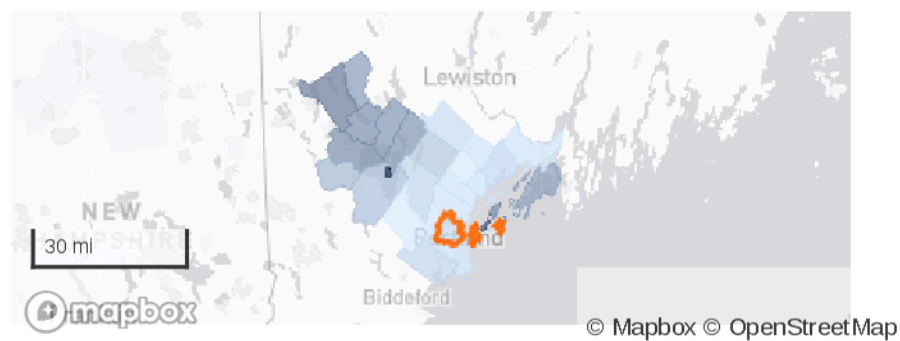
Housing that is seasonally vacant can make up a substantial part of some markets, particularly in vacation destinations. In Portland city, 4.7% of all homes in 2022 were seasonally vacant—that is, they were reported as being vacant for seasonal, recreational, or occasional use, or for migrant workers. The seasonal vacancy rate has increased since 2012, when 3.9% of homes were seasonally vacant.



Source: American Community Survey (ACS), US Census Bureau

Seasonal vacancies include homes that are used "for seasonal, recreational, or occasional use" and "for migrant workers."

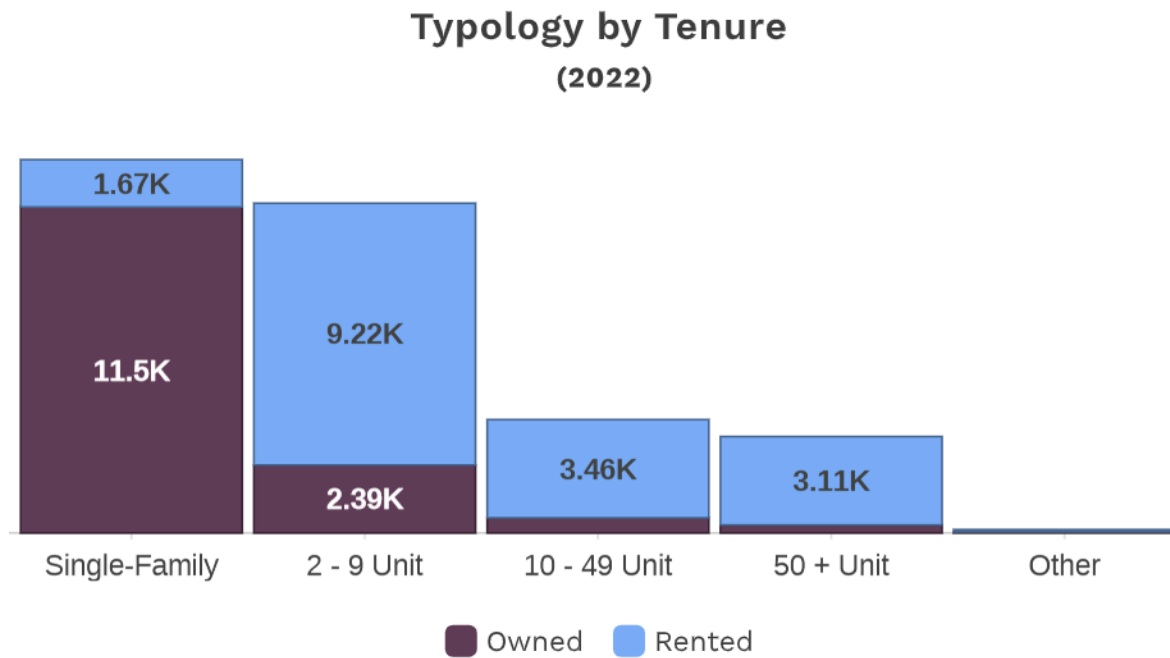
Regional Comparison of the Seasonal Vacancy Rate (2022)



Source: American Community Survey (ACS), US Census Bureau

Typology by Tenure

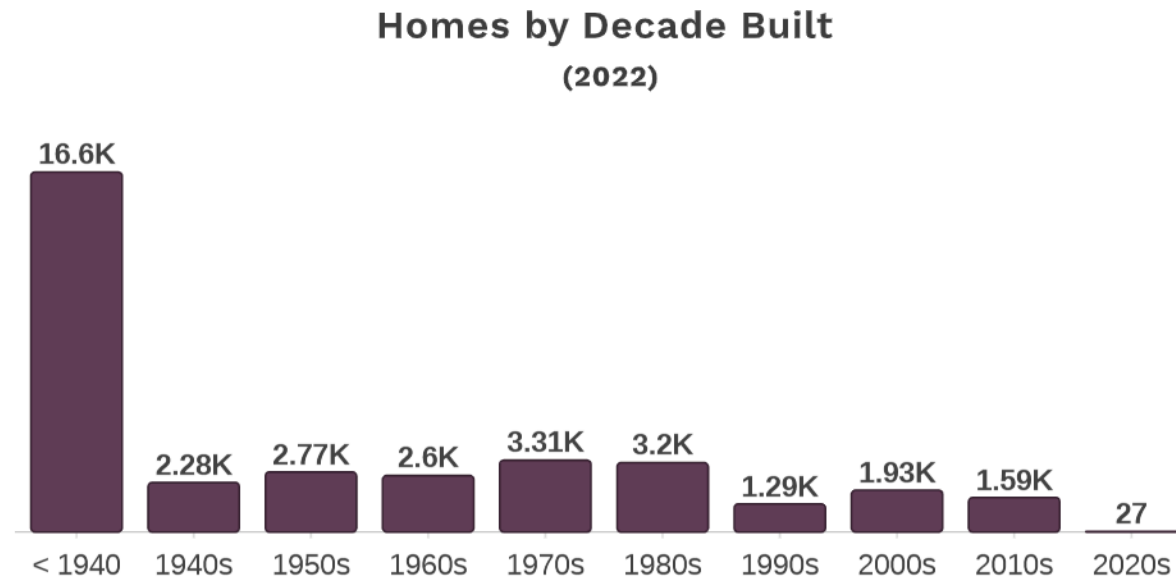
In 2022, 1,667 single family homes in Portland city were occupied by renters. For homes occupied by owners, the majority were single family, with 11,474 homes.



Source: American Community Survey (ACS), US Census Bureau

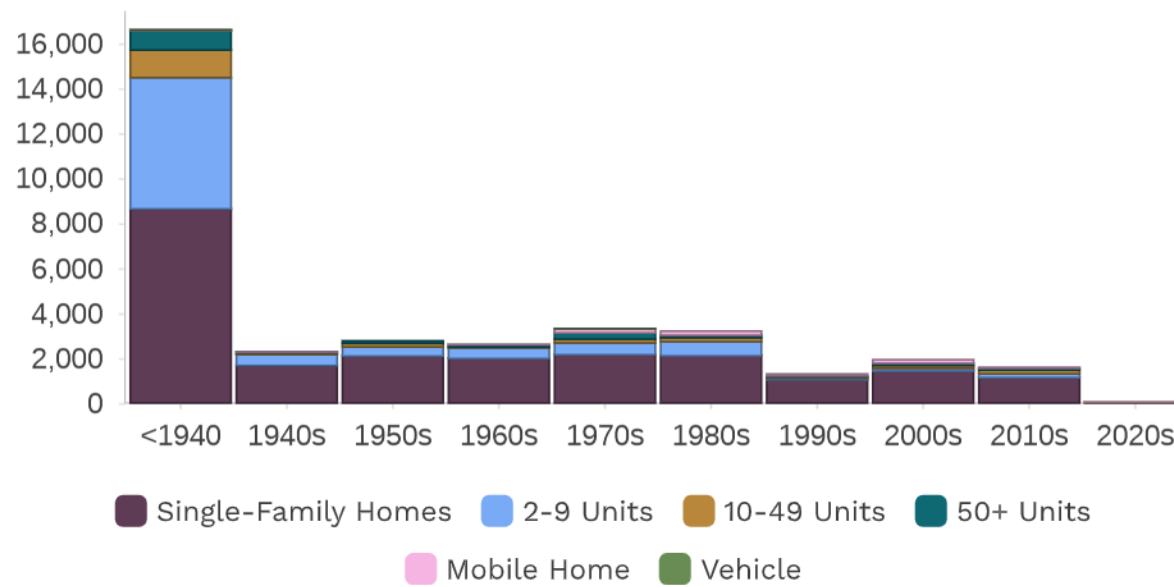
Homes by Decade Built

Of the 35,585 homes in Portland city, 1,586 homes (4.5%) were built between 2010 and 2019. This was less than between 2000 and 2009, when 1,926 homes (5.4%) were built.



Source: American Community Survey (ACS), US Census Bureau

Homes by Decade Built and Typology (2022)

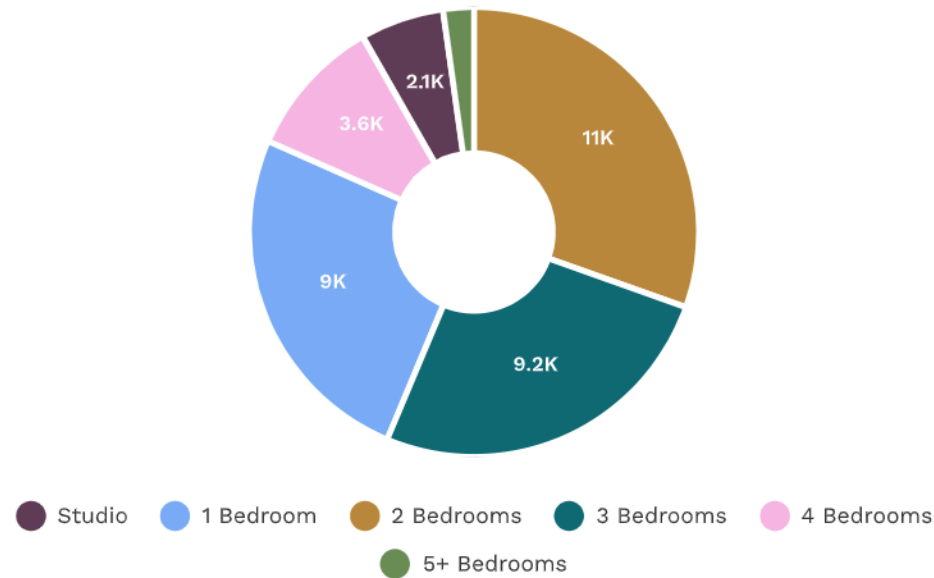


Source: Public Use Microdata Sample (PUMS), US Census Bureau

Vehicle refers to house boats, RVs, camper vans, and other homes.

Homes by Number of Bedrooms

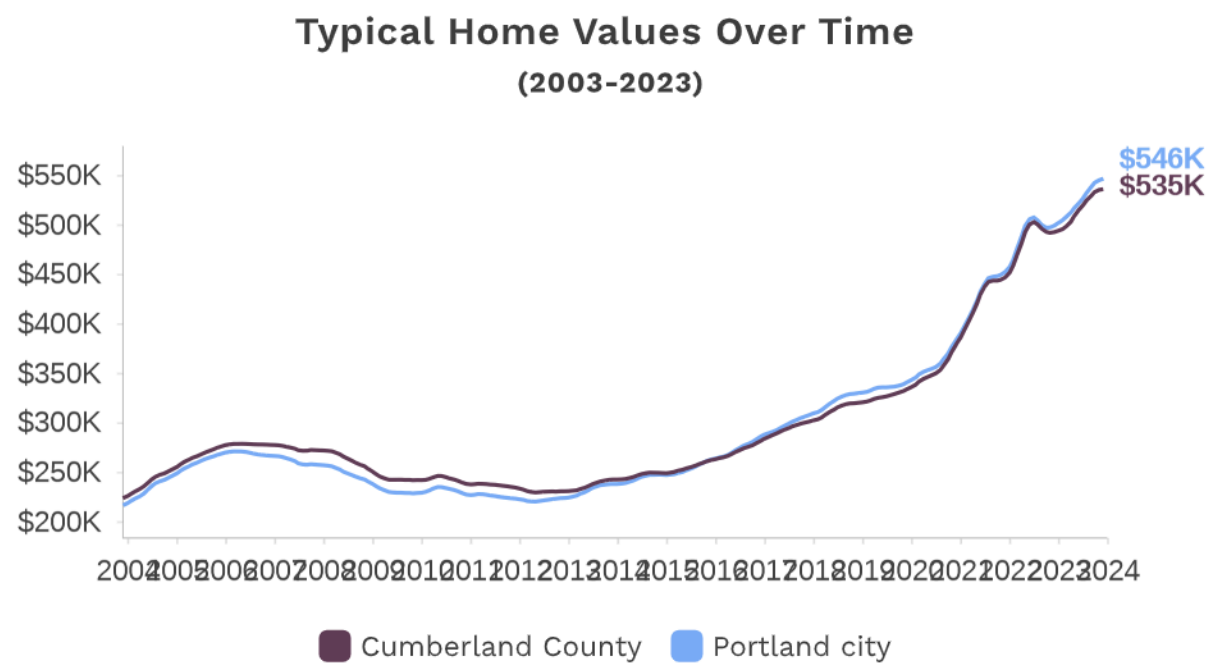
Homes by Number of Bedrooms
(2022)



Source: American Community Survey (ACS), US Census Bureau

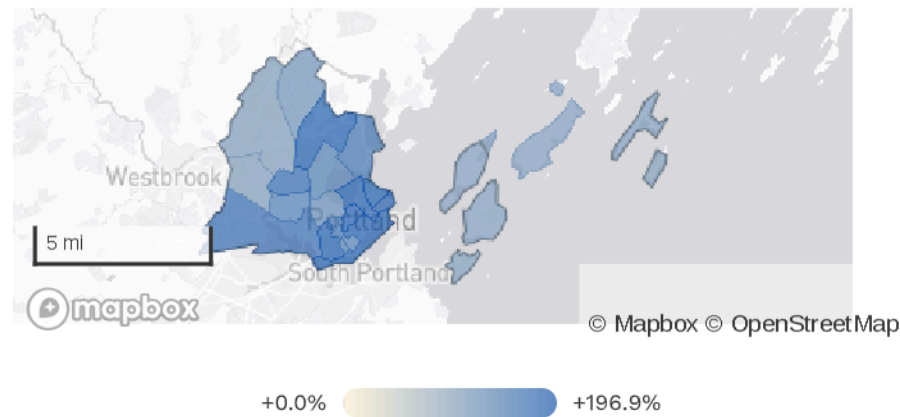
Home Values

Home values in Portland city increased by 129.9% from 2013 to 2023, compared to home values across Cumberland County, which increased by 121.2%.



Source: Zillow Research, Zillow Home Value Index, All Homes Time Series

Change in Median Home Values (2012-2022)

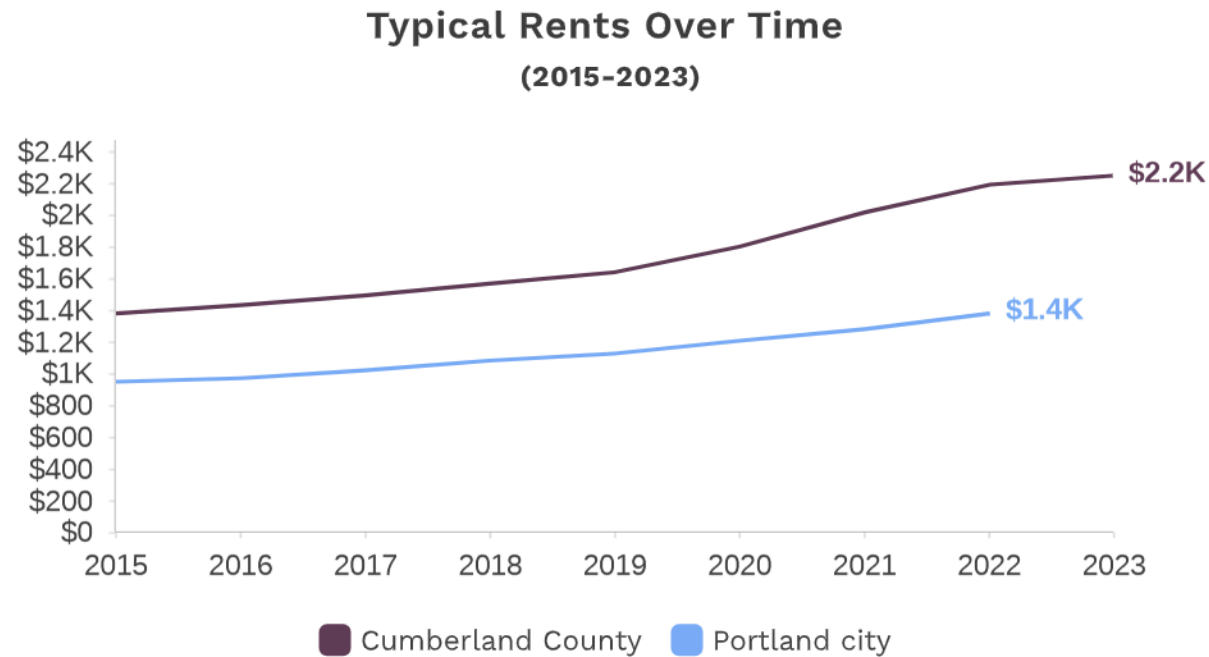


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

Source: American Community Survey (ACS), US Census Bureau

Rents

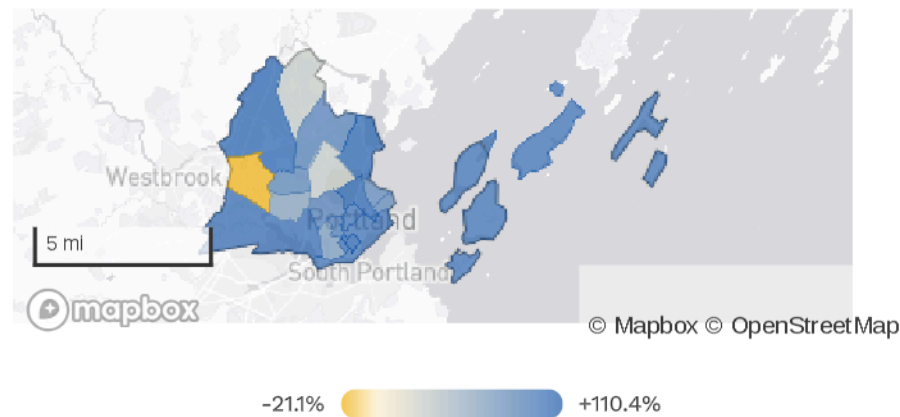
According to the ACS, the median gross rent in Portland city was \$1,377 in 2023. Rent increased by \$431 (45.6%) from 2015 to 2023.



Source: Depending on data availability, rent data comes from Zillow where available, or else from the American Community Survey (ACS).

Data for Portland city comes from the ACS. Data for Cumberland County comes from Zillow. Dollar values are nominal. Where shown, Zillow rents reflect December typical rent values only.

Change in Median Rents (2012-2022)



Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of renter-occupied homes as weights. Dollar values are nominal.

Source: American Community Survey (ACS), US Census Bureau, and HUD-USPS Census Tract Crosswalk File

Affordable Housing Supply

Portland city

Affordable Housing Introduction

Based on a decades-old [standard](#) set by Congress and implemented in U.S. Department of Housing and Urban Developing (HUD) programs, housing is considered affordable when housing and utility costs combined are less than 30% of a household's income.

Households that pay more than 30% of income towards these costs are considered “cost-burdened.” The more a household spends on housing costs, the less residual income it has available for other basic household needs such as food and childcare. Even in healthy housing markets, some households will require assistance to afford market-rate rents because they do not have incomes or their incomes are too low.

This section examines two different types of housing that can be considered affordable: deed-restricted affordable homes, many of which receive subsidy, and unrestricted affordable homes, which are often referred to as “Naturally Occurring Affordable Housing” or “NOAH.”

Area Median Income

AMI stands for Area Median Income, which is a measure of the median income of a specific geographic area (known as Fair Market Rent (FMR) Areas) calculated by HUD to determine eligibility for housing assistance programs. 100% AMI reflects the median income for a given household size.

HUD calculates AMI annually for each metropolitan area and non-metropolitan county in the United States. The calculation is based on the income levels of all households in the area, regardless of their tenure status (i.e., whether they own or rent their homes). The AMI for a specific area is then used as a benchmark for determining eligibility for various housing assistance programs.

This report displays 2022 AMI data to align with the latest demographic and housing unit data from the US Census Bureau, but additional years of data are available through [HUD](#).

Area Median Income by Household Size (2022)

AMI ▲	1	2	3	4	5	6
30% AMI	\$23,460	\$26,820	\$30,180	\$33,510	\$36,210	\$38,8...
50% AMI	\$39,100	\$44,700	\$50,300	\$55,850	\$60,350	\$64,8...
60% AMI	\$46,920	\$53,640	\$60,360	\$67,020	\$72,420	\$77,760
80% AMI	\$62,560	\$71,520	\$80,4...	\$89,360	\$96,560	\$103,6...
Area Median Income (100% AMI)	\$78,200	\$89,4...	\$100,...	\$111,700	\$120,7...	\$129,6...

Source: US Department of Housing and Urban Development (HUD)

Source Notes

Data shown for Portland city come from the Portland, ME HUD Metro FMR Area. Census geographies may not directly align with HUD FMR Areas. To find another HUD FMR Area, explore the [HUD FMR Areas map](#) and access AMI data for other HUD FMR Areas from [HUD's data portal](#).

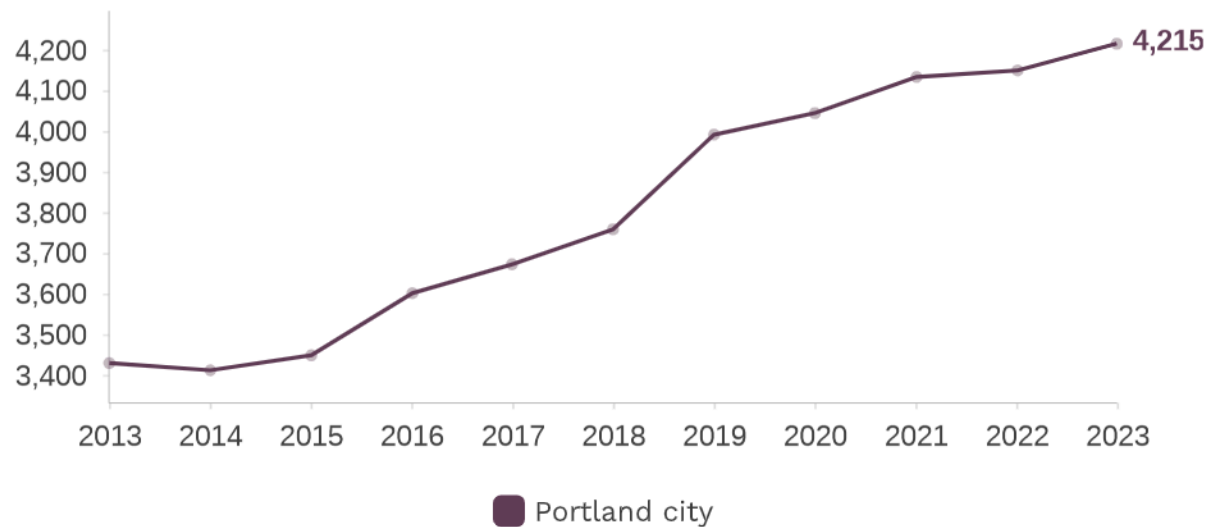
Source: US Department of Housing and Urban Development (HUD)

Deed-Restricted Affordable Homes

Deed-restricted homes commonly receive government subsidy to provide affordable rents and typically have some form of covenant that restricts rent growth. Throughout this report, “deed-restricted affordable housing” refers to state- and federally-assisted rental housing inventoried in the [National Housing Preservation Database \(NHPD\)](#). Deed-restricted homes that receive no public assistance, like some restricted by local statutes or in community land trusts, and those that only receive local government subsidy, such as New York City’s 421-a local tax incentive, are not captured in this dataset.

In Portland city in 2022, 47.4% of the rental homes affordable below 60% of AMI were deed-restricted affordable homes, compared to Cumberland County at 36.9%.

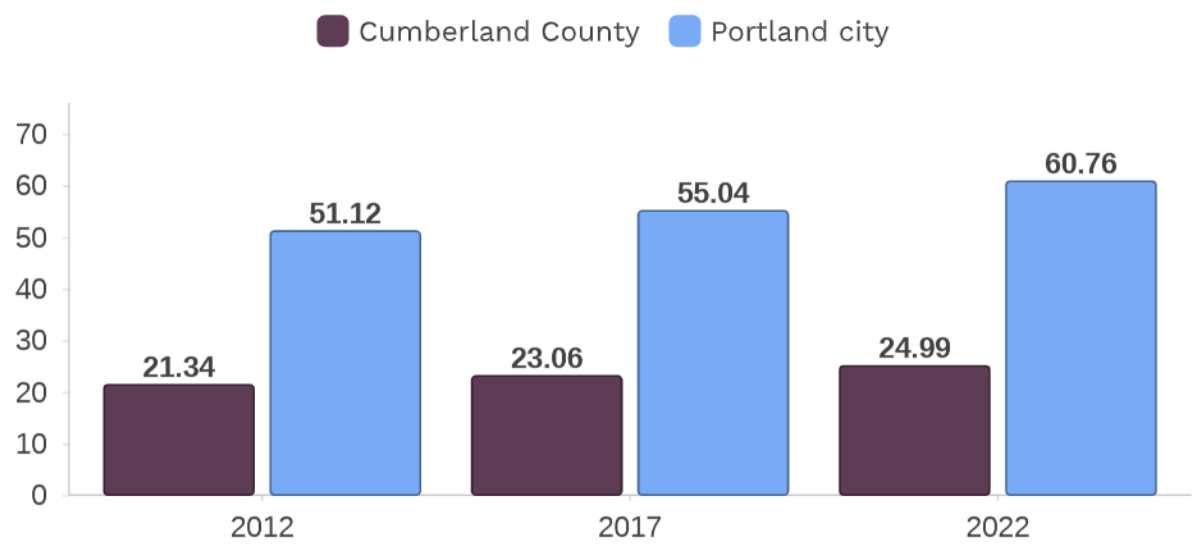
**Total Supply of Deed-Restricted Affordable Homes by Year
(2013-2023)**



Source: National Housing Preservation Database (NHPD)

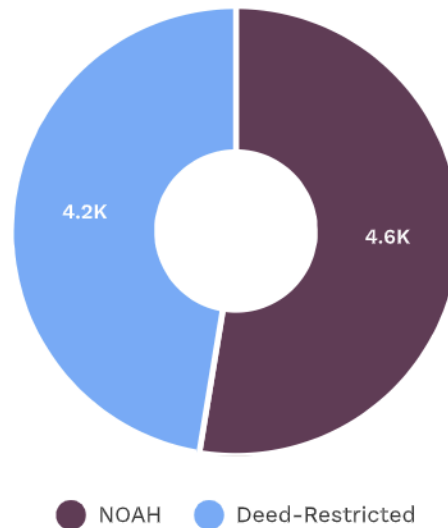
Note: Data reflect the total number of deed-restricted homes in each year with active or inconclusive subsidies based on the earliest start date and latest end date of each property's subsidies.

Deed-Restricted Affordable Homes per 1,000 Population



Source: National Housing Preservation Database (NHPD) and American Community Survey (ACS), US Census Bureau

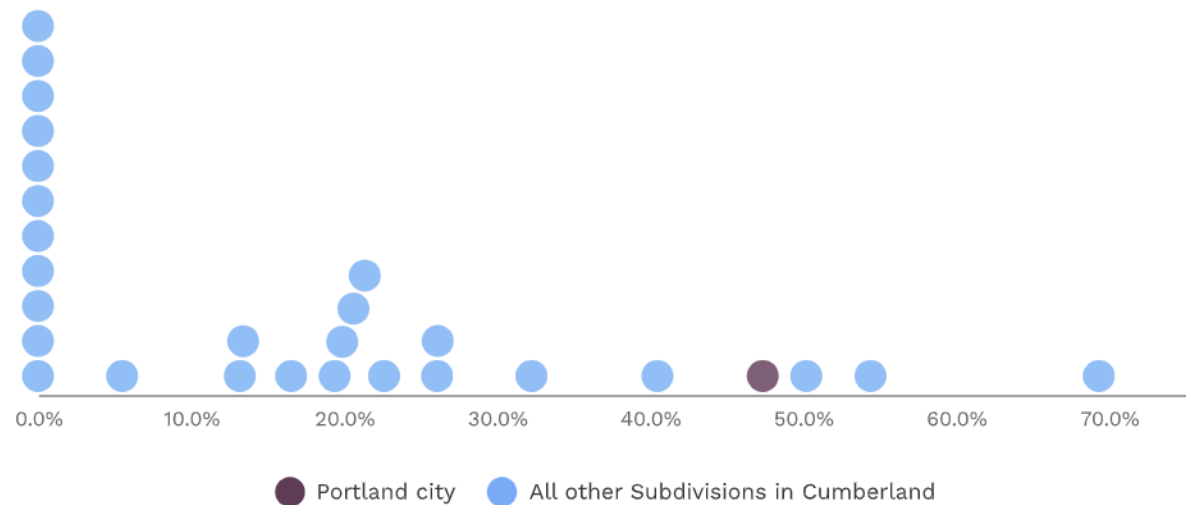
Rental Homes Affordable Under 60% AMI by Deed Restriction Status (2022)



Deed-restricted affordable homes include federally-assisted and some state-assisted homes only. Deed-restricted homes that receive no public assistance or only receive local government subsidy are not included in the deed-restricted category in this chart.

Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

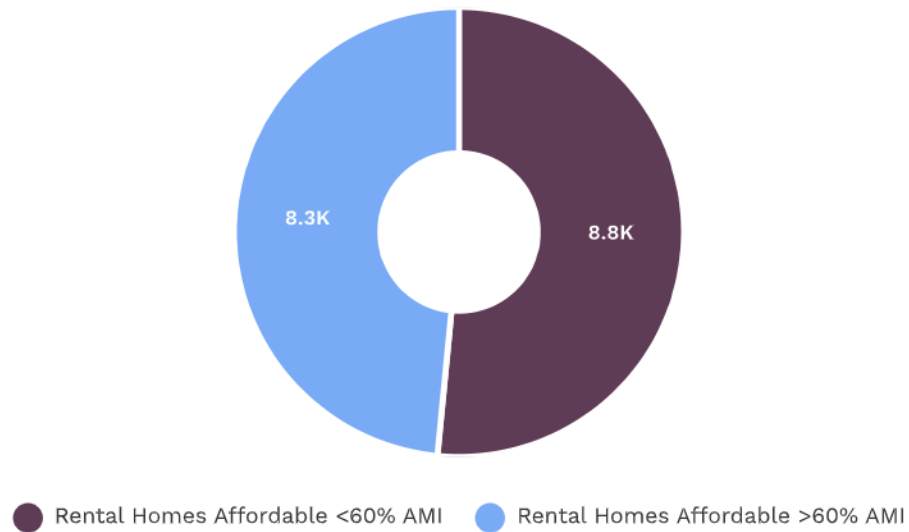
Share of Rental Homes Affordable <60% AMI That Are Deed-Restricted (2022)



Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

Affordable Homes

Share of All Rental Homes Affordable Under 60% AMI
(2022)

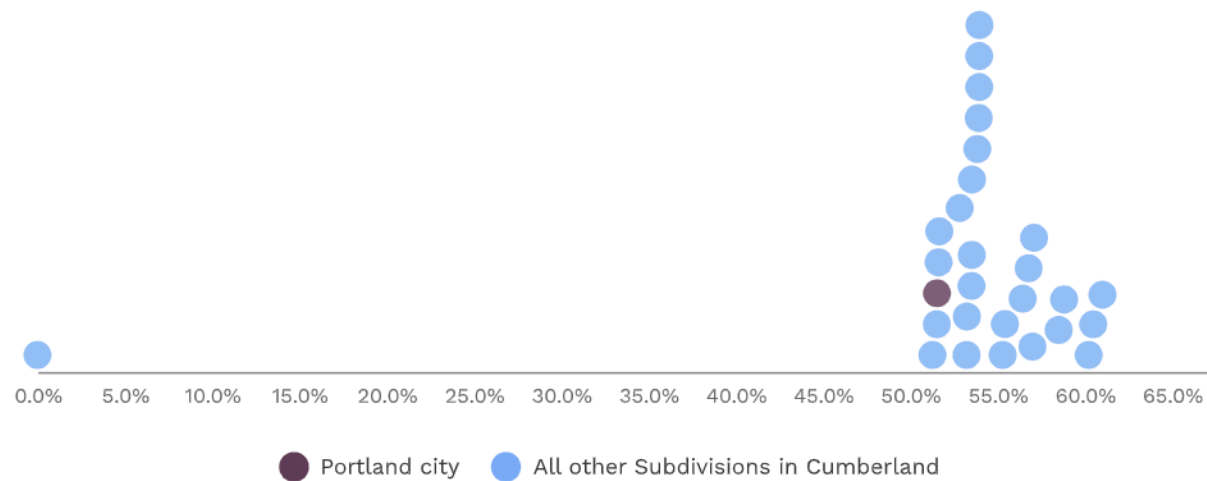


All rental homes includes all deed-restricted and unrestricted rental homes in the market.

Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

Regional Comparison

**Comparative Share of All Rental
Homes Affordable Under 60% AMI
(2022)**

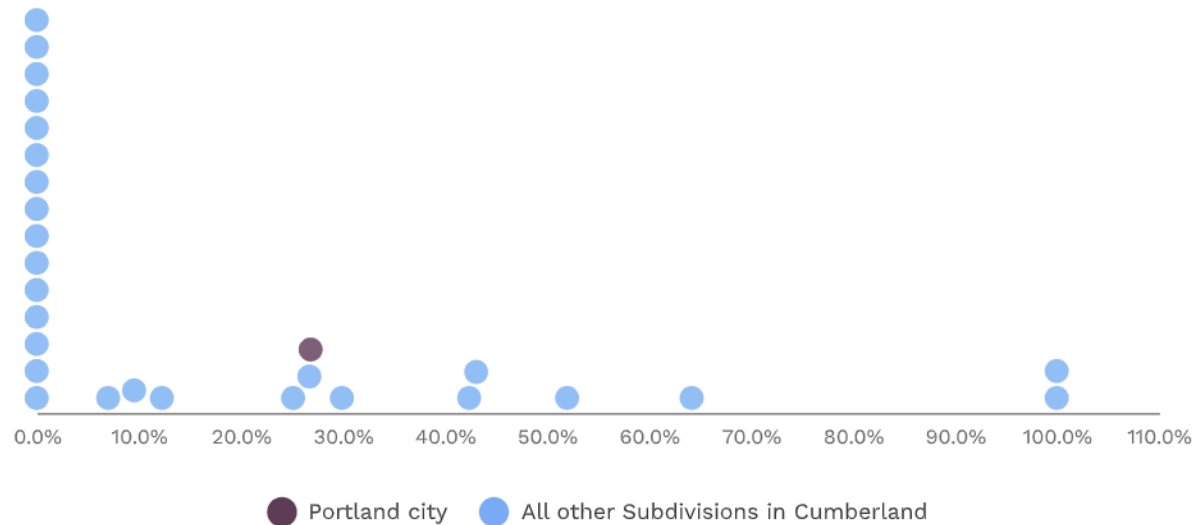


Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

Affordable Housing in Areas of Opportunity

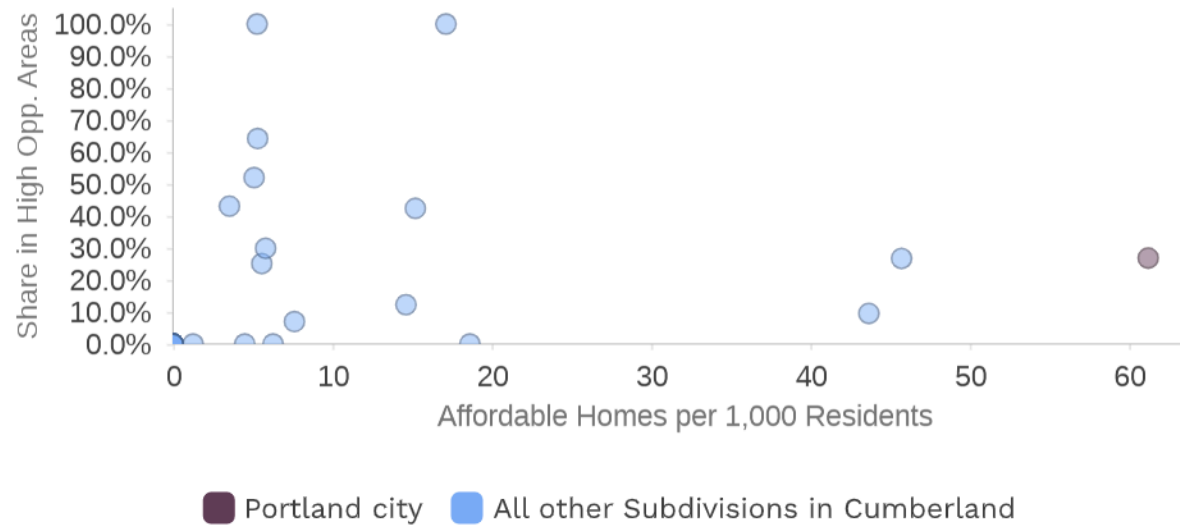
In 2022, 26.9% of the deed-restricted affordable housing stock in Portland city was located in high opportunity areas, which are defined here as properties in census tracts that had a higher median income than Portland city overall.

**Comparative Share of Affordable Housing
Properties Located in High Opportunity Areas
(2022)**



Source: National Housing Preservation Database (NHPD) and American Community Survey (ACS), US Census Bureau

Affordable Homes per Capita Compared to the Share in High Opportunity Areas (2022)



Source: National Housing Preservation Database (NHPD) and American Community Survey (ACS), US Census Bureau

Renter Housing Needs

Portland city

Renter Housing Needs

This section focuses on the housing needs of renters. Information about renter housing needs should be used to inform and shape policies and initiatives that address affordability, accessibility, and quality in the housing market.

Area Median Income

AMI stands for Area Median Income, which is a measure of the median income of a specific geographic area (known as Fair Market Rent (FMR) Areas) calculated by HUD to determine eligibility for housing assistance programs. 100% AMI reflects the median income for a given household size.

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This report displays 2022 AMI data to align with the latest demographic and housing unit data from the US Census Bureau, but additional years of data are available through [HUD](#).

Area Median Income by Household Size (2022)

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Area Median Income (100% AMI)	\$78,200	\$89,4...	\$100,...	\$111,700	\$120,7...	\$129,6...

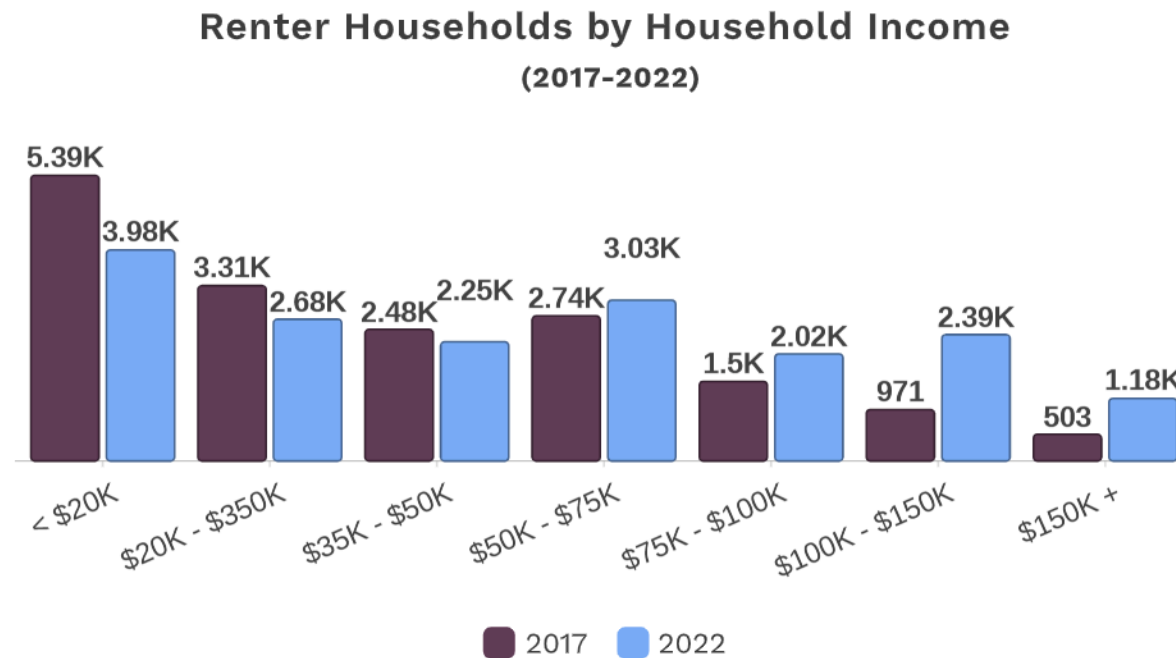
Source: US Department of Housing and Urban Development (HUD)

Source Notes

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Source: US Department of Housing and Urban Development (HUD)

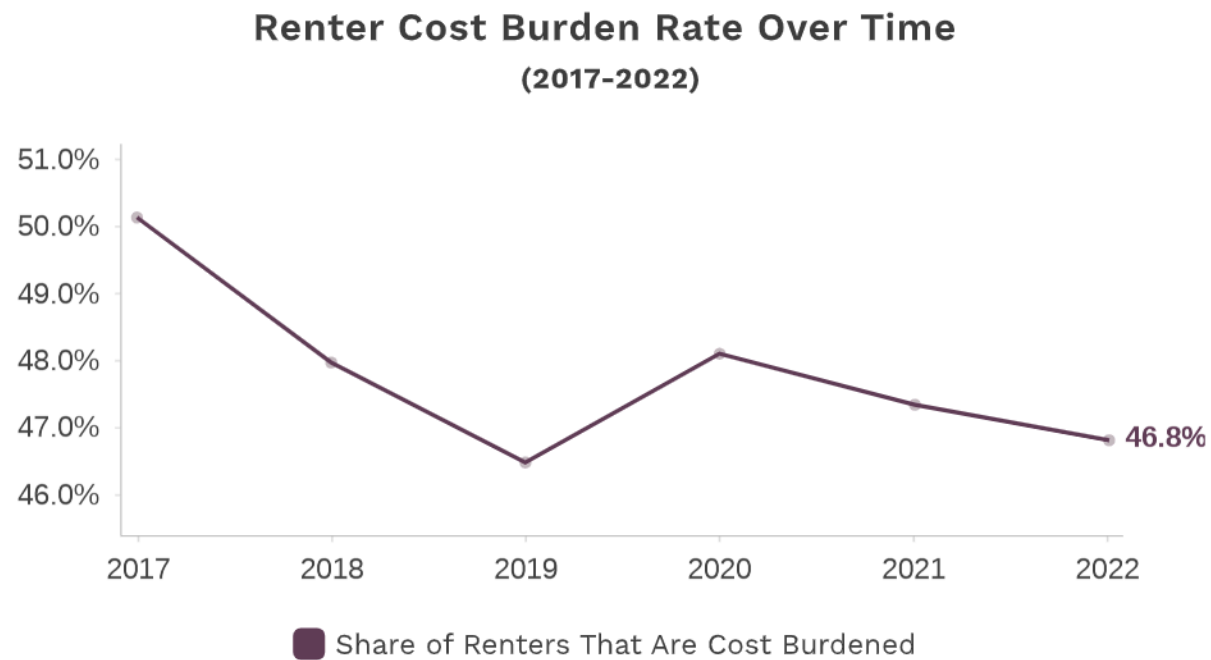
Renter Households by AMI and Income



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

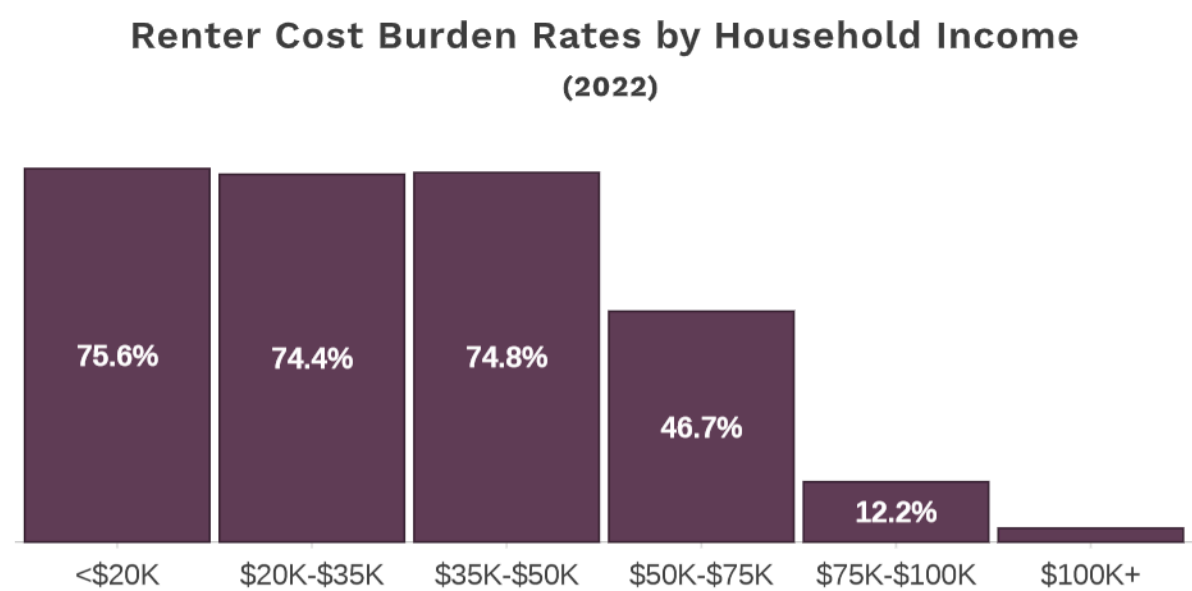
Renter Cost Burden



Source: American Community Survey (ACS), US Census Bureau

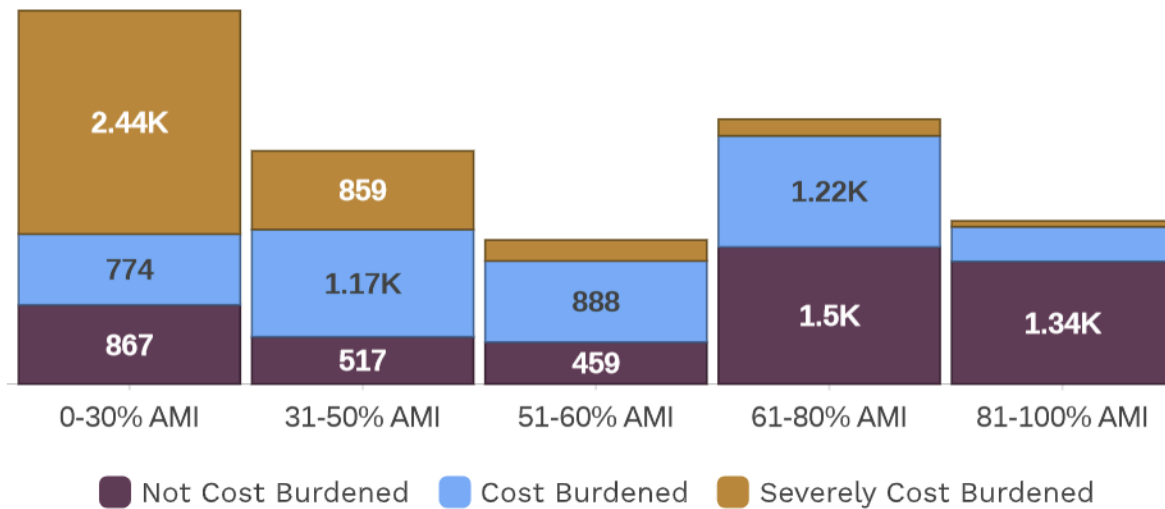
Renter Cost Burden by Income

In 2022, 27.4% of renters in Portland city spent 30-50% of their income on housing (cost burdened), while 22.1% of renters spent more than 50% of their income on housing (severely cost burdened), for a total of 49.5% of all renters.



Source: American Community Survey (ACS)

Renter Cost Burden Rates by AMI (2022)



Source: HR&A analysis calculated using data from the Public Use Microdata Sample (PUMS) and American Community Survey (ACS), US Census Bureau, and from the Multifamily Tax Subsidy Projects (MTSP) Income Limits, US Department of Housing and Urban Development (HUD).

Renter Cost Burden by Cohort

Housing cost burden can sometimes fall disproportionately on specific demographic groups and vulnerable populations, like single parent households or seniors.

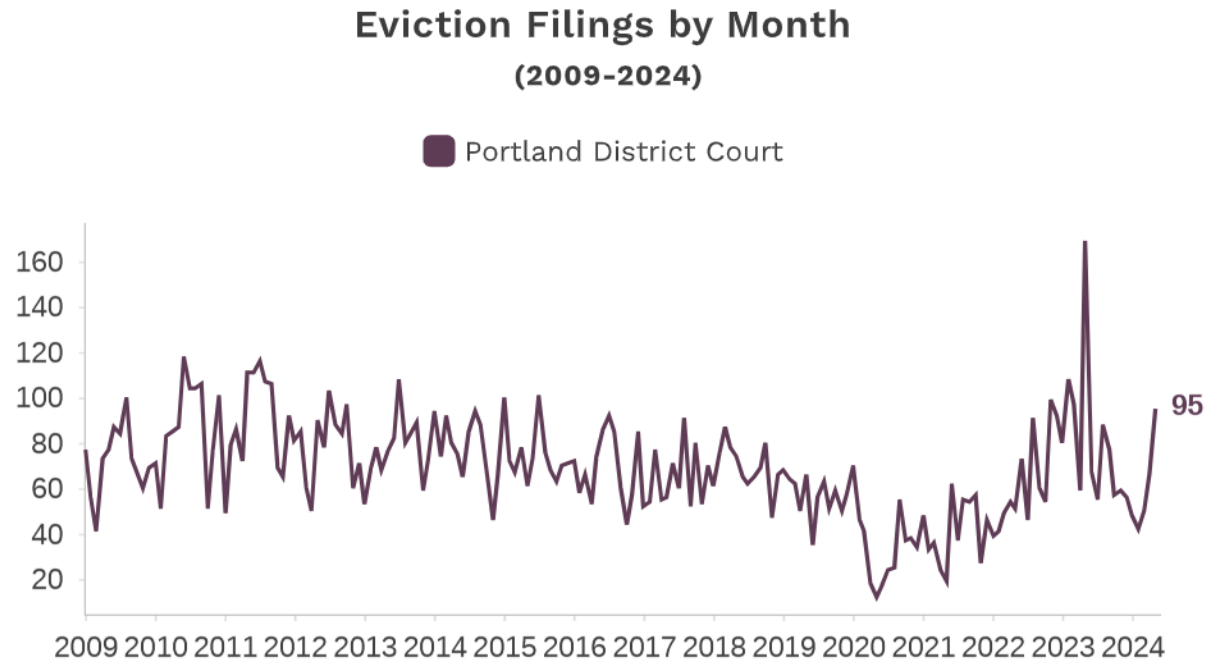
Renter Cost Burden Rates by Cohort
(2022)

Cohort	Portland city ▲
Households of Other Races	43.4%
Households with Children	46.4%
All Renter Households	46.8%
Hispanic/Latino Households	47.9%
White Households	47.9%
Senior Households	54.7%
Black Households	64.3%
Asian Households	69.0%
Single-Parent Households	71.8%

Source: Public Use Microdata Sample (PUMS) and American Community Survey (ACS), US Census Bureau

Eviction Filings

In May 2024, 95 eviction cases were filed in Portland District Court.



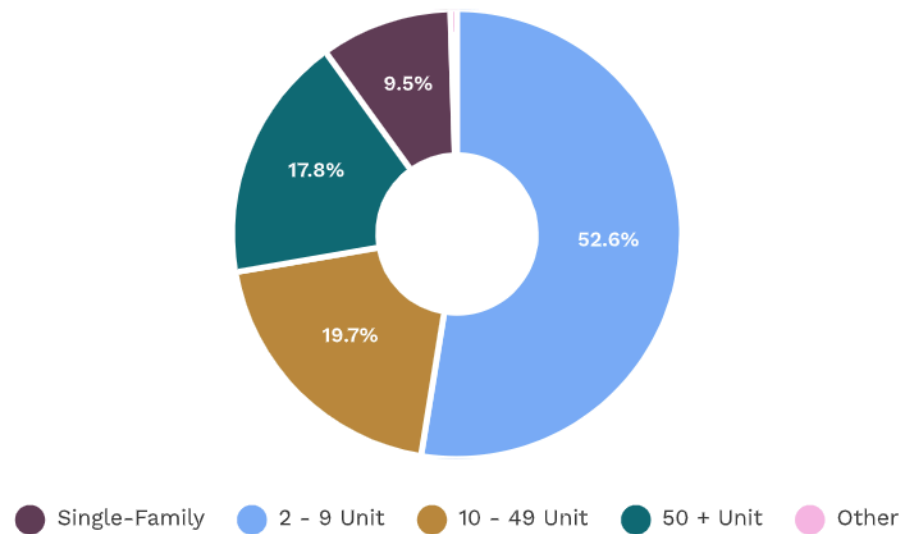
Source: State of Maine Judicial Branch

Data for the State of Maine and its counties includes all eviction cases filed within those jurisdictions. For municipalities, the data reflects eviction filings at the district court serving that municipality, not specific to the municipality itself. Note that where district courts have consolidated, historical data is shown for the individual courts before the mergers.

Rented Homes by Building Typology

There were 17,531 homes occupied by renters in Portland city in 2022.

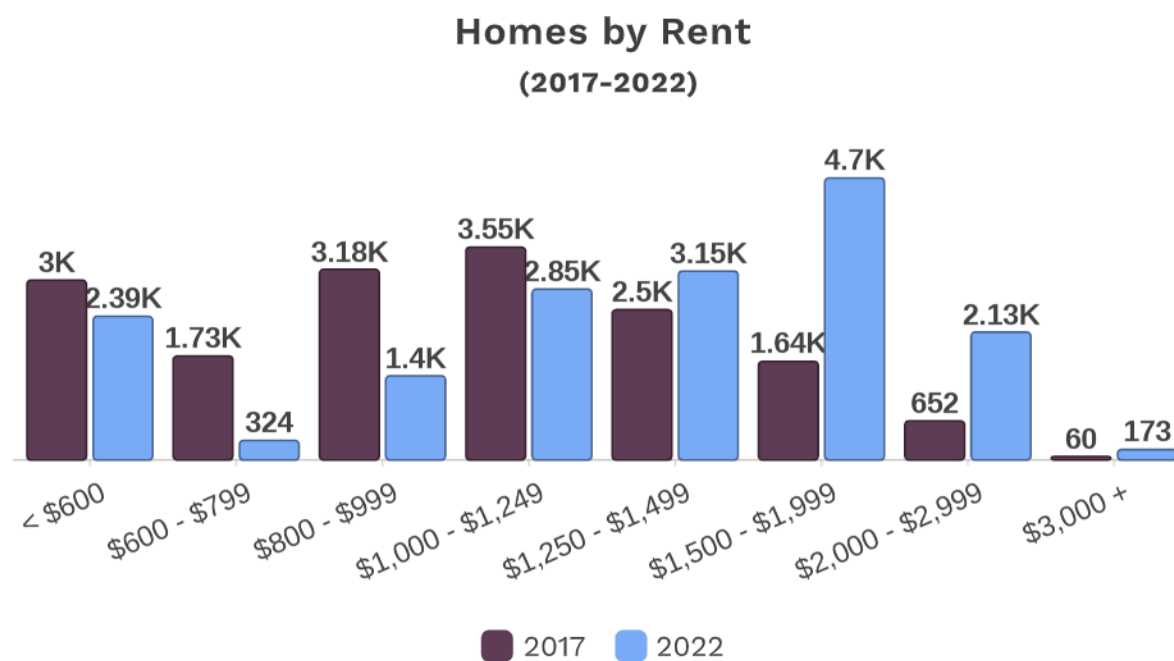
Rented Homes by Building Typology
(2022)



Source: American Community Survey (ACS), US Census Bureau

Homes by Rent

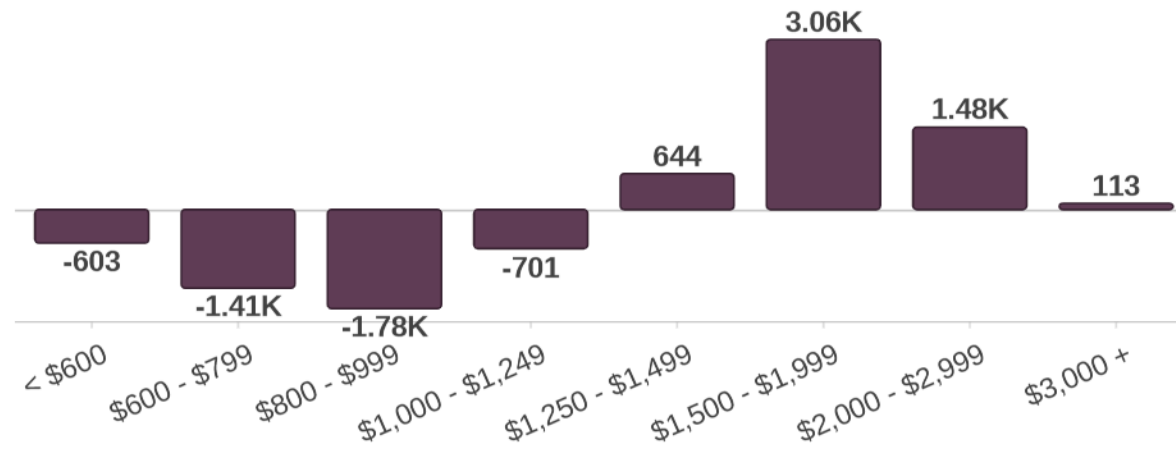
Between 2017 to 2022, the number of homes with rents below \$600 and between \$600-\$799 changed by -20.1% and -81.3% respectively.



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

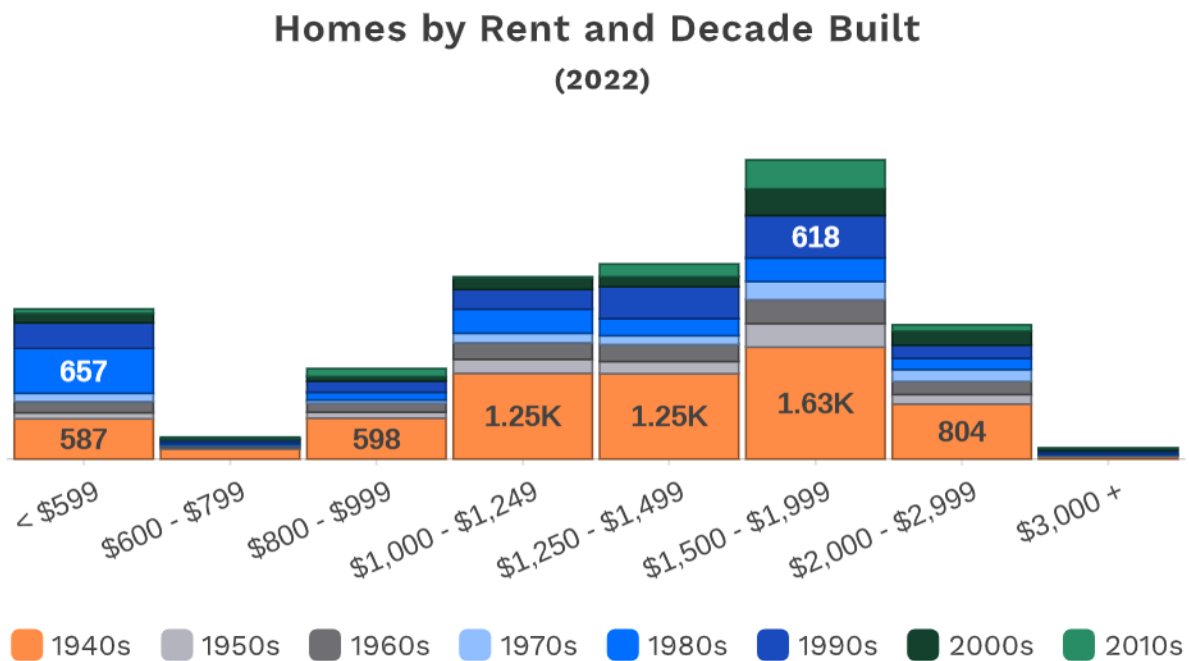
Change in Homes by Rent (2017-2022)



Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

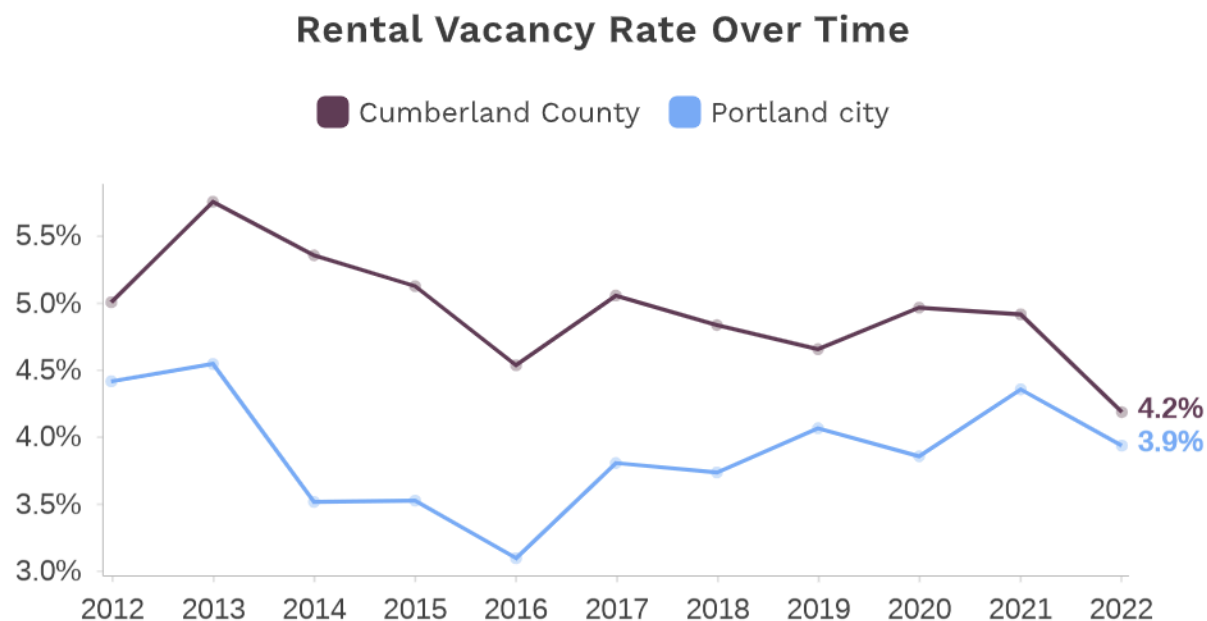
Homes by Rent and Decade Built



Source: Public Use Microdata Sample (PUMS), US Census Bureau

Rental Vacancy Rate

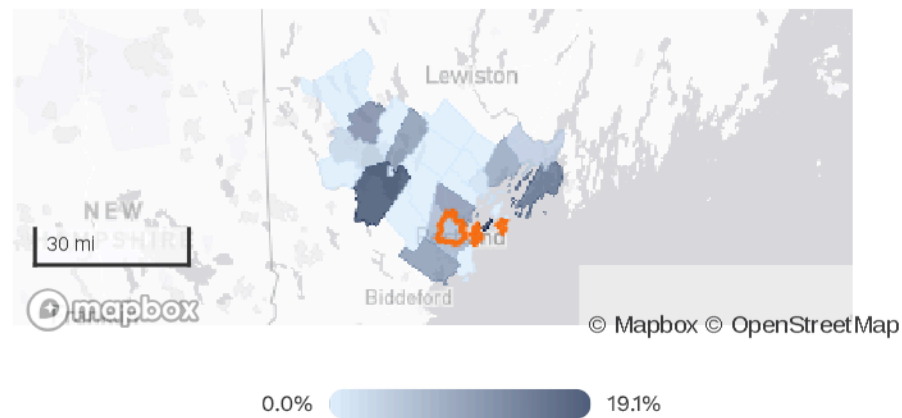
The rental vacancy rate measures the share of all rental housing that is vacant for rent and indicates the availability of rental housing for someone moving homes or moving into the community. In 2022, 3.9% of all rental homes in Portland city were vacant for rent. This reflects a tightening in the rental housing market relative to 2012 when the rental vacancy rate was 4.4%.



Source: American Community Survey (ACS), US Census Bureau

The rental vacancy rate is calculated as homes that are vacant for rent as a percentage of renter-occupied homes, vacant for rent homes, and homes that are vacant and rented but not yet occupied.

Regional Rental Vacancy Rate Comparison (2022)



Source: American Community Survey (ACS), US Census Bureau

Homeowner Housing Needs

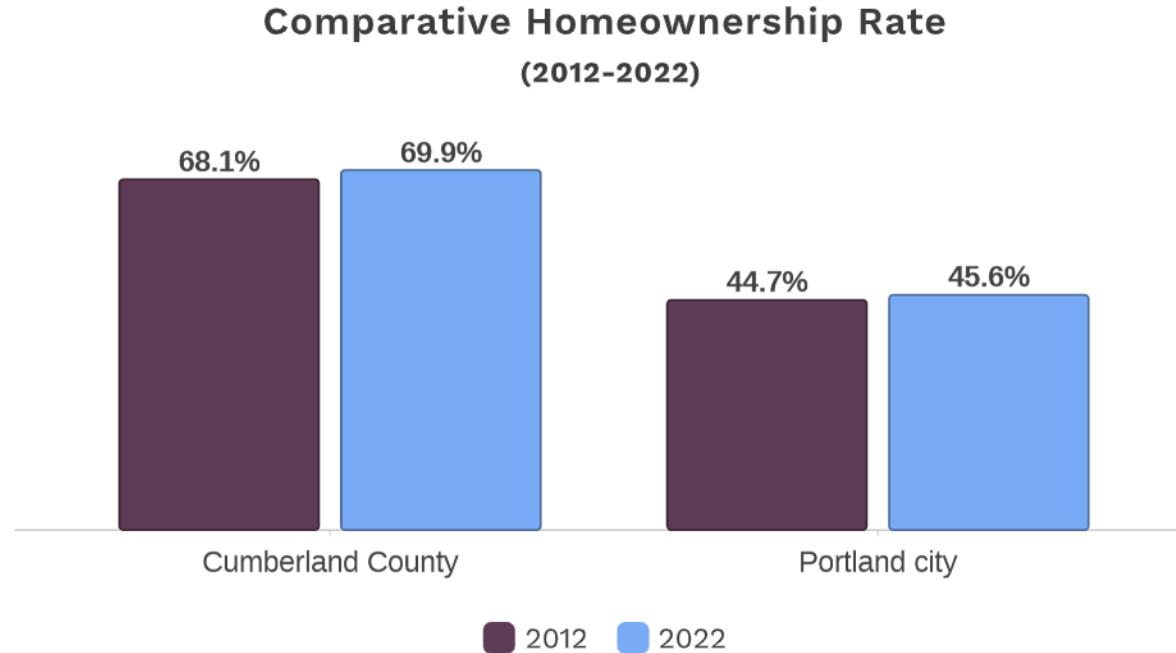
Portland city

Homeowner Housing Needs

Access to homeownership enables households to build assets and housing stability. Homeownership is the largest source of wealth for households in America and disparate access to homeownership and support to sustain ownership contributes to inequality. Barriers to access could include high home prices and a lack of "entry-level" homes; a lack of assets for a down payment; competition from investor-owners, and inequitable access to mortgage loans. Barriers to sustaining ownership include the inability to maintain and repair a home as you age, access to home equity financing and rising property taxes. Tools to expand access to homeownership focus on increasing the supply of entry-level homes and removing structural barriers to ownership.

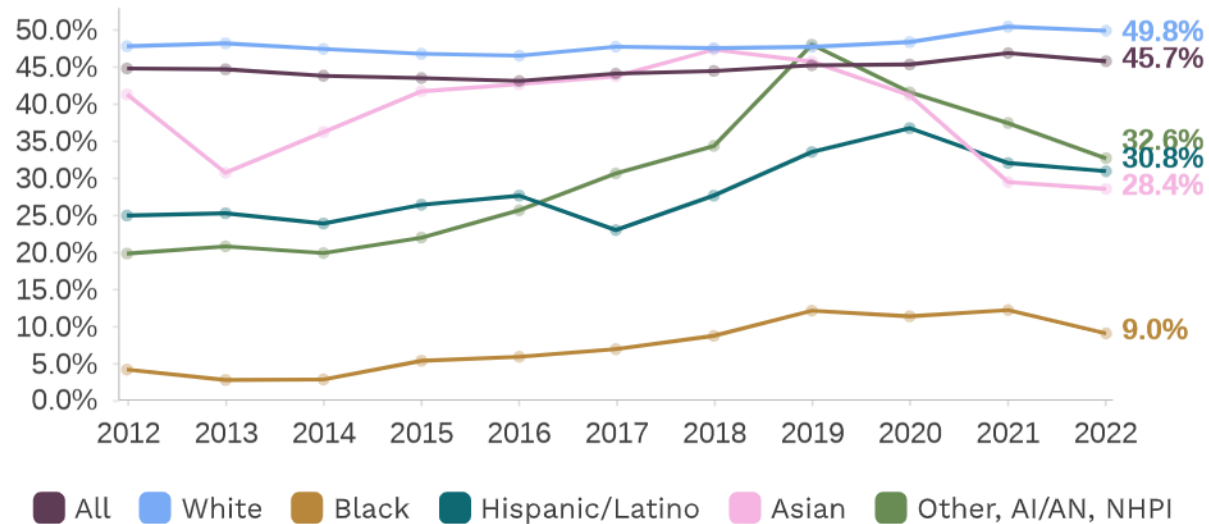
Homeownership Rate

Between 2012 and 2022, the rate of homeownership in Portland city increased by 2.2%. In Cumberland County, the homeownership rate rose by 2.6%. For Black households in Portland city, homeownership rates were -40.8% less than white households in 2022.



Source: American Community Survey (ACS), US Census Bureau

Homeownership Rate by Race and Ethnicity (2012-2022)

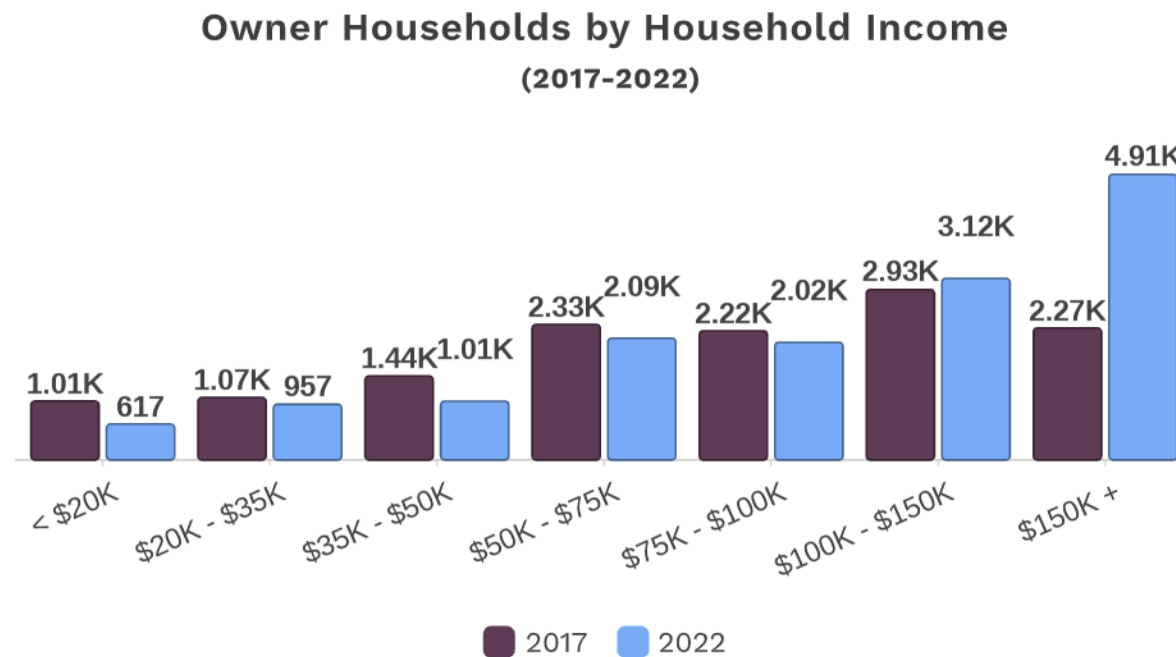


Source: American Community Survey (ACS), US Census Bureau

White refers to non-Hispanic White heads of household only. Hispanic/Latino refers to those of any race whose ethnicity is Hispanic or Latino. All other groups include both Hispanic and non-Hispanic individuals. AI/AN - American Indian or Alaska Native; NHPI - Native Hawaiian or Pacific Islander; Other - Some Other Race and Two or More Races.

Homeowners by Household Income

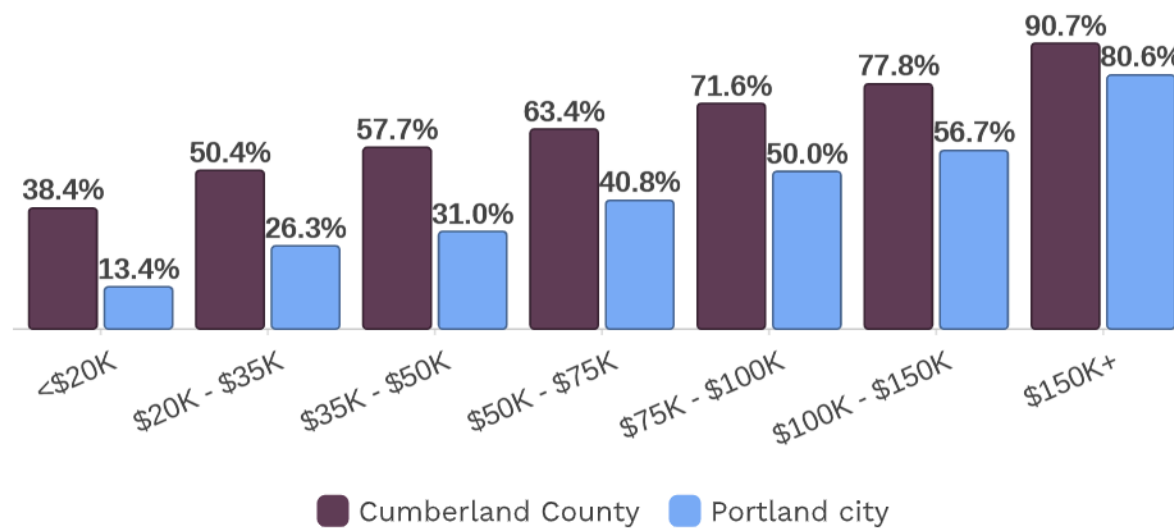
Households making more than \$150K had the highest rates of homeownership in Portland city in 2022 at 33.3%. For households making \$35K - 50K, the homeownership rate was 6.8% and has decreased from 12.6% in 2012.



Source: American Community Survey (ACS), US Census Bureau

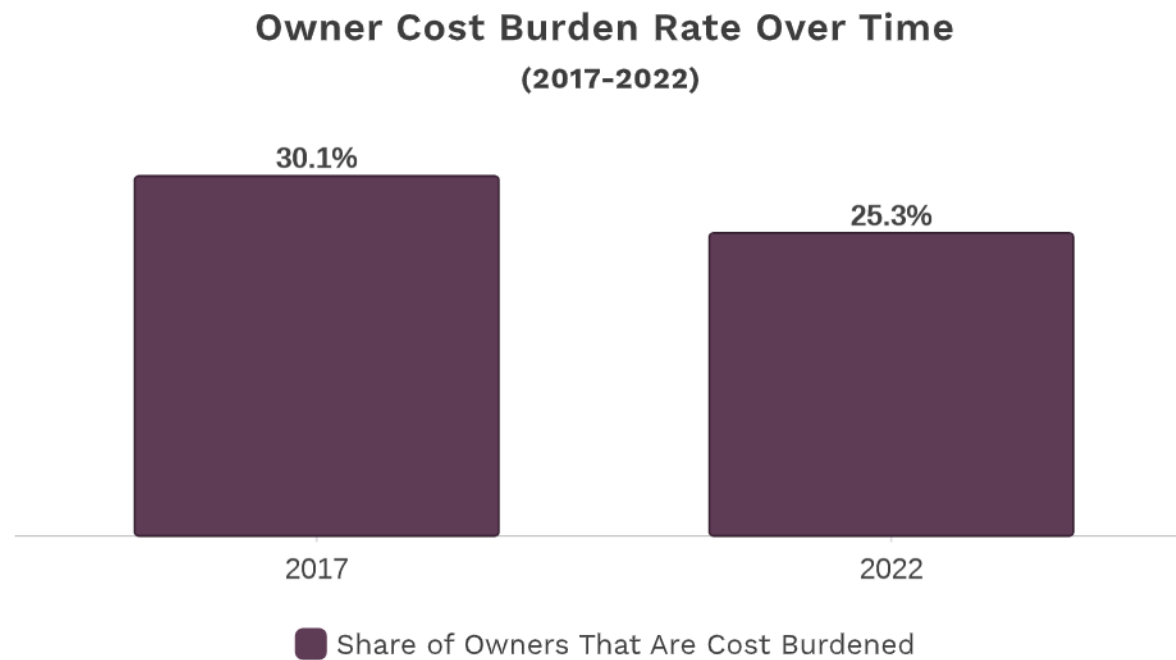
Dollar values are nominal.

Comparative Homeownership Rate by Household Income (2022)



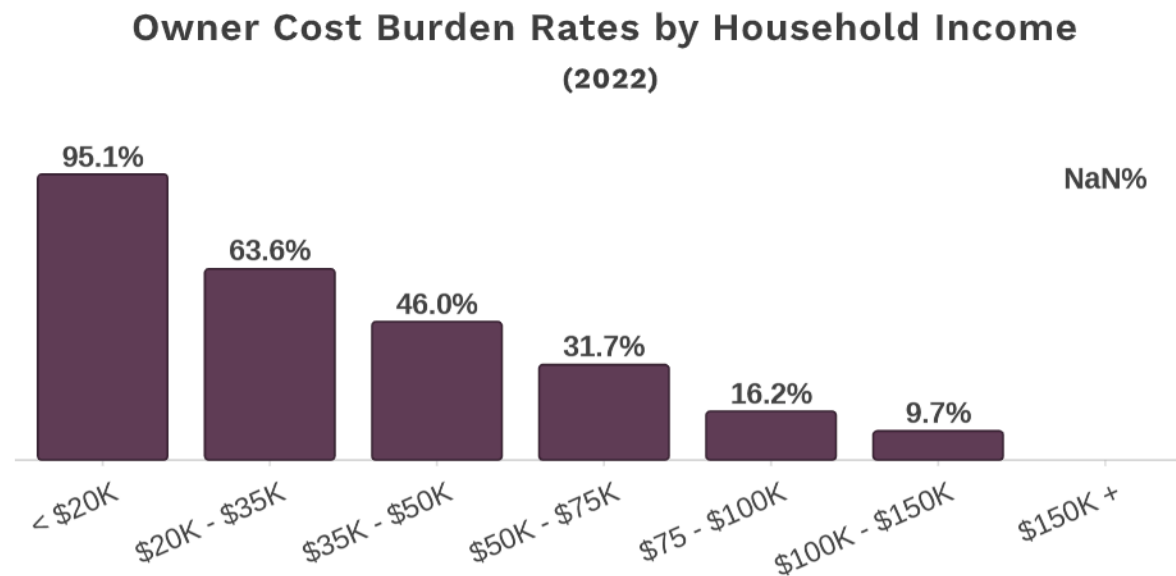
Source: American Community Survey (ACS), US Census Bureau

Owner Cost Burden



Source: American Community Survey (ACS), US Census Bureau

Owner Cost Burden by Income



Source: Public Use Microdata Sample (PUMS), US Census Bureau

Owner Cost Burden by Cohort

Housing cost burden can sometimes fall disproportionately on specific demographic groups and vulnerable populations, like single parent households or seniors.

Owner Cost Burden Rates by Cohort
(2022)

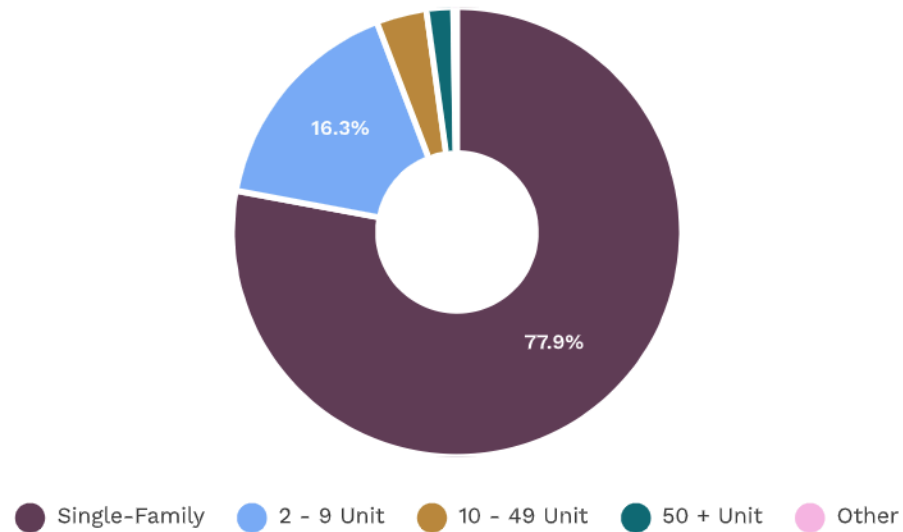
Cohort	Portland city ▲
Households with Children	17.3%
White Households	21.6%
All Owner Households	25.3%
Households of Other Races	26.3%
Hispanic/Latino Households	26.8%
Senior Households	27.8%
Black Households	35.8%
Asian Households	37.3%
Single-Parent Households	56.5%

Source: Public Use Microdata Sample (PUMS), US Census Bureau

Owned Homes by Building Typology

There were 14,722 homes occupied by owners in Portland city in 2022.

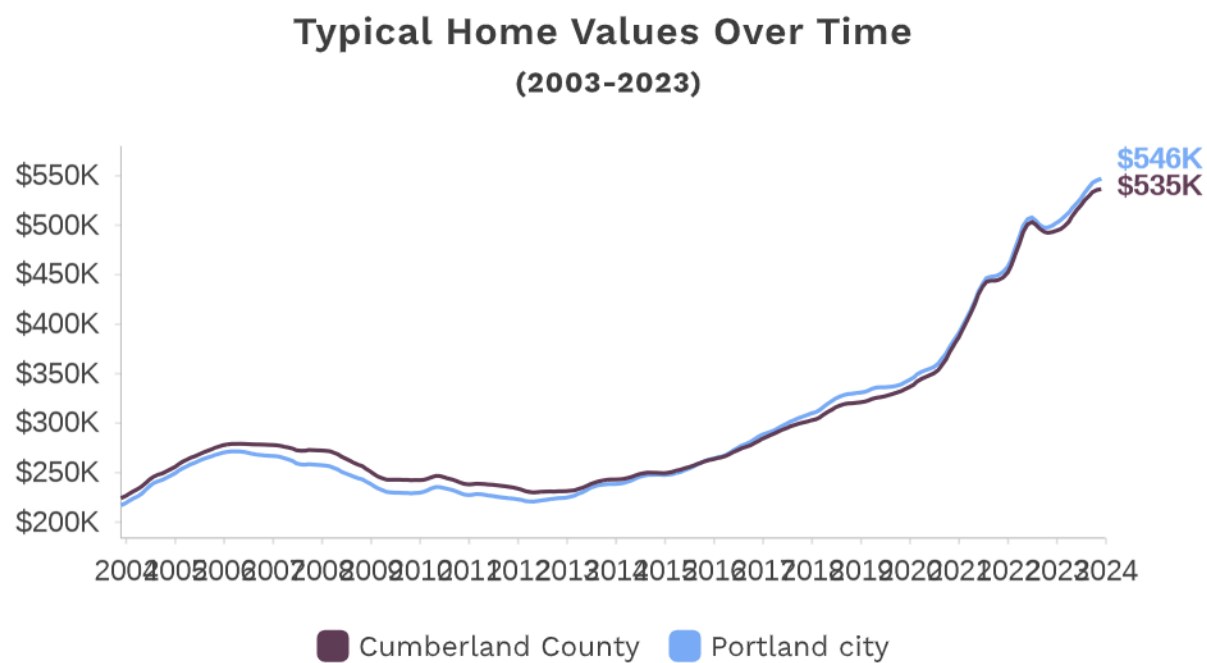
Owned Homes by Building Typology
(2022)



Source: American Community Survey (ACS), US Census Bureau

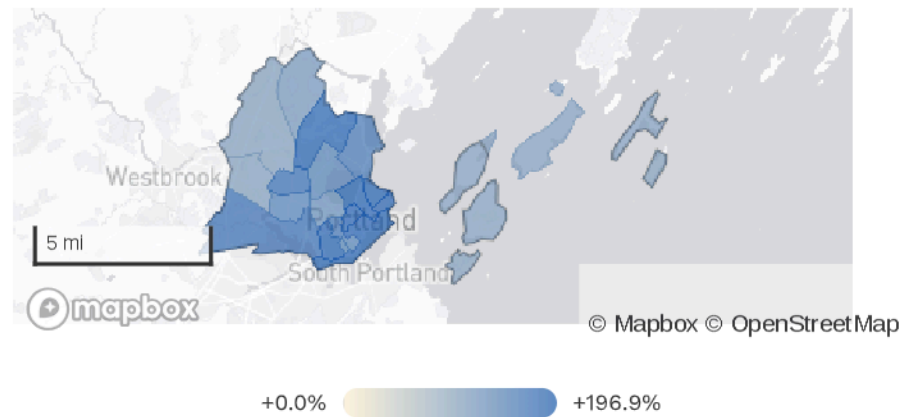
Home Values

Home values in Portland city increased by 144.1% from 2013 to 2023, compared to home values across Cumberland County, which increased by 132.5%.



Source: Zillow Research, Zillow Home Value Index, All Homes Time Series

Change in Median Home Values (2012-2022)



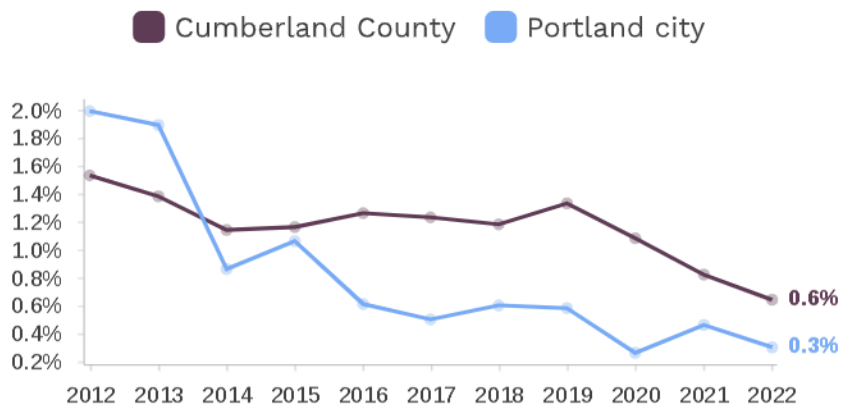
Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

Source: American Community Survey (ACS), US Census Bureau

Homeowner Vacancy Rate

The homeowner vacancy rate measures the share of all homeowner housing that is vacant for sale and indicates the availability of housing for prospective homebuyers. In 2022, 0.3% of all owned homes in Portland city were vacant for sale. This reflects a tightening in the housing market relative to 2012 when the homeowner vacancy rate was 2.0%.

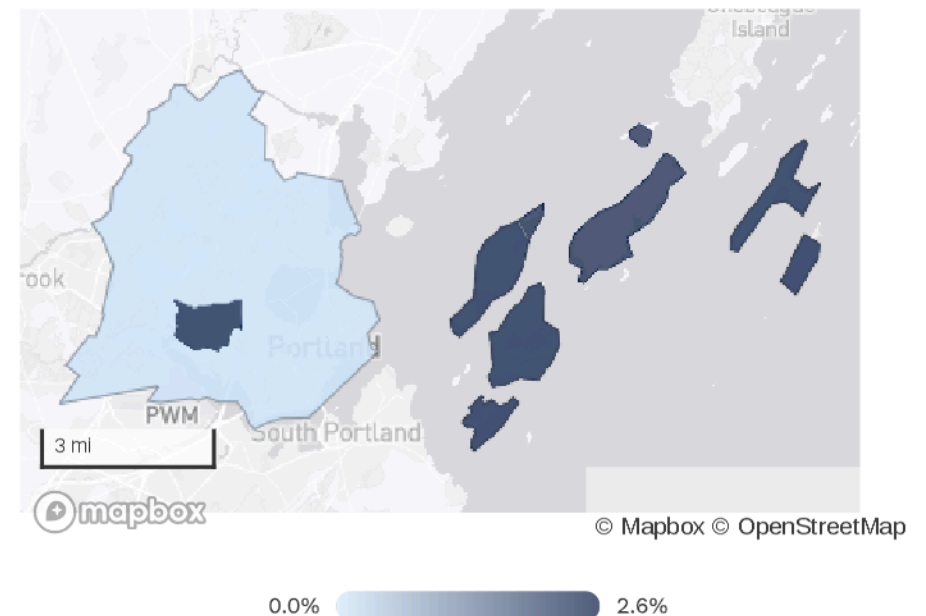
Homeowner Vacancy Rate Over Time



Source: American Community Survey (ACS), US Census Bureau

The homeowner vacancy rate is calculated as homes that are vacant for sale as a percentage of owner-occupied homes, vacant for sale homes, and homes that are vacant and sold but not yet occupied.

Homeowner Vacancy Rate (2022) (2022)



Source: American Community Survey (ACS), US Census Bureau

Sources

Portland city

Sources

This housing needs assessment uses data from:

American Community Survey (ACS), 5-Year Estimates, U.S. Census Bureau.

The American Community Survey (ACS) produces a wide range of demographic, socioeconomic, and housing data at many geographic levels, including down to the local level. The U.S. Census Bureau administers the ACS to about 3% of all U.S. households every year and uses this sample to make estimates nationwide. ACS 5-year estimates represent data collected over five years, denoted by the last year in that period. With more years of data, the 5-year estimates provide a more detailed and reliable picture of the population than the 1-year estimates but include less recent data. The breadth of available data makes the ACS a useful resource for policymakers and researchers seeking to understand population characteristics and housing supply. Data are currently available through 2022. HR&A accesses ACS data from the U.S. Census Bureau's ACS application programming interface (API).

Building Permits Survey (BPS), U.S. Census Bureau.

The Building Permits Survey (BPS) provides monthly data on new permits for residential construction. The U.S. Census Bureau collects voluntary monthly data from the jurisdictions that issue 99% of permits, imputes monthly data for the remaining permit-issuing jurisdictions based on their annual data submissions, and seasonally adjusts the final reported data. BPS data is used to analyze trends in construction activity, which can provide insights into economic growth, urban development, and housing market dynamics. For the most accurate building permits data, refer to local data sources. Data are currently available through 2024. HR&A accesses BPS data from the U.S. Census Bureau's BPS website.

Current Population Survey (CPS), U.S. Census Bureau and U.S. Bureau of Labor Statistics (BLS).

The Current Population Survey (CPS) measures national employment and unemployment. Through a joint sponsorship, the U.S. Census Bureau and Bureau of Labor Statistics (BLS) produce this data on a monthly basis. The CPS's labor force statistics shed light on national economic trends. Data are currently available through 2024. HR&A accesses CPS data from the BLS's CPS website.

Decennial Census of Population and Housing, U.S. Census Bureau.

The Decennial Census is a comprehensive population count carried out by the U.S. Census Bureau every ten years as required by the U.S. Constitution. In addition to counting U.S. residents, the census also collects demographic data on every individual living in the country, including age, race, gender, and household information. The data gathered influences political representation, allocation of resources, and decision-making at various levels of government. Data are currently available through 2020. HR&A accesses Decennial Census data from the U.S. Census Bureau's Decennial Census API.

LEHD Origin-Destination Employment Statistics (LODES), U.S. Census Bureau.

Under the Local Employment Dynamic (LED) data partnership, the U.S. Census Bureau combines detailed, longitudinal, geographic data about employers and employees from several federal and state data sources. Once combined, the resulting Longitudinal Employer-Household Dynamics (LEHD) data are used to produce the LEHD Origin-Destination Employment Statistics (LODES). LEHD data are particularly useful for analyzing labor market dynamics across space and time. By mapping the data, policymakers and researchers can visualize geographic concentrations of employment and identify commuting patterns. This spatial analysis helps in understanding workforce movements, urban development, and the impact of economic policies on local and regional labor markets. Data are currently available through 2021. HR&A access LODES data from the U.S. Census Bureau's LODES website.

Local Area Unemployment Statistics (LAUS), U.S. Bureau of Labor Statistics (BLS).

The U.S. Bureau of Labor Statistics (BLS) calculates Local Area Unemployment Statistics (LAUS) monthly to help policymakers and researchers track employment and unemployment at local levels. LAUS estimates are produced based on data from the American Community Survey (ACS), the Current Population Survey (CPS), the Current Employment Statistics (CES) survey, and state unemployment insurance (UI) data systems. Data are currently available through 2024. HR&A accesses LAUS data from the BLS's LAUS website.

Multifamily Tax Subsidy Projects (MTSP) Income Limits, U.S. Department of Housing and Urban Development (HUD).

The Multifamily Tax Subsidy Projects (MTSP) Income Limits set the maximum incomes for households to qualify for affordable housing funded by the Low-Income Housing Tax Credit (LIHTC) and tax-exempt bonds. Federal mandates require the U.S. Department of Housing and Urban Development (HUD) to update income limits annually based on the median family income for households of different sizes in each HUD Fair Market Rent (FMR) Area across the country. HUD's income limits are critical for understanding the supply of, need for, and development of affordable housing. Data are currently available through 2023. HR&A accesses MTSP Income Limits from the HUD website.

National Housing Preservation Database (NHPD), Public and Affordable Housing Research Corporation (PAHRC) and National Low Income Housing Coalition (NLIHC).

The National Housing Preservation Database (NHPD) compiles data on federally assisted—and some state-assisted—rental housing properties in the United States. As a longitudinal and deduplicated database, NHPD data tracks the supply of affordable housing over time, including each property’s location, funding source(s), and physical conditions. NHPD sheds light on potential affordability expirations, helping policymakers and researchers identify affordable housing in need of preservation. Data are currently available through 2024. HR&A accesses NHPD data from the NHPD website.

Occupational Employment and Wage Statistics (OEWS), U.S. Bureau of Labor Statistics (BLS).

The Occupational Employment and Wage Statistics (OEWS) provide employment and income data for each occupation at a variety of geographic levels. Based on its annual survey of employers and federal-state cooperation for data collection, the U.S. Bureau of Labor Statistics (BLS) calculates OEWS estimates each year. OEWS data inform policymakers and researchers about labor market conditions, employment, and wages in different jobs across the country. Data are currently available through 2022 . HR&A accesses OEWS data from the BLS’s OEWS website.

Population Level Analysis and Community Estimates (PLACES), U.S. Centers for Disease Control and Prevention (CDC).

The Population Level Analysis and Community Estimates (PLACES) dataset provides small area estimates for chronic health conditions and their risk factors. PLACES data are derived from the Behavioral Risk Factor Surveillance System (BRFSS), which incorporates data from ongoing telephone surveys administered by the U.S. Centers for Disease Control and Prevention (CDC) in partnership with state health departments. Data are currently available through 2021. HR&A accesses PLACES data from the CDC’s PLACES website.

Public Use Microdata Sample (PUMS), 5-Year Estimates, U.S. Census Bureau.

The Public Use Microdata Sample (PUMS) is a subset of data from the U.S. Census Bureau’s American Community Survey (ACS). Instead of the ACS’s data which are pre-tabulated at the geography level, PUMS data are anonymized and published at the individual and housing unit levels. PUMS allows researchers to access detailed demographic, economic, and housing data for customized analyses while protecting respondents' privacy. Data are currently available through 2022. HR&A accesses PUMS data from the Census Bureau’s PUMS API.

Statistics of Income (SOI) Migration Data, Internal Revenue Service (IRS).

By linking individual income tax returns filed over time, the Internal Revenue Service (IRS) identifies address changes from the prior year. The Statistics of Income (SOI) Migration Data counts these residential moves as inflows and outflows from county-to-county and state-to-state, breaking down counts by individuals and households and providing the total adjusted gross income for movers to and from each geography. SOI Migration Data are perhaps the best publicly available data source tracking internal

migration within the United States. Data are currently available through 2021. HR&A accesses the SOI Migration Data from the IRS website.

Zillow Housing Data, Zillow Research.

Zillow Research is a division of the online real estate marketplace Zillow that focuses on conducting and publishing housing market indexes, analyses, and reports. Zillow’s data covers various aspects of the housing market, such as home values, rent prices, for-sale listings, and market predictions, using data collected from their platform and other sources. Data are currently available through 2024. HR&A accesses Zillow Research’s Housing Data from the Zillow website.

Housing Needs Assessment - Portland city | 112

City of Portland | Office of the Mayor and City Council
Kate Sykes, Councilor (District 5)



To: Mark Dion Mayor and City Councilors
From: Kate Sykes, Councilor
Date: July 12, 2024
Re: Orders 26-24/25 and 25-24/25

Mayor Dion and Councilors:

The question of raising the minimum wage in Portland was put to voters by citizen referendum in 2022, paired with a question to eliminate the sub minimum wage. “An Act to Increase the Minimum Wage,” Sponsored by Councilors Phillips, Trevorrow, and Sykes and “An Act to Eliminate Portland's Sub-Minimum Wage For Service Employees” sponsored by Councilors Pelletier, Trevorrow, and Sykes have been drafted to address a number concerns raised by opponents of those measures, and will give voters a chance to consider each one separately.

Why raise the minimum wage in Portland?

A minimum wage worker in Portland currently makes less than \$31,200 a year. That is less than half the median income in Portland. In 2022, the Maine Center for Economic Policy published an analysis of the likely impacts of an increase to the minimum wage in Portland to \$18 an hour by 2025. It found that 17,800 private sector workers would be positively impacted and 4,800 would be indirectly impacted as employers voluntarily raise wages to remain competitive with the new minimum wage. Two thirds of those workers were estimated to be women. Additionally, 39 percent of Latinx workers, 56 percent of Black workers, 51 percent of Asian workers, and 51 percent of Indigenous workers in Portland were projected to see wage increases. It also found that three quarters of workers with less than a high school education would see a wage increase, as well as almost half of those with some college credits but no degree. Raising the minimum wage to \$20 an hour by 2028, will likely extend the impacts to our lowest income workers.

Raising the minimum wage puts more money in the pockets of those who need it most, and it's also one of the most effective tools we have at our disposal for confronting and reversing the affordable housing crisis. Right now, almost half of Portland renters are housing cost burdened, which means they pay over 30% of their income just to avoid homelessness. (See page 87 of the Maine Housing Data Portal Report, “Housing Needs Assessment – Portland

City”). The overwhelming majority of workers making under \$20 an hour in Portland are renters. Raising the minimum wage and eliminating the subminimum wage will make housing more affordable for tens of thousands of people.

Why eliminate the sub–minimum wage for service workers in Portland?

The wages of tipped workers typically fall in the bottom quartile of all U.S. wage earners, even after accounting for tips. Tipped workers are more likely to live in poverty and rely on public benefits than non–tipped workers, and the subminimum wage exacerbates the economic impacts of racism by contributing to a larger poverty gap between white service workers and service workers of color. Women, who make up 70% of tipped labor in Portland, frequently report being sexually harassed, often by the very same customers whose tips they depend on for income. In 2020, Maine eliminated the subminimum wage for disabled workers, but tipped workers still suffer under this inequitable law. It’s time that Portland leads the way in demanding one fair minimum wage for all workers.

In 2022, the Maine Center for Economic Policy published an analysis of the likely impacts of phasing out the tipped minimum wage by 2025. It estimated that eliminating the sub–minimum wage for service employees would positively impact 1500 workers in Portland.

Further, the report noted that “customers in states without a tipped minimum wage still leave tips at similar frequencies and amounts to those in other states. As a result, workers earning the full minimum wage plus tips are better off than those earning a lower minimum wage plus tips.”

Additional studies show that paying tipped workers the regular minimum wage has had no discernible effect on leisure and hospitality employment growth in the states where tipped workers receive the full regular minimum wage. Studies show that sector growth in these states has been stronger since 1995 than in the states where tipped workers are paid a subminimum wage.

If passed by voters, An Act to Eliminate the Sub–Minimum Wage will ensure that tipped workers receive the full minimum wage that all workers receive, plus tips, by 2034. To address concerns raised in the MCEP report, the phase–in schedule was changed from the 2022 citizen initiated ballot question, to be more gradual, occurring over a ten year period, rather than five.

Attachments: Housing Needs Assessment – Portland City; Portland 2022 Minimum Wage Initiative Analysis James Myall, Economic Policy Analyst, MECP

Analysis of Proposed Minimum Wage Increases for the City of Portland

James Myall, Senior Policy Analyst

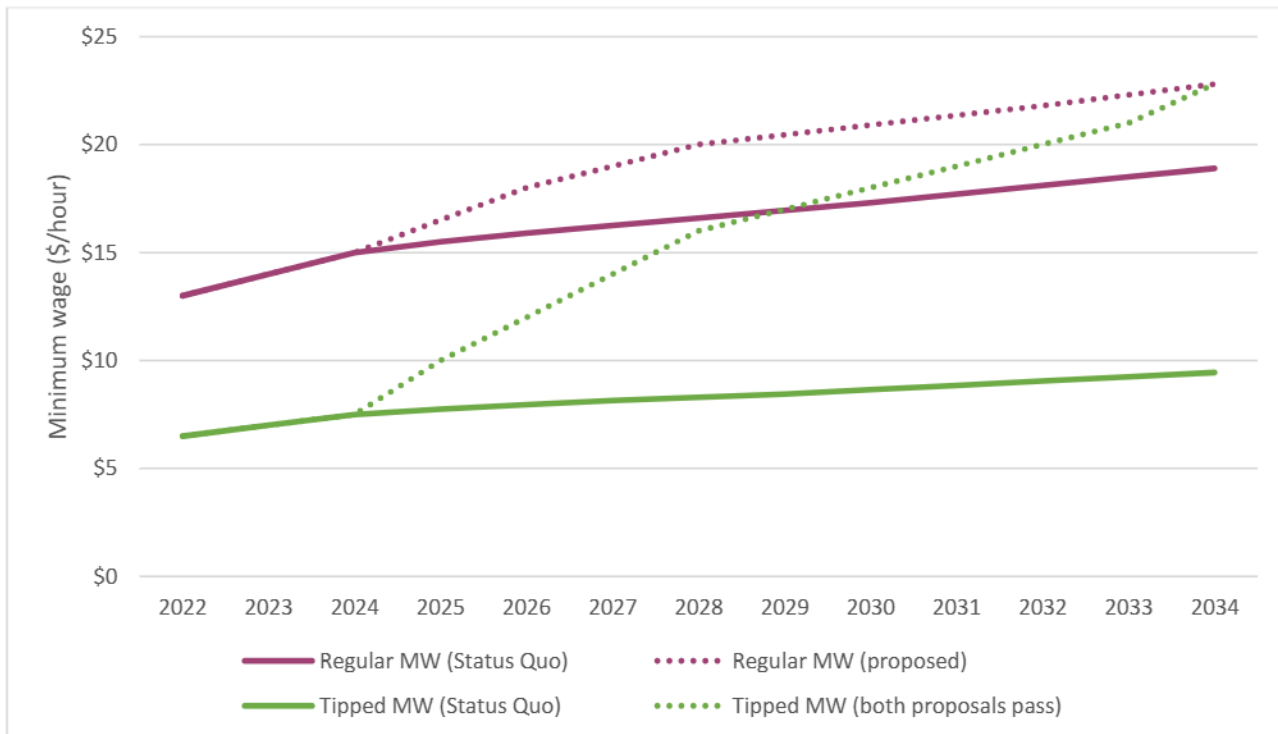
August 12, 2024

Dear Councilors,

Please find below analysis from the Maine Center for Economic Policy no two ordinances which we understand to be under consideration by the council. If you have any questions, please do not hesitate to contact me at jmyall@mecep.org

Of the two proposals currently under consideration, one would increase the regular minimum wage in increments from the current rate of \$15 per hour to \$20 per hour by 2028, and continue indexing it to inflation thereafter (as is current practice). The second, separate, proposal would gradually phase out the tip credit provided to employers of workers who receive a substantial amount of their compensation in tips. Under Portland's current tip credit, an employer may pay an employee half the regular minimum wage as long as the employee's tips "top up" their earnings to at least the regular minimum wage. The proposal would phase out the credit so that base wage paid by employers of tipped employees increases each year until it equals the full minimum wage. MECEP's analysis suggests that if both ordinances passed, the tipped wage would equal the full minimum wage in 2034.

Figure 1: Proposed minimum wage schedules



MECEP analysis of proposed ordinance language. Future increases indexed to inflation are estimated using the Consumer Price Index projections in the Congressional Budget Office's economic forecast of June 2024.¹

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Matt Schlobohm

Feasibility of the Proposed Minimum Wage Levels

Economists often judge the impact of a minimum wage on the local economy by the relationship of the minimum wage to the median wage for a full-time, year-round employee, particularly to determine whether a proposal will cause negative effects like increased unemployment. This ratio is sometimes known as the Kaitz Ratio. MECEP estimates that the current median hourly wage for a full-time, year-round employee in Portland is \$28.71 per hour. The current minimum wage of \$15 per hour is therefore equivalent to 52% of that. By 2028, MECEP projects the median wage for full-time, year-round employees in the city will have risen to \$32.76, which means that the proposed minimum wage of \$20 per hour would be equivalent to 61% of the median.

This is an appropriate level at which to set a new minimum wage. Most economists agree that a minimum wage at less than 60% of the median wage will produce no significant employment losses, and some recent studies have found that there may be no ill effects as high as 80% of the median wage.²

There is less recent research on the impact of changing the tipped minimum wage – partly because so few jurisdictions have changed their tipped minimum wage schedule in the last few decades (Chicago and DC have begun the process of phasing out their tipped minimum wage in 2024). However, the evidence from the seven states without a separate tipped minimum wage suggests that both the hospitality industry and hospitality workers can thrive with a higher minimum wage. Workers in those states earn higher post-tip wages, fueled by customers' willingness to continue to leave tips even when workers are earning a higher base wage. Meanwhile, these states maintain robust hospitality and tourism industries.³

Impact of the proposed minimum wage increases

MECEP estimates that by 2028, the increase of the standard minimum wage from \$15 to \$20 per hour will increase the wages of over 18,000 workers, or just over one in four people employed in Portland (27%). This includes 11,000 directly-impacted workers, who would otherwise be earning less than \$20 per hour without the proposed ordinance. It also includes 7,000 workers who would otherwise be earning between \$20 and \$23 per hour, whose wages will increase to keep them above the new minimum wage, as their employers remain competitive.

This will result in an additional \$60.4 million in wages paid annually to these employees, with the average impacted worker receiving \$3,300 per year.

The minimum wage increase would help close the gap between the lowest-paid employees and everyone else, and would reduce the gender and racial inequalities caused by systemic and individual discrimination, as well as long-standing social expectations. MECEP estimates that while 23% of men working in Portland will benefit from the minimum wage increase, the same is true of 32% of women. Similarly, while 27% of white, non-Hispanic workers in Portland would see a wage increase, the same is true of 31% of people of color working in Portland. (Due to the small sample size of the available data, MECEP did not estimate impacts for individual racial groups, but other research suggests that the impact would be particularly large on Black and Latino workers).

Younger workers and (to a lesser extent) older workers are more likely to be working in low-paid jobs, and therefore benefit more from a minimum wage increase. MECEP estimates that 47% of workers under 20 and 55% of workers aged between 20 and 24 will see an increase from the higher minimum wage, as will 25% of those aged 65 and older. By contrast, only 18% of those aged 45-54 (often considered "prime earning years") would be impacted by the minimum wage increase. It is worth noting, however, that while younger workers disproportionately benefit, workers under 20 still represent only 7.5% of all impacted workers.

While some critics of minimum wage increases suggest that younger workers are more likely to face unemployment as a result of increasing the minimum wage above their perceived productivity levels, recent evidence in Maine suggests this is not the case. Between 2016 and 2024, Maine's minimum wage has increased from \$7.50 per hour to \$14.15 per hour, and the share of teenagers working who are employed is at its highest level in years. Doubtless a strong labor market has helped employers put more value on the work of younger Mainers, and it will continue to do so in the years ahead.

MECEP estimates that workers with fewer years of formal education are also the most likely to see increased wages under the ordinance. Almost half of workers without a high school diploma or equivalent would see a wage increase, as would 38% of those with only a high school qualification.

The Census Bureau classifies workers in two ways – by *occupation* (the kind of work they do) and by *industry* (the place they work). The occupations which would benefit most from a minimum wage increase would be food service occupations (where 73% of workers are impacted), workers providing personal services (51%), health care support workers (50%), cleaners (48%), and transportation workers (43%).

The industries with the most impacted workers include hospitality and entertainment (55% of workers are impacted), social services (46%), and retail (43%).

MECEP estimates around 1,500 workers in Portland are tipped workers (2% of the total employee workforce). Women are approximately four times as likely to be tipped workers as men. In contrast to some other jurisdictions, people of color are less likely to be tipped workers in Portland than white-non-Hispanic Portlanders. Tipped workers are primarily concentrated in the restaurant industry (which accounts for 75% of tipped workers in Portland). Around two thirds of tipped workers (67%) are waiters and waitresses while a significant portion are bartenders (14%) or hair stylists (11%). Increasing the regular minimum wage would increase tipped workers incomes by \$3.7 million per year by 2028. The average impacted worker would receive an additional \$1,300 per year. Phasing out the tipped minimum wage entirely would increase their wages by \$22 million per year by 2034, an average increase in earnings of \$14,700 per year.

Other impacts

The increase in workers' wages would have multiplier effects in the local economy. Research shows that low wage workers are more likely to spend their money locally – at grocery stores, on services like haircuts and on rent. These dollars flow back into the local economy and create more economic growth. (By contrast, the profits that will be reduced through minimum wage increases are more likely to be spent on travel out of state, investments in the international stock market, and assets like real estate). Minimum wage increases can therefore benefit local economies like Portland's. This can help many of the same businesses impacted by the increased payroll costs, and reduce the need to increase prices.⁴

Restaurants are often thought of as particularly impacted by minimum wage increases, since their labor costs are unusually high. Several studies have tried to examine the impact of minimum wage increases on this sector in particular. One large study using data from nearly every McDonald's location in the US found that while minimum wage increases were largely passed on to customers, McDonald's workers were still better off even after accounting for the price increases. The same study also found that McDonald's adopted touch screen technology at the same rate even in places with no minimum wage increases.⁵ Another study which looked at the impact of local minimum wage increases in California cities found that a 25% increase in the minimum wage (as Portland is considering) resulted in an average increase in restaurant prices of 1.45% (the largest increase was 2.45% among chain restaurants and the increases averaged 1.0% among full-service restaurants).⁶ Other research has found that while minimum wage increases can lead to poorly-reviewed restaurants closing, it has no impact on restaurants with loyal customer bases.⁷

While some people express concern that small businesses may be more impacted by minimum wage increases, recent research suggests that workers at smaller businesses benefit from greater wage increases without any significant increase in layoffs as a result of minimum wage increases.⁸ Moreover, the impact of minimum wage increases on the profit margins of all businesses is lower than might be expected because higher minimum wages generally lead to higher employee morale and lower turnover.

Research also shows spillover benefits from higher incomes for low-wage workers. The share of people living in poverty decreases,⁹ and it is also likely that an increased minimum wage will reduce costs for state and local safety net programs, though MECEP does not have enough data to produce a precise estimate for this in the case of Portland.

The tipped minimum wage currently creates a unique set of problems. Workers in this industry are more likely to suffer from wage theft, because some employers do not check to see if their tips actually make up the difference to the minimum wage, and for low-wage workers dependent on their job for survival, complaining about wage theft can be extremely risky.¹⁰ Similarly, because workers are directly dependent on customers for their wages, the tipped minimum wage permits discrimination that would be illegal from an employer. Customers are able to tip more based on a server's gender,¹¹ race,¹² and perceived attractiveness¹³ – and evidence shows that they frequently do. As a result, older workers and people of color in tipped industries earn significantly less. Reliance on tips also forces workers to tolerate behavior in customers (and sometimes their employers) that should be unacceptable. Levels of harassment in the restaurant industry are unusually high for this reason.¹⁴ Phasing out the tipped minimum wage would go a long way to eliminating these problems in the hospitality industry.

Table 1: Selected Impacts of Increasing the Regular Minimum Wage to \$20/hour by 2028

Workforce	Number	Directly impacted	Indirectly impacted	Total impacted
All employees	67,000	16%	11%	27%
Men	34,000	14%	9%	23%
Women	33,000	19%	13%	32%
White, non-Hispanic	60,000	16%	11%	27%
People of Color	6,900	22%	9%	31%
16-19 year-olds	2,900	34%	14%	47%
20-24	6,500	37%	19%	55%
25-34	15,000	18%	14%	32%
35-44	13,000	11%	9%	20%
45-54	13,000	10%	8%	18%
55-64	12,000	12%	9%	20%
65+	4,200	14%	11%	25%
No high school qualification	3,100	34%	13%	47%
High school only	28,000	22%	16%	38%
Associate's degree	7,000	14%	11%	25%
Bachelor's degree	19,000	11%	8%	18%
Master's degree or higher	9,200	4%	3%	8%
Food prep workers	3,900	43%	31%	73%
Personal service workers	1,400	29%	22%	51%
Health care support workers	2,200	30%	21%	50%
Cleaning staff	1,500	33%	15%	48%
Transportation workers	4,200	30%	13%	43%
Sales workers	6,200	24%	12%	36%
Office workers	7,900	19%	14%	33%
Construction workers	2,900	15%	18%	33%
Education workers	4,600	17%	9%	26%
Entertainment workers	1,100	14%	10%	24%
Community and Social Workers	1,300	8%	12%	20%
Production workers	2,700	15%	9%	24%
Protection workers	1,200	11%	6%	17%
Repair workers	3,200	7%	8%	15%
Computer workers	2,000	3%	9%	12%

Medical professionals	5,200	6%	6%	11%
Managers	7,500	5%	4%	9%
Business workers	3,200	3%	6%	8%
Engineers	1,700	2%	2%	4%
Financial workers	1,400	2%	2%	4%
Hospitality industry	5,900	34%	20%	55%
Social and community agencies	1,700	31%	15%	46%
Retail	8,500	30%	14%	43%
Personal services	2,400	16%	16%	32%
Transportation	2,100	18%	12%	30%
Construction	3,600	13%	14%	27%
Education	6,800	16%	10%	26%
Information	1,400	16%	8%	24%
Medicine	9,700	12%	10%	22%
Wholesale	1,400	14%	6%	20%
Professional services	6,400	10%	9%	18%
Manufacturing	7,800	7%	8%	15%
Finance	5,800	7%	7%	15%
Administration	2,400	5%	5%	10%

Table 2: Selected Characteristics of Tipped Workers in Portland

Workforce	Total	Share of Workers who are Tipped
Total	67,000	2.2%
Men	34,000	0.9%
Women	33,000	3.6%
White, non-Hispanic	60,000	2.3%
People of Color	7,000	1.5%

Table 3: Selected Characteristics of Tipped Workers in Portland

	Share of the tipped workforce
Waiters and Waitresses	67%
Bartenders	14%
Hairdressers and stylists	11%
All other occupations	9%
Restaurants	75%
Other hospitality	8%
Beauty shops and nail salons	10%
All other industries	7%

Methodology

To estimate the impacts of each minimum wage proposal, MECEP began with data from the US Census Bureau's American Community Survey data for 2018-2022. The ACS includes data on an individual's place of work, and for this analysis, individuals working within the Public Use Microdata Areas covering the greater Portland area were included. This area covers a much larger area than Portland proper, so the total number of impacted employees was adjusted downwards using the total number of employees within the city according to the Maine Department of Labor's Quarterly Census of Employment and Wages. The analysis only included people working as employees; those who are self employed were excluded.

Hourly wages for each worker were calculated by taking the individual's total earnings from employment by the number of weeks worked in the survey year and the usual number of hours worked each week. In 2018, the question for the number of weeks worked included answers with a range of weeks (e.g. 50 to 52 weeks, or 14 to 26 weeks). For individuals surveyed in this year, the number of weeks worked were estimated using the midpoint of each range.

To adjust hourly wages from the 2022 to their current 2024 levels, most calculated hourly wages were increased by the estimated rate of inflation between 2022 and 2024 (7.3%); for workers earning at or below the tipped minimum wage, wages were increased by the increase in Portland's tipped minimum wage (\$1 per hour); for those earning above the tipped minimum wage but below the minimum wage, wages were increased by the increase in Portland's regular minimum wage over that period (\$2 per hour). Future hourly wage increases through 2034 were assumed to be at the rate of inflation estimated by the Congressional Budget Office (3.4% per year).

For non-tipped workers, impacted workers are those who earned between 80% the regular minimum wage in 2022 and 100% of the new minimum wage in 2028. This excludes workers reporting very low wages who are likely to either be mis-reporting or victims of wage theft. In either case they are unlikely to be able to benefit from the proposed increase. Indirectly-impacted workers are those earning above the minimum wage in 2022 and less than 115% of the new minimum wage in 2028. For tipped workers, all those earning below the minimum wage in 2022 are considered to be directly impacted, while the remaining tipped workers are all considered indirectly impacted.

To calculate the total wage increase by 2028, non-tipped workers are assigned a wage increase equal to the larger of (1) the difference between their projected wage in 2028 and 115% of the new minimum wage and (2) the difference between the old and new minimum wages. Tipped workers' wage increases are assumed to be the difference in the tipped minimum wage.

This methodology is an adaptation of the model developed by the Economic Policy Institute.¹⁵

Notes

¹ Congressional Budget Office Economic Data, June 2024. <https://www.cbo.gov/data/budget-economic-data>

² Arindrajit Dube and Attila Lindner, "City Limits: What Do Local-Area Minimum Wages Do?" *Journal of Economic Perspectives*—Volume 35, Number 1—Winter 2021—Pages 27–50 <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.1.27>

³ James Myall, "A Higher Minimum Wage is Good for Tipped Workers," *Maine Center for Economic Policy*, Apr 4, 2017. <https://www.mecep.org/blog/a-higher-minimum-wage-is-good-for-tipped-workers/>

⁴ Ben Zipperer, "Turnover, prices, and reallocation: Why minimum wages raise the incomes of low-wage workers." *Economic Policy Institute*, Jan 9, 2023. <https://www.epi.org/unequalpower/publications/turnover-prices-and-reallocation-why-minimum-wages-raise-the-incomes-of-low-wage-workers/>

⁵ Orley C. Ashenfelter and Štěpán Jurajda, "Wages, Minimum Wages, and Price Pass-Through: The Case of McDonald's Restaurants." *NBER Working Paper 28506*. Feb 2021 <https://www.nber.org/papers/w28506>

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- ⁶ Sylvia Allegretto and Michael Reich, "Are Local Minimum Wages Absorbed by Price Increases? Estimates from Internet-based Restaurant Menus". *IRLE Working Paper* No. 124-15. <http://www.irlle.berkeley.edu/files/2015/Are-Local-Minimum-Wages-Absorbed-by-Price-Increases.pdf>
- ⁷ Dara Lee Luca and Michael Luca, "Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit." *Harvard Business School Working Paper* 17-088. https://www.hbs.edu/ris/Publication%20Files/17-088_9f5c63e3-fcb7-4144-b9cf-74bf594cc308.pdf
- ⁸ Jesse Wursten and Michael Reich, "Small Businesses and the Minimum Wage." *Institute for Research on Labor and Employment*, Working Paper 102-23, March 2023. <https://irlle.berkeley.edu/wp-content/uploads/2023/03/Small-Businesses-and-the-Minimum-Wage-3-14-23.pdf>
- ⁹ James Myall, "MECEP Policy Brief: Minimum wage increase brought higher wages, reduced child poverty in 2017," *Maine Center for Economic Policy*, Sept 24, 2018. <https://www.mecep.org/jobs-and-income/mecep-policy-brief-minimum-wage-increase-brought-higher-wages-reduced-child-poverty-in-2017/>
- ¹⁰ David Cooper and Teresa Kroeger, "Employers steal billions from workers' paychecks each year," *Economic Policy Institute*, May 10, 2017. <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>
- ¹¹ Drew McGraw, "Unequally Gracious: Gender Discrimination In Restaurant Tipping," *Render* June 20 2014. <http://www.renderfoodmag.com/blog/2014/6/18/unequally-gracious-gender-discrimination-in-restaurant-tipping>
- ¹² Michael Lynn et al., "Consumer Racial Discrimination in Tipping: A Replication and Extension," 2008. <https://www.wagehourlitigation.com/wp-content/uploads/sites/215/2015/10/cornell.pdf>
- ¹³ Tom Jacobs, "Attractive Servers Get Bigger Tips," *Pacific Standard*, Jun 14, 2017. <https://psmag.com/economics/attractive-servers-get-bigger-tips>
- ¹⁴ Restaurant Opportunities Center United, "Take Us Off the Menu: The Impact of Sexual Harassment in the Restaurant Industry," May 2018. <https://rocunited.org/wp-content/uploads/sites/7/2020/02/TakeUsOffTheMenuReport.pdf> and Becky Sullivan, "Tips And 'Service With A Smile' Rules Fuel Sex Harassment In Restaurants, Study Says," *National Public Radio*, July 22, 2021. <https://www.npr.org/2021/07/22/1019017172/tips-and-service-with-a-smile-drive-sexual-harassment-in-restaurants-study-find>
- ¹⁵ David Cooper et al., Minimum Wage Simulation Model technical methodology, Feb 26, 2019 <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>



From: Brendan T. O'Connell – Finance Director
To: Portland City Council
CC: Danielle P. West, City Manager
Date: August 12, 2024
Re: Fiscal Impact of Proposed \$20 Minimum Wage

Executive Summary: This memo is intended to illustrate the fiscal impact of the increase to a \$20 minimum wage on the City of Portland as proposed in Order 25-24/25. The overall City mill rate is split into three portions, City General Fund (currently \$6.34), Cumberland County Tax (\$0.62) and Portland Public Schools (currently \$7.45), for a combined FY24 overall mill rate of \$14.41. This memo covers the impact to the City portion of the mill rate only (the \$6.34, or approximately 44% of the overall mill rate) as City staff do not have access to detailed Cumberland County or Portland Public Schools salary data.

In addition to the direct cost of increased wages for municipal workers currently earning under \$16.50 – \$20 per hour (impacts vary by year based on the proposal) there will also be impacts to wages for City workers currently earning just above those thresholds. The direct impact is a simple calculation based on current vs proposed wages. The indirect impact requires some assumptions which are outlined in the Additional Information and Calculation Assumptions portion of this memo. There will also be an impact on costs of labor for the City of Portland budget related to external contractors subject to the new proposal that is not included here.

A summary of the total estimated fiscal impact in each of the budget years impacted by the proposal is included below. The estimated increase to just the municipal portion of the mill rate is 77 cents, increasing it from \$6.34 for FY24 to \$7.11 by 2028 (a 12.1% tax rate increase on the municipal portion of the mill rate). A brief analysis and the assumptions used in the fiscal impact calculations are included in the body of the memo. If a more detailed analysis or different assumptions are desired by the City Council, I recommend additional Finance Committee review. Typically a proposal of this magnitude with such a significant City budget and overall financial impact would warrant a detailed review performed by the City's Finance Committee, complete with multiple meetings and opportunities for public comment.

FISCAL IMPACT NOTE	2025		2026		2027		2028	
	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate	City Rate	City / Sch Combined Rate
New Program Cost Data:								
Example:								
ADD: NEW ITEM ANNUAL EXPENDITURES		\$3,440,543		\$6,881,087		\$9,174,782		\$11,468,478
LESS: TOTAL NEW ITEM ANNUAL REVENUES		\$0		\$0		\$0		\$0
=NEW ITEM NET TAX RATE IMPACT PROJECTION	\$3,440,543	\$3,440,543	\$6,881,087	\$6,881,087	\$9,174,782	\$9,174,782	\$11,468,478	\$11,468,478
New Program Impact to the Tax Rate	\$0.2312	\$0.2312	\$0.4625	\$0.4625	\$0.6166	\$0.6166	\$0.7708	\$0.7708
New Program % Impact on Tax Rate	3.6472%	1.6047%	7.2945%	3.2094%	9.7260%	4.2792%	12.1575%	5.3489%
Tax Rate Including New Program	\$14.64	\$14.64	\$14.87	\$14.87	\$15.03	\$15.03	\$15.18	\$15.18

Additional Information and Calculation Assumptions:

For those who have not had the chance to see the proposal, it includes a new minimum wage of \$16.50 per hour effective 1/1/25, a new minimum wage of \$18.00 per hour effective 1/1/26, a new minimum wage of \$19.00 per hour effective 1/1/27, and a new minimum wage of \$20.00 per hour effective 1/1/28. Please note, this memo only calculates the fiscal impacts through the end of 2028, at which point future increases would be indexed to inflation as measured by the Consumer Price Index for All Urban Consumers. Please also note, the City does not have any tipped workers / employees who may fall into categories of special categories of minimum wage.

The City has several categories of employees including full time, part time, temporary and seasonal. Including all categories, the City issued over 2000 W2's in 2024. The City has just over 600 employees earning between \$15 and \$20 per hour, primarily part time, seasonal and temporary employees. The City also has 368 employees in the \$20 – \$25 per hour wage bands, 377 employees in the \$25 – \$30 per hour wage bands, and 691 employees currently in the \$30+ per hour wage bands.

For employees in the \$15 – \$20 per hour wage bands, we have calculated the direct fiscal impacts of increases as proposed by year by comparing current hourly wages vs those in the proposal. When compared to the current minimum wage, there is a \$1.50 increase in 2025, another \$1.50 increase in 2026, and a \$1 increase in 2027 with an additional \$1 increase in 2028 – a total of a \$5 increase from the current minimum wage over the four year phase in (33%).

The City and our City labor unions have various job categories and classifications (“job grades”) based on employee duties and skill levels required. These jobs are categories in our pay scale based on job grade. For employees in the \$20 – 25 per hour and \$25 – \$30 per hour bands we have assumed identical dollar amount increases in each calendar year vs minimum wage (\$1.50, \$1.50, \$1.00 and \$1.00 for 2025 through 2028 respectively) to maintain spacing between the various job grades for different skill level positions (so supervisors do not begin to make less than the employees they supervise, etc). For those employees making above \$30 per hour we have only assumed 1/2 of the dollar increases per calendar year (\$0.75, \$0.75, \$0.50 and \$0.50 for 2024 through 2028 respectively) – so there will be additional wage compression and a smaller difference between different job grades / different skill level positions.

In total for 2025, the estimated fiscal impact to wages is expected to result in an additional cost of \$3.4M. For 2026, that estimated impact rises to an additional \$6.8M. For 2027, the estimated impact rises to \$9.2M, and for 2028 the cost rises to \$11.5M. These cost increases are for the City / municipal portion of the mill rate alone, and trigger an increase by year of 23 cents for 2025, 46 cents for 2026, 62 cents for 2027 and 77 cents for 2028 (cumulative). This is a 12.1% increase from the current mill rate. Please note, these figures do NOT include potential cost increases for Cumberland County and the Portland Public Schools – the cost of those services to City taxpayers will also rise and trigger further increases to the overall tax rate.

It is worth noting that taxes for FY25 are in the process of being committed based on a budget City Council passed in June 2025, prior to the existence of this agenda item/proposal. I am unsure of how the City could fund the first six months of cost increases under this proposal if it were to pass (1/1/25 through 6/30/25) since the FY25 budget has already been approved and a tax levy was set based on estimated wages for FY25 prior to this proposal. Based on this costing, the City/municipal side of the budget could face a shortfall and it may be necessary for City Council to make a supplemental/emergency funding appropriation shortly after a new City Council is seated.

Testimony re: Re: Order 25-24/25 (Increase Portland's minimum wage)

Colin Vettier <colin.vettier@gmail.com>

Sat, Aug 17, 4:00 PM (2 days ago)

to council, publiccomment

Testimony of Colin Vettier

Re: Order 25-24/25 Setting Election Date on an Amendment to Chapter 33 of the Portland City Code RE: an Act to Increase Portland's Minimum Wage

Before the City Council August 19th, 2024

Dear Mayor Dion and honored members of the City Council, thank you for the opportunity to provide testimony regarding Order 25-24/25. My name is Colin Vettier, I immigrated to the US about 8 years ago. Now a citizen, I have resided in Portland for the past 3 years. As a Portland resident I fully support the proposed increase to the city's minimum wage.

It is a necessity for Portland to increase the minimum wage from \$15 an hour to \$20. Most workers in Portland cannot afford living in the city and are forced to commute long ways in order to serve our community. We have seen last year, through an appealing campaign flooded with out of state money, that low wages only serve silicon valley tech companies.

The Maine Center for Economic Policy estimates that raising the minimum wage to \$20 per hour will increase the wages of 27% of people employed in Portland and pay over \$60 million in additional wages each year. This would allow our community to close the gap between the lowest-paid employees and everyone else, reducing gender and racial inequalities.

I could go on and on about why we need to increase the minimum wage (the median wage doesn't allow to rent or access to homeownership, restaurants are closing because they can't find anyone wanting to work for low wages, the cost of life is increasing but not our salaries, etc.). It is time Portland Maine leads the nation and actually shows that it cares about the workers that make the fabric of our community.

Kindly,
Colin VETTIER



August 18, 2024

Re: Order 25 – 24/25. Order 26 – 24/25 and Order 35 – 24/25

Good evening, members of the Portland City Council. I am sorry I could not be here in person to speak.

My name is Mary Allen Lindemann. I am a business owner in Portland and a resident in District 5. I am the owner and co-founder of Coffee By Design, which has been part of this community since 1994. My business is built on the principles of ethical practices, philanthropy, and progressive values, including the belief that every worker deserves a livable wage.

Let me start by acknowledging the importance of addressing wage disparities and the urgent need for affordable housing. Coffee By Design has employees who commute an hour or more each way just to work in this city. This isn't sustainable. However, the proposed increase of the minimum wage to \$20 an hour is not the solution.

This dramatic increase, while well-intentioned, would place an enormous strain on small businesses like mine. A \$20 minimum wage would increase our labor costs significantly, making it challenging to maintain our current staffing levels or hire new employees. It would also negatively impact the benefits we offer which include health insurance, employee assistance plan and 401k.

Additionally, this proposal could discourage new businesses from opening in Portland and is likely to push existing businesses to relocate to surrounding towns or, worse, close their doors. The ripple effect would be devastating to the local economy.

Furthermore, I want to express my support for the proposal to separate Portland from the state when emergency wage laws go into effect due to situations outside of Portland. I also strongly oppose the elimination of the tip credit, as it would further complicate the financial stability of many businesses.

The reality is that the issues we're trying to address—affordable housing, cost of living, and income inequality—are national problems that require comprehensive solutions. Raising the minimum wage to \$20 per hour in a single community might seem like a step forward, but it doesn't address the root causes of these issues. Instead, it risks causing more harm than good to the very people and businesses it aims to help.

I urge the Council to consider a more balanced approach that recognizes the unique challenges faced by small businesses in this community. Hopefully, we can work toward solutions that benefit everyone without causing unintended damage.

Thank you for your time and consideration.

A handwritten signature in dark ink, appearing to read 'Mary', followed by a long, horizontal, slightly wavy line that extends to the right.

Mary Allen Lindemann
Owner & Co-Founder
Coffee By Design
1 Diamond Street
Portland, Maine 04101

Residence:
9 Richardson Street
Portland, Maine 04103

Fred McCann

(207) 209-3413 fred@fredmccann.com 244 Danforth Street, Apt 1 Portland, Maine 04102

Testimony of Fred McCann regarding
Order 25-24/25 Setting Election Date on an Amendment to Chapter 33 of the Portland City Code RE: an Act to
Increase Portland's Minimum Wage

Before the City Council
August 19th, 2024

Mayor Dion and members of the City Council, I appreciate the opportunity to provide testimony regarding Order 25-24/25. My name is Fred McCann. I've resided in Portland for the past thirteen years and I'm currently serving as Vice President on the Portland Water District Board of Trustees. As both a Portland resident and a landlord, I fully support the proposed increase to the city's minimum wage.

An Act to Increase Portland's Minimum Wage would increase the regular minimum wage in increments from the current rate of \$15 per hour to \$20 per hour by 2028, and continue indexing it to inflation thereafter. This is a necessary step for Portland to take to ensure that all of its workers, including those who are most vulnerable, can afford to live and thrive in our city.

The economic benefits of raising the minimum wage are clear. Maine Center for Economic Policy estimates that raising the minimum wage to \$20 per hour will increase the wages of 27% of people employed in Portland and pay over \$60 million in additional wages each year. This would help close the gap between the lowest-paid employees and everyone else, and would reduce the gender and racial inequalities caused by individual and systemic discrimination.

Moreover, the increase in workers' wages would have multiplier effects in the local economy. Research shows that low wage workers are more likely to spend their money on locally produced goods and services and on rent. These dollars flow back into the local economy and create more economic growth. This, in addition to higher employee morale and lower turnover, can help many of the businesses impacted by increased payroll costs mitigate the impulse to layoff workers or increase prices.

The overwhelming majority of workers making under \$20 an hour in Portland are renters. Raising the minimum wage will make housing more affordable for tens of thousands of people. Right now, almost half of Portland renters pay over thirty percent of their income just to avoid homelessness. Increased wages are good for both renters and landlords alike as it ensures that people who work in the city can afford to live in the city, strengthening our community as a whole.

In conclusion, raising the minimum wage to \$20 an hour is a common sense and compassionate policy that will benefit everyone in our community. I urge you to approve this measure and allow Portland voters the opportunity to make their voices heard. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Fred McCann', with a stylized, sweeping flourish extending to the right.

Fred McCann



Lori Paulette <ljn@portlandmaine.gov>

Minimum Wage Increase SUPPORT

Bridget Hoke <bridget.hoke@gmail.com>

Mon, Mar 17, 2025 at 3:07 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hi All,

I am a Portland citizen writing in to support the minimum wage increase to \$20/hour. The cost of living in Portland is so high, especially the cost of rentals and housing, and people need a wage that makes them able to live in the city that they work. We all deserve access to quality housing, food, and health support and this increase will help SO many people achieve those things. It will make our city better and stronger.

Thank you,

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Bridget Hoke



Lori Paulette <ljp@portlandmaine.gov>

Minimum wage increase

B M <brynnemartin@gmail.com>

Sun, Mar 16, 2025 at 8:56 PM

To: edd@portlandmaine.gov

Hello,

I live on Cumberland Ave in Ward 2. I am new to the city, but was so excited to see this proposal up for public comment. I think it is so important to raise the minimum wage and help the people of our city support themselves on a true living wage. A working class person deserves to be able to afford the necessities of life and not to be living paycheck to paycheck worried about a car or health problem that could plunge them into debt that can never be recovered from. I believe this timeline also gives local businesses time to build up to this wage increase. So I fully support this increase and am proud to be living in a city that values its public good so highly. Thank you for your time.

Sincerely,
Brynne Martin



Lori Paulette <ljn@portlandmaine.gov>

Fwd: Support for Increasing the Minimum Wage in Portland

Gregory Watson <gwatson@portlandmaine.gov>
 To: "ljn@portlandmaine.gov" <ljn@portlandmaine.gov>

Mon, Mar 17, 2025 at 10:24 AM

----- Forwarded message -----

From: **Damon Yakovleff** <damon.yakovleff@gmail.com>
 Date: Sun, Mar 16, 2025 at 6:24 PM
 Subject: Support for Increasing the Minimum Wage in Portland
 To: Pious Ali At Large <pali@portlandmaine.gov>, Regina Phillips <rphillips@portlandmaine.gov>, Kate Sykes <ksykes@portlandmaine.gov>, smichniewicz@portlandmaine.gov <smichniewicz@portlandmaine.gov>
 Cc: <council@portlandmaine.gov>, <publiccomment@portlandmaine.gov>, gwatson@portlandmaine.gov <gwatson@portlandmaine.gov>

Dear Housing and Economic Development Committee members,

I am writing in support of Order #25-24/25 regarding increasing the minimum wage in Portland. I appreciate you taking up this item at your meeting on Tuesday, March 18. I believe there is a strong mandate from the people of Portland for having a higher minimum wage than the state as a whole, but as of right now that differential is only 75 cents/hour (that adds up to \$30 a week working 40 hours).

It is important that we consider the support for a higher minimum wage as separate from the question of elimination of the subminimum wage. Now, to be clear, I am fully supportive of the version of the initiative as drafted and discussed by the Council last summer. I also understand that it may not have a majority of support from the Council, and may not be supported by a majority of the people as demonstrated in the vote in 2022. As such, I am suggesting that the strongest possible minimum wage measure that has 5 or more Councilors in support should be sent to the people for their consideration.

I would suggest this as a possible compromise:

- Increase the minimum wage to \$20 by 2029 (add one year to the timeline).
- Create an exception for nonprofit child care workers, but only if they make at least the City's minimum wage through a combination of their base wage and state child care worker subsidy.
- Create a stakeholder committee to evaluate eliminating the subminimum wage, but do not include that in the referendum language sent to voters this year.

I appreciate the Council working on increasing the minimum wage in our city, and will look forward to your discussion as you consider this item.

Sincerely,

Damon Yakovleff
 Bolton Street

--
 Gregory P. Watson
 Director
 Housing and Economic Development Dept.
 City of Portland
 389 Congress Street
 Portland, ME 04101
 gwatson@portlandmaine.gov
 (207) 874-8945
 www.portlandmaine.gov





Lori Paulette <ljp@portlandmaine.gov>

Public comment from resident and business owner on an Act to Increase Portland's Minimum Wage

Jim Brady <jameshbrady@gmail.com>

Mon, Mar 17, 2025 at 12:20 PM

To: edd@portlandmaine.gov

Cc: mdion@portlandmaine.gov

To: Housing & Economic Development Committee, City of Portland, ME

From: Jim Brady, President, Fathom Companies, Portland, ME

Date: March 16, 2025

Re: Opposition to Proposed \$20/Hour Minimum Wage Increase (Agenda March 18, 2025)

Members of Housing and Economic Development Committee,

As a resident and local business owner with over 180 employees in Portland, I urge you to oppose the proposed \$20/hour minimum wage increase. While the intent behind this proposal is to improve wages, it fails to account for the unintended consequences that could harm both businesses and workers as well as the City of Portland.

1. Wage Compression and Rising Labor Costs

In our hospitality business, we currently pay over \$18.50 an hour to attract and retain skilled workers. However, raising the minimum wage would create wage compression, forcing businesses to raise the salaries of all employees, not just those at the minimum. This could significantly increase labor costs, leading to reduced hours, fewer jobs, or higher prices for customers. A blanket wage increase doesn't account for the unique needs of individual businesses already striving to offer fair wages within tight margins. Note the high number of Portland restaurant closures and empty retail spaces as the net effect of high cost of labor.

2. Impact on Nonprofits, Essential Services and City of Portland

Nonprofits and essential service providers, such as childcare centers and healthcare facilities, rely on fixed state and federal reimbursement rates that will not increase to match the higher wage. This could force these vital services to cut back or close, reducing access to healthcare, childcare, and other essential services for our community. I'm assuming it would also cost the City more in raised employment costs, which shifts to taxpayers and burdens the City Budget.

3. Portland's Minimum Wage Would Outpace Higher-Cost Cities

With a proposed minimum wage of \$20/hour, Portland would have the highest minimum wage in the nation.

Consider this comparison:

City	Minimum Wage (2025)	Cost of Living Index
Portland, ME	\$20.00 (<i>proposed</i>)	100
Portland, OR	\$15.95	122
Seattle, WA	\$19.97	142
San Francisco, CA	\$18.67	177

Portland would be pricing itself out of competitiveness, especially when compared to neighboring towns with lower labor costs, like South Portland and Westbrook.

It should be noted that the 2020 Minimum Wage referendum raising the Minimum to \$15/hour is indexed to CPI and thus, is rising every year with inflation, which is why it is now \$15.50 and the Maine State Minimum Wage is lower at \$14.65. There is no need to raise further.

4. Harm to Local Businesses and Jobs

National chains have the scale to absorb wage increases, but local businesses do not. This could lead to businesses relocating, expanding, or opening in neighboring towns, resulting in lost jobs, lower tax revenue, and a diminished local economy.

5. Focus on Housing Supply to Reduce Living Costs

Rather than increasing the minimum wage, I urge the Council to prioritize policies that address the root

cause of our affordability issues—housing. By increasing the housing supply, we can reduce living costs for all residents without destabilizing the job market or essential services.

Please consider the long-term effects on Portland's economy and workforce. I urge you to focus on policies that balance affordability and economic stability without jeopardizing the local business community. We need to focus on growing our economy and business vitality, not push them to surrounding cities.

Thank you for your time and consideration.

Sincerely,

Jim Brady

Fathom Companies, President

Fathom Companies

www.fathomcompanies.com

80 Exchange Street, suite 400

Portland, ME 04101

jbrady@fathomcompanies.com

jameshbrady@gmail.com



Lori Paulette <ljp@portlandmaine.gov>

\$20/hrs or drop rents

James Cagney IV <jcagneyiv@gmail.com>

Mon, Mar 17, 2025 at 2:53 PM

To: edd@portlandmaine.gov

To whom it may concern,

I have lived in Portland for the past 30 years. I got married, had a child, adopted 2 more.

I worked at Videoport down in the Old Port for 20+ years. Videoport closed because loyal customers moved away, also workers moved away. Not being able to pay the astronomical rents.

Last year was the final straw for me and my family. Another landlord sold the apartment building out from under us. We've got 30 days to move. That was the 2nd time that happened to us. We packed our house into a storage unit, found an extended stay hotel and went house hunting. Now we live 2hrs north of Portland and have no landlord.

I can't imagine living in Portland and working there, getting paid less than 20/hr. Living outside of Portland and working there getting less than \$20? That's also a losing situation, you have to figure in transportation, parking, fuel. And you shouldn't have to get more than 2 jobs to make rent, that's insane.

20 an hour helps. Do it. Lift people up, don't crush them under you fancy expensive boots. For the love of Portland, do it.

Thank you.



Lori Paulette <ljn@portlandmaine.gov>

Minimum Wage

Jackson Holbrook <jackson.holbroo@gmail.com>

Mon, Mar 17, 2025 at 2:59 PM

To: edd@portlandmaine.gov, livableportland@mainedsa.org

Hello, my name is Jackson, I am a young person living independently in Portland for the first time. I have seen first hand how expensive it is to live in Portland. I myself have had to skip refills of heating oil, cancel phone bills, and apply to SNAP benefits and HEAP benefits to eek by. The price of housing in Portland is insane! No one living on minimum wage can afford to live in Portland at market rate! I was luckily enough to find a rare affordable unit but many people just don't get lucky. Groceries and utilities are also incredibly expensive especially in the winters. Everyone deserves the opportunity to be able to afford to rent and live in Portland! Raise the minimum wage to make Portland for everyone and not just the wealthy!



Lori Paulette <ljp@portlandmaine.gov>

Say Resurgam to the minimum wage

Michael LeComte <Michael.r.Lecomte@gmail.com>

Mon, Mar 17, 2025 at 3:21 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hello,

My name is Michael LeComte. I have been living in Portland for over a decade. Unfortunately I am unable to be in person to address the Housing and Economic Development committee directly. My hope is that the committee will see that "Resurgam" should apply to the minimum wage as frequently as it applies to our cost of living in Portland.

Raising the minimum wage from \$15.50 to \$20 over the next three years, as proposed by Councilors Regina Phillips and Kate Sykes, would offer substantial benefits to workers in Portland, Maine, and surrounding areas. As the cost of living continues to rise, many minimum wage workers struggle to cover essential expenses such as rent, groceries, and healthcare. By increasing the wage to \$20, workers would experience less financial strain, allowing them to improve their quality of life and overall well-being. This change would also make it more feasible for workers to remain in Portland, where high living costs often drive them to look for more affordable opportunities elsewhere. The committee should strongly support this bill to create a stable, sustainable workforce for the city.

Beyond individual workers, raising the minimum wage would have far-reaching positive effects on Portland's local economy. With more disposable income, workers would have increased purchasing power, which would likely stimulate demand for goods and services in the area. This, in turn, would support local businesses and help fuel economic growth. Additionally, businesses could see improvements in employee morale and productivity, as workers feel more valued and secure in their roles. By endorsing this bill, the committee would contribute to a more thriving, prosperous Portland, promoting long-term economic stability and resilience for the community.

Thank you for your time and consideration,

In solidarity with ,

Michael LeComte



Lori Paulette <ljp@portlandmaine.gov>

Order 25-24 Comment

Rich Brooks <rich@takeflyte.com>

Mon, Mar 17, 2025 at 11:27 AM

To: edd@portlandmaine.gov

Dear Committee Members,

I hope to be in attendance at the event next week, but I did want to share my thoughts as a business owner here in Portland:

- I believe ~~100~~ % that the minimum wage is too low in this country.
- I believe ~~100~~ % that raising it to \$20/hr in Portland is the absolute worst thing you could do to the local economy. It will hurt the very people you're looking to help.

I'm not even a fan of a state minimum wage, but forcing it on one town and not on the surrounding towns will drive out businesses that are barely hanging on as it is.

Local, small business owners will be forced to close shop or move to towns without such a burdensome minimum wage, and the only companies that will be able to take the space will be national chains (and that's a best case scenario.)

Do we really want Portland to look like every other city in the country?

I went to school at Skidmore in Saratoga Springs, NY, and when I was a student there probably 90% of the stores and restaurants were locally owned, usually a single site. When I went back for my 10 year anniversary I saw few of the family owned businesses, but I saw all the stores I knew from the mall.

This is the unfortunate outcome that awaits Portland if we pass this well-intentioned, poorly thought out proposal.

--

Rich Brooks



flyte new media
207.523.5141
takeflyte.com



Lori Paulette <ljn@portlandmaine.gov>

Raise the minimum wage

Rania <rania.cc@gmail.com>
To: edd@portlandmaine.gov
Cc: livableportland@mainedsa.org

Mon, Mar 17, 2025 at 3:44 PM

Dear Committee Members,

I am writing today to urge you to pass Councilors Regina Phillips and Kate Sykes' bill to raise the minimum wage to \$20 per hour over the next three years. Our economy is stronger when more people earn a living wage, and are able to stay and spend their money locally. Communities and businesses that have raised their minimum wage in recent years have seen stronger economic activity.

Thank you,

Rania Campbell-Bussiere
Portland resident



Lori Paulette <ljp@portlandmaine.gov>

Order 25-24 Comment

Steven Quattrucci <steve@montesportland.com>

Mon, Mar 17, 2025 at 10:11 AM

To: edd@portlandmaine.gov

Dear Committee Members --

While we share many of your concerns, we do not share your intent to raise minimum wages from \$15 to \$20. Small businesses and nonprofits are under siege (from inflation and tariffs) and adding additional costs will force many of us out of business. The root cause of the affordability and wage issue is US Tax Policy, that has unfairly pumped trillions of dollars to the top 10% of earners over the past few years, driving up real estate prices and prices for just about everything else too. Please redirect your passion to addressing this root issue, and stop attacking the small businesses that are the foundation of our local economy. Thank you for your understanding.

Best wishes,
Steve

--

Steve Quattrucci
Monte's Fine Foods
207-939-5616



Lori Paulette <ljn@portlandmaine.gov>

Order 24-25/25

Rachel I <iafolla.rachel@gmail.com>
To: edd@portlandmaine.gov

Tue, Mar 18, 2025 at 10:53 AM

Hello,

I wanted to write in support of raising the minimum wage in Portland. As a resident of this city living on a single income, I find myself stressed about money constantly. And that is with a job that pays \$30 an hour. I cannot imagine the stress and strain of my fellow community members trying to make ends meet on a \$15.50 minimum wage.

If we want to solve problems in the long term, we need to address the needs of the working class of this city. This would be a wonderful start. It is disheartening to see so many people get priced out of a city they love so much. We need strong community now more than ever.

Thanks for your time and your consideration. I hope you have engaging, curious, compassionate discussion.

Rachel Iafolla
167 Danforth

Sent from my iPad



Lori Paulette <ljp@portlandmaine.gov>

Minimum Wage Increase

Elliott <elliott67@gmail.com>
To: edd@portlandmaine.gov
Cc: livableportland@mainedsa.org

Tue, Mar 18, 2025 at 11:23 AM

Dear Committee,

My name is Elliott and I live and work in Portland in the service industry. I encourage you to agree to increasing the minimum wage. With no end in sight to the rising costs of housing and other necessary goods, it's essential to increase the wages of Portland's hardest and lowest paid workers. Portland has attracted a more affluent population over the past years, who can afford to pay higher housing costs, but the people who work to make this city attractive are being pushed further and further away from where they work, no longer able to live in the city they've lived in for years.

If the city cannot prevent or regulate the staggering cost of living and rent then the minimum wage must be increased. Minimum wage workers have a right to live in the city they work in.

Thank you,
Elliott Eno



Lori Paulette <ljp@portlandmaine.gov>

Worker pay - \$20/hour

Gregory LeGore <gl314159@gmail.com>

Tue, Mar 18, 2025 at 12:47 PM

To: edd@portlandmaine.gov

Cc: Greg LeGore <gl314159@gmail.com>

Hello,

Workers in Portland need and deserve a \$20 minimum wage because housing is so expensive in greater Portland - it is one of the most rental and home ownership markets in the US. If workers can't live close enough to their jobs, they will have to choose between long and expensive commutes or leaving the job in hopes of finding a job with similar pay close by their homes. For those of us who appreciate Portland's wonderful restaurants and activities, we know that these are made possible by the hard work of so many employees doing their utmost to make their companies successful.

Thank you,

Greg LeGore

46 Carriage LN, Brunswick, ME 04011

703.727.6231

gl314159@gmail.com



Lori Paulette <ljp@portlandmaine.gov>

Writing in support of \$20/hour minimum wage

Shannon Wade <shannonpwade@gmail.com>

Tue, Mar 18, 2025 at 3:13 PM

To: edd@portlandmaine.gov

Hi there,

I live on Clark Street in Portland and I am writing to urge you to raise the minimum wage to \$20 an hour.

To me it is a no-brainer. Portland's workforce makes the city function, and \$20/hour goes a long way toward economic stability in a time when everyday necessities like groceries are becoming more and more expensive with no end in sight.

Especially as tourist season approaches, if you want a strong healthy workforce to make Portland run, the workers deserve at least \$20/hour.

Thank you,
Shannon Wade
District 2 constituent

Shannon Wade

she/her/hers

<https://tinyurl.com/shannonpwade>



Lori Paulette <ljp@portlandmaine.gov>

Minimum Wage

Charlie Constantineau <cconstantineau@live.com>

Mon, Mar 17, 2025 at 5:14 PM

To: "edd@portlandmaine.gov" <edd@portlandmaine.gov>

Cc: "livableportland@mainedsa.org" <livableportland@mainedsa.org>

Good evening,

Unfortunately I am unable to make the hearing. However, this topic is close to my heart. Today, I make approximately \$32/hr. I work as a medical administrator for the VA clinic in Portland. When I first moved to Maine, I was working as an EMT for North East Mobile Health Services. This was around 2018/2019, prepandemic at any rate. I made 12.75/hr there. It would've been 12/hr, but they were gracious enough to give me an extra .75 cents for my seven years of experience.

Seven years, I spent working on an ambulance in Providence and Pawtucket, RI. To put it simply, you call 911, I was there. Just like the post office, rain or shine, snow or hail, hurricanes and blackouts, floods and fires. There was *nothing* that would keep someone in need from us.

My ambulance base in Maine was in Scarborough. Everyday we left base, turned right up Route 1, and headed towards Portland. Everyday we drove past Pat's Pizza on Route 1. They have a billboard out front. And for months before I quit EMS for good, I saw that sign. It always had the pizza of week, but lately, as almost an afterthought, it had a job posting. **PIZZA MAKER \$18/HR!** That's a \$5.25 raise to make pizza. Imagine that, earnestly, an extra \$5 dollars, to give up a critical and skilled job to make food. Nothing against restaurant workers, they deserve their value just as much. But it was, nonetheless, incredibly demoralizing.

For years, I had seen people at their worst. Held their hand while they died. Literally breathed for them with a bag-valve mask. We hammered medications into patients, each one requiring precise dosage and pharmacological knowledge, to keep them alive. Run, after run, after run, after run. For twenty-hours some days. Declining to mentally process the worst of it, because you simply don't have time to do so. We spent time away from families. I didn't celebrate a Thanksgiving with my family for seven years because I *choose* to do this. It certainly wasn't for the money. Time in school to learn the skills. Money to test and retest every two years. Time and money for continuing education. For, at the time, .75 cents more than minimum wage. Here. In Maine.

\$5.25 and more. \$18 an hour, to make pizzas. Someone will call for help, and no one will come, because for some reason, it's easier to live making pizzas than going to help.

Right now, if you try to google how much North East Mobile Health Services pays EMTs, you'll see it's about \$20/hr. The proposed minimum wage.

Please don't let the chance to help people succeed. We can't do without EMS. We won't do without pizza. Both of these workers deserve to live without worry if they can afford to exist.

Thank you,
Charles Constantineau
Portland, ME
(401) 556-4447



Lori Paulette <ljp@portlandmaine.gov>

Raise Minimum Wage

Cait Enz <caitlin.enz@gmail.com>
To: edd@portlandmaine.gov

Mon, Mar 17, 2025 at 9:22 PM

Hello,

I recommend passage of Councilor Regina Phillips and Kate Sykes' bill to raise the minimum wage to \$20 over the next three years. This increase would allow important members of our community to continue to live in Portland. We all deserve a fair wage.

Thank you.

Sincerely,

Caitlin Enz
Resident of Portland, Maine, 04102



Lori Paulette <ljn@portlandmaine.gov>

Minimum wage hearing

Ellen Brown <browne4321@gmail.com>

Tue, Mar 18, 2025 at 10:34 AM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hi,

I am writing today to recommend passage of Councilor Regina Phillips and Kate Sykes' bill to raise the minimum wage to \$20 over the next three years. I am a resident of Portland. I am a psychiatry resident and I work with many patients who are making minimum wage. Financial stress is a huge part of reinforcing the burden of mental illness. The stress of needing to work more hours or multiple jobs to just meet their basic needs is often a top contributor to worsening mental health. This is not to mention the affordability crisis of housing in Portland and we know that housing instability or unhoused status is a major risk factor for exacerbating a mental health crisis including suicidal ideation. I hope that this is a helpful context in understanding the importance of a fair wage on mental health.

Thank you for your time,

Ellen Brown



Lori Paulette <ljp@portlandmaine.gov>

Support for minimum wage increase

Jeannette <jeannetteberman91@gmail.com>

Tue, Mar 18, 2025 at 9:29 AM

To: edd@portlandmaine.gov

Good morning,

I am writing in support of Order 25-24/25, to be discussed at the Committee meeting tonight. I moved to Portland a little over three years ago, and really hope to stay here. Like many of my friends in their 30's living here, I am still a renter. We both are employed in Maine, and my position is hourly. My husband and I love it here, but we have both have felt the financial pressure of living costs and have wondered if staying in Portland will be feasible forever. We are both active in the community and want Portland to be livable for everyone, not just people who work remotely out-of-state, which is much of the current reality of what it takes to live here. Increasing the minimum wage to \$20/hour would make that more possible. I know that it must be paired with other measures to make it possible for small businesses struggling with rent to stay open, but it is a start. We need to start somewhere.

Best,
Jeannette Berman
159 Grant St, Portland



Lori Paulette <ljp@portlandmaine.gov>

Support for a \$20/hr minimum wage

Jack Haskell <jack.haskell555@gmail.com>

Mon, Mar 17, 2025 at 4:07 PM

To: edd@portlandmaine.gov

Cc: ivableportland@mainedsa.org

Hi folks,

Thank you for taking the time to consider this important improvement to the lives of working people. Here are some reasons I think a \$20 minimum wage is a great idea:

1) The cost of living in Portland is high:

My partner and I are 35. We are both educators working full time. We make about \$80,000 a year as a household. Factoring in the price of groceries, rent, utilities, and a car, our savings each month amount to very little or zero.

Though we work full time, have minimal debt, and have no kids, we are not in a position to buy a home, save money for retirement, or participate in many of the other opportunities that would secure a financially stable future for ourselves.

We make ABOVE 20/hr, so this tells me that even 20/hr is still not enough, it is the bare minimum. From an economic perspective, how can workers participate in the local economy if they don't make enough money to live? From a moral perspective, how can we have a healthy society if the majority of people can't afford the basics?

2) The counter argument that businesses can't afford wage increases is invalid:

Businesses argue that they can't function if wages go up. However, if your business model is based on paying people lower wages than they need to live a decent life, your business is perpetuating a problem. Workers shouldn't be devalued so that a business can "get ahead" — the business model should have to change. There are cooperative business models that allow for a more equal/equitable greater distribution of profits.

The bottom line is that if we want to support communities and support our local economy, we must support workers. Please support the 20/hr minimum wage. Thank you.

-Jack



Lori Paulette <ljp@portlandmaine.gov>

\$20 Minimum Wage

Jaimee Lambert <jaimeemlambert@gmail.com>

Mon, Mar 17, 2025 at 5:22 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hello, my name is Jaimee and I am a resident of Portland. I'm writing in support of a recommended passage of Councilor Regina Phillips and Kate Sykes' bill to raise the minimum wage to \$20 over the next three years.

For many years, my husband and I worked service industry jobs and we have been fortunate to live in various neighborhoods in the Greater Portland area, but that was only achievable by maintaining strict budgets, sharing housing with several roommates, and frankly, being lucky. It took a long time, but I still consider our story lucky. Not every one is as fortunate to carve out that kind of living and it should be the norm, not the exception. We are now fortunate to own a home in Portland, but we are the only ones in our various friend groups. Think about that. We are in our mid-thirties and are surrounded by friends who, despite working for a decade plus, cannot afford to pay their bills or save any money, let alone purchase a home.

By instituting a higher minimum wage, you'll improve their ability to not only pay their bills, but maybe even save some money toward a larger goal, such as homeownership, and give citizens more opportunity to take a breath. And this is just one example of potential improvement for citizens. The opportunities are extensive with a higher minimum wage.

Thank you for your time,
Jaimee

--

Jaimee Lambert she/her

15 Libby Street

Portland, Maine 04103



Lori Paulette <ljp@portlandmaine.gov>

Testimony for Public Hearing of Housing and Economic Development Committee 3/18/25

Karen MacDonald-Fowler <KMacDonald-Fowler@portresources.org>
To: "edd@portlandmaine.gov" <edd@portlandmaine.gov>

Tue, Mar 18, 2025 at 10:30 AM

I know this is late and may not be included- but I have been trying to email this since yesterday morning with no success getting through. I keep getting return notices. I am trying again today- in hopes it might work. I have sent this email to each Councilor individually (last week before I knew of this hearing)- so I am hoping it gets to everyone.

Thank you,

Karen

Dear Mr. Mayor and City Councilors,

My name is Karen MacDonald, I am the executive director of Port Resources, a nonprofit social services organization supporting individuals with intellectual disabilities and autism. I support individuals who live across many districts of Portland. I am writing today to share my grave concerns about the devastating impact implementing a mandated \$20.00 an hour minimum wage would have on our workforce and vulnerable clients.

We support nine group homes and twelve independent living apartments within Portland. These Portland programs support about forty clients and employ almost sixty team members.

Our fixed funding comes through the State's MaineCare program. An hourly rate is set by the State which we receive for each hour of service we provide. This rate is non-negotiable and there is no mechanism to receive higher funds should higher expenses get passed onto us. These higher expenses become unfunded mandates, and over time, erode our ability to maintain a stable organization.

The set reimbursement rate is \$33.64 per hour. The current average hourly rate of pay for a Direct Support Professional (or DSP) in Portland is about \$18.00 per hour. Out of the remaining \$15.64 left, we must pay for any overtime incurred (which continues to be very high due to ongoing staffing shortages), the taxes and benefits on the hour of service, we must cover all program related costs including things like transportation for our clients, training for team members, tech equipment and licensing expenses, and we must cover our general and administration costs which cover administration, supervision, clinical support, our electronic health record, unfunded mandates and other indirect expenses. Two thirds of the \$33.64 goes toward direct care costs and one third remains to cover all other aspects of doing this service. At our current rate, we just break even. Added to this, we have not received a COLA this year, so we are not certain how we will be able to pass along any increase to our workforce, on top of the higher cost of goods and services we are experiencing. The proposed change to go to a \$20.00 per hour minimum wage would simply decimate us. Just for our Portland-based workforce, this increase would cost us an additional \$312k annually. We have absolutely no way to absorb this.

I do not want anyone to think Port Resources does not want to pay its workers higher wages. That could not be further from the truth. We believe that all our team members deserve to be paid a true livable wage and will always advocate for that- but the way this is being proposed to happen will not work. We need higher rates so that we can give higher wages- but to just require higher wages without some means to pay for them makes this an impossible task. Our only choices would be painful for everyone.

Portland is such a wonderful place for our clients to live and for our team members to work; but this change would make it untenable for our organization to sustain our services there. No one wants to move. Individuals we support who live in Portland love living in this city. This is their community; this is their home.

It is our understanding that this referendum could be on the June ballot, we are hoping that this is not the case, but if it should be, we are hopeful the Council Members will amend the language to exempt non-profit organizations like Port Resources, that operate through fixed MaineCare rates with no other means to cover these costs, from having to comply with this. We will continue to advocate for higher wages with our state leadership and hope to have rates created and passed onto us that affords us the ability to do so, but until that time, increasing the minimum wage without higher rates would seriously jeopardize the stability and safety of our Portland programs- and ultimately the ability of Port Resources to operate any program within Portland.

If any of you would like to meet in person to discuss this, or have a tour of our programs, I would be very happy to arrange that. Thank you for your time and truly hearing our grave concerns. We hope that consideration will be made for the future wellbeing of Portland's most vulnerable residents, who would be so negatively impacted by this change.

Sincerely,

Karen MacDonald-Fowler

16 Longmeadow Drive

Gorham, ME 04038

Karen D. MacDonald-Fowler (she/her)
Executive Director

Port Resources
280 B Gannett Drive
South Portland, Maine 04106

207/828-0048 ext. 101
207/772-3743 fax

kmacdonald-fowler@portresources.org

At Port Resources, our mission is to help everyone find their place in the world. This means we continually celebrate the diverse community different individuals cultivate. As an equal opportunity employer, we stay true to our mission by ensuring that our place can be anyone's place.

Please Visit Our Website at www.portresources.org



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Lori Paulette <ljn@portlandmaine.gov>

Meeting for 3/18/25

smccart1@maine.rr.com <smccart1@maine.rr.com>

Mon, Mar 17, 2025 at 3:49 PM

To: "ljn@portlandmaine.gov" <ljn@portlandmaine.gov>

Please forward the attached list of restaurant closure to your committee members.

It is a list of restaurants that have closed in the city of Portland since Covid.

When this was put to committee, it was stated that they wanted to include restaurant owners and workers in the discussion.

That never happened, to the surprise of nobody.

Thanks

Shaun McCarthy

Dock Fore

[336 Fore St](#)

[500 Baxter Blvd](#)

**restaurant closures.odt**

14K

Portland restaurants, bars and coffee shops that have closed since 2020

Lio
Citrus
Bills Pizza
Little Giant
Figgys
MJ Wine bar
Adas
Chee Vit Dee
Sebago
The Yard
Queenies Castle
Baharat
Katahdin
Hugos
Copper Branch
Thai Essan
Bull Feenys
Jakes
Rosemont Market and Wine
Rivalries
Rubys West End
Pats Pizza
Petite Jacqueline
Danforth
Bar & Bites
Banded Brewing
Old Port Slice Bar
Radici
Other Side Deli
Snug
Cabana
Stars & Stripes
Bao Bao
Broken Arrow
Elsmere
Parkers
Venas
Walters
Coffee by Design (2 locations)
TortillaFlat
Dry Dock
Bingas Stadium
Blue Spoon
Pizziaolo Forest Ave
Five Guys
B Good
Back Bay Grill
Marks Tap House
Marks Place
Rickys Tavern
The Tree House
Little Woodford
Four Points Marina
Starbucks (2 locations)
Brgr Bar

The Bar
Drifters Wife
The Helm
Hilltop Coffee
Piccalo
Dogfish
Pizza Joint
Bonobo Pizza
Silver House
Saint Joes
Ernies pool hall
Blue Rooster
Little Tap House
Rick's lobby cafe
Jager
Genos
Norm's Downtown lounge
Lena's
A & C grocery
Eaux
Timber
Full Turn
Mellon St Market & bar
Sapporo
oh no
Thistle and Grousse
Sisters
coals bayside
golden lotus
Jakes
north point
nosh taco
cocktail mary
otto ,congress and wash
sissle & daughter



Lori Paulette <ljp@portlandmaine.gov>

I support raising Portland's minimum wage to \$20/hour

Sam Tracy <sam.j.tracy@gmail.com>

Tue, Mar 18, 2025 at 8:30 AM

To: edd@portlandmaine.gov

Hello,

I heard that the Economic Development Committee is having a hearing tonight on a proposal to raise Portland's minimum to \$20/hour. Unfortunately I can't make it in person, so I wanted to register my support here.

This proposal would not impact me personally, as I'm lucky to make more than \$20/hour. But I have a strong belief that everyone should be able to earn enough to live in the town or city that they work in.

As I'm sure you know, the cost of living - especially rent - has exploded in recent years, and our current minimum wage is not sufficient to let someone working full-time support themselves in Portland, let alone any children or other dependents.

Of course, this could be fixed in many other ways: increasing the housing supply to lower rent, creating programs that help low-income people pay for necessities, etc. But housing takes a long time to build, and this is an urgent problem that needs attention now. Social programs requires city spending and administration, and I know funding is in short supply.

Raising the minimum wage is the simplest, quickest policy change to address Portland's affordability problem, so I strongly support the Committee passing this measure.

Thank you for your consideration,

Sam Tracy**148 Noyes Street, Portland, Maine**



Lori Paulette <ljin@portlandmaine.gov>

\$20 minimum

Tim Goodwin <thg0724@gmail.com>

Mon, Mar 17, 2025 at 7:06 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hello,

My son and I own a small restaurant in Portland that employs fewer than 15 employees on any given week. All of my employees make at least \$21/hour, but for front of house staff much of that compensation is in the way of tips. Servers whose wage is the minimum allowed (\$7.50/hour) seldom make less than \$30/hour in a week and sometimes top \$40/hour. (We guarantee \$21/hour on a daily basis.) The only server who worked for us for the entire 2024 calendar year made \$38.02/hr in 2024 and was our highest paid employee in total compensation; they made more than the owners. I do not have quick access to the hourly rate for all front of house servers, but am confident that \$38/hr is within a dollar or two of the average for all servers.

Increasing the tipped minimum from \$7.50 to \$10 to keep it half of the minimum wage would cost the restaurant over \$6500 a year and workers already making \$38/hour would be the beneficiaries. \$6500 is not an insignificant amount for our restaurant (and owners who are making less than our employees). I do not know whether eliminating the tipped minimum is part of the equation. If it is, that would be truly devastating. We would likely be faced with either going out of business or experimenting with a non-tipped model which would mean lower wages for servers. Tipped employees already are assured of earning at least minimum wage, there is no need to increase the tipped minimum; raising the tipped minimum effectively gives tipped employees who are already making well above the minimum wage a bonus (a bonus not enjoyed by other workers who are already making above minimum wage).

I support an initiative to raise the minimum wage in Portland to \$20/hr. If the initiative includes a change to the tipped minimum, I would oppose the initiative.

Tim Goodwin
Co-Owner Little Tap House
Past Member of DSA