

**Housing & Economic
Development Committee Meeting**
Tuesday, April 15, 2025 at 5:30 PM



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.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Join from PC, Mac, iPad, or Android:

<https://portlandmaine-gov.zoom.us/j/88001080853?pwd=QVbQdPA8gUZ4gnh2ZZFJayFBjkDrEK.1>

Passcode:882256

Phone one-tap:

+13052241968,,88001080853# US

+13092053325,,88001080853# US

Join via audio:

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 931 3860 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

1. **Review and accept Minutes of previous meeting held on March 18, 2025.**
 - a. See attached draft Minutes.
2. **Discussion: Hotel Inclusionary Zoning Ordinance and Identify Policy Concerns for the Planning Board to Consider in Developing Potential Amendments to the Ordinance for Consideration by the City Council (Kevin Kraft)**
 - a. See attached Memo and backup.
3. **(Public Comment) Review and vote on a recommendation to the City Council to approve the FY2026 Agreement and special assessment for the Portland Tourism Development District (Greg Watson and Lynn Tillotson)**
 - a. See attached Memo and backup.
4. **Review of FY2026 HUD Annual Action Plan (Mary Davis)**
 - a. See attached Memo and backup.
5. **(Public Comment) Review and vote on a recommendation to the City Council regarding Minimum Wage Policy (Councilors Sykes and Phillips)**
 - a. See attached Memorandum and backup.
 - b. See attached Public Comment received.
6. **(Public Comment) Review and vote on a recommendation to the City Council to approve the proposed Commercial Vacancy Program (Greg Watson and Nancy Martin)**
 - a. See attached Memo and backup.

Next Meeting Date: May 20, 2025

Minutes

Remote Housing and Economic Development Committee

March 18, 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 Pious Ali, and members, Sarah Michniewicz, Regina Phillips and Kate Sykes. Also present from the City Council was April Fournier and 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 February 25, 2025

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

Item #2: Discussion and public comment regarding 8-19-2024 Tabled City Council of Order #25-24/25- Setting Election Date on an Amendment to Chapter 33 of the Portland

City Code regarding an act to increase Portland's minimum wage- City Council referred to this Committee

Mr. Watson said this item was referred by the City Council at its 8/19/2024 to this Committee when it considered both this item and an item to eliminate sub-minimum wage for service employees. This meeting is to discuss the increase of minimum wage only, with no vote taken today. The approach is to allow Committee members that were sponsors to original order to speak to their rationale and to accept public comment.

Chair Councilor Ali concurred, this is for Committee discussion and public comment.

Councilor Sykes noted the significant public comment on website portal. The proposal is to bring minimum wage up to \$20/hour over four years, not a discussion on tipped wages, to be able to afford to live in Portland.

Chair Councilor Ali said the goal would be some sort of agreement as to what is in our best interests for workers and businesses, and he then opened the meeting for public comment.

Steve DiMillo of DiMillo's on the Waterfront on Commercial Street noted that the market dictates the minimum wage. There is a competitive labor market and they pay dishwashers \$18.00 an hour – not the current minimum wage of \$15.50. He is against this effort.

Eamonn Dundon, of the Portland Chamber of Commerce which has 1,300 members, urged the Council to oppose this effort. Portland's minimum wage is the highest in the country.

Mike Cleary of Planet Fitness on Marginal Way noted his strong opposition to this item. High performance employees get their pay adjusted and then there is the entry level. This would have a ripple effect on the entire payroll structure.

Edmund Cervone(sp?) of UNE's Internal Relations, noted opposition to this item. This would increase labor costs and thus reduce its funding for scholarships. Healthcare services they provide would also be reduced. Attention for more affordable housing is the priority.

David, a small business owner in Portland, supported this item – noting workers cannot be at this meeting because they are working. Having the highest wages in the county is something to be proud of.

Bradley Davis, Portland resident and a founding member of the Portland tenants union, supported this effort. It will not solve everything but it will help, noting the costs of rental here are very high.

Sophia Thomas of 33 State Street strongly supported this item, noting the high costs of renting and groceries. People can only afford to live in Portland if they are able split the costs of renting.

Danny Napolitano of Bruno's Restaurant opposed this item, noting that \$20/hour will not take care of this. He is all for trying to make things affordable here but this is not a good idea.

Julian of 132 Park Avenue spoke on behalf of himself and the service industry noting strong support for this effort.

Damon Yakovleff of Bolton Street supported this and encouraged the City Council to find five votes for this to pass.

Lily Wafer of 131 Chadwick Street and a renter noted her support for this effort and also noted that lower rents are needed here.

Marietta Melon of State Street noted her support of this effort and that if she had dependents, she would be in a financial crisis. Rent takes 30% of her salary and having more disposable income would support businesses.

Lila Kohrman Glaser noted support for this effort. Doing the math: $\$20 \times 40 \times 52 = \$41,600$ before taxes, which is not a lot of income. The City should prioritize your constituents' needs.

Nate Cloutier representing Hospitality Maine was not in support of this effort as it provides unpredictability. The Green New Deal has had unintended consequences on housing costs. He encouraged City Councilors to call him for more information. Many restaurants, operating on 3% to 5% margins, cannot afford this.

Erica Curtis – resident of District 1 – noted support of this effort. Portland needs a living wage.

David Turin – chef and owner of David's Restaurant since 1992 – noted that he continuously employs about 50 people and is opposed to this item. Raising minimum wage is extremely inflationary and will actually hurt the situation rather than make it better.

Jared Sawyer, Portland resident and the financing person for VFW did not support this effort. Tipped service workers do well. Payroll accounts for over 40% of the VFW's costs.

Jill, owner of multiple businesses employing 50 people who do not make under \$20/hour, does not support this effort. Housing is the issue for Portland.

Maddie of Phipps Street supports the effort, noting housing, food, and healthcare are more expensive than ever.

Aidan Andrews of Bedford Street supported this effort, noting that he is barely able to support groceries and rent. Let the people decide and put it out to the voters.

Todd Blanchette of West Lawn Road District 5 noted support of this effort, and business should support rent control efforts. People are leaving Portland because they cannot afford it.

Lori Ritter, with Coffee By Design (CBD), representing CBD owner Mary Allen Lindemann opposed this proposal noting that it would place an enormous strain on small businesses and negatively impact benefits. Consider a more balanced approach for small businesses.

Brian Hanson, resident of Portland and a SCORE volunteer working with various businesses, noted that there are a lot of obstacles to running a business here and further increases in minimum wage could be devastating to those businesses.

Robbie Defries of Portland and working for a non-profit that cannot raise prices and with this proposal, the non-profit would be hard-pressed to keep open.

See no further comment, Chair Councilor Ali closed the public comment session.

Councilor Michinewicz noted the City's fiscal impact in raising the minimum wage could be at \$11.5 million by 2028, and then questioned if the City could be allowed to create exceptions to the increase, such as for social services and child care.

Mr. Goldman said that he could research that and get back to the Committee. He then noted rules and regulations regarding ordinances passed by citizen initiatives or referendum, particularly that the City Council cannot amend it until five years after the effective date has passed.

Councilor Sykes noted appreciation for the public comment given and noted that the proposal is gradual over the four years to get to \$20/hour. She also noted that Portland is not alone in the highest minimum wage – Seattle and San Francisco are up there as well. She is looking forward to more discussion on how to draft this and send it to the City Council.

Councilor Phillips said that she supports this effort and also appreciated the public comment.

Councilor Pelletier thanked all and noted that commercial rent control could help to keep businesses here and that affordable housing is a multi-faceted problem that the City is focused on.

Item #3: Verbal update on drafting a Commercial Vacancy Ordinance

Greg Watson introduced this item by noting staff is working with Corporation Counsel to draft a Commercial Vacancy Ordinance that would apply to the existing Pedestrian Activities District Overlay. The PAD Overlay is found within the Downtown as well as parts of the Old Port. Staff would bring the draft ordinance to the HED Committee at their next meeting. Upon Committee approval, the draft ordinance would then go to the Planning Board for their approval.

Item #4: Verbal update on proposed Hotel Inclusionary Zoning

Greg Watson provided an update on the fee-in-lieu portion of the Hotel Inclusionary Zoning Ordinance. During 2018, the Greater Portland Council of Governments conducted a nexus study examining the feasibility of a proposal for assessing a hotel linkage fee to mitigate the effects of new commercial development on the demand and availability of affordable housing. Per the request of the City Council, staff requested GPCOG to forward an updated review using current data. Staff is reviewing GPCOG's report and hopes to bring it to the Committee within the next meeting or two.

The Committee thanked Greg for the update and indicated they hope the review includes a look at what other cities are doing around the country.

On motion made by Councilor Phillips, seconded by Councilor Sykes, the Committee voted 4-0 to adjourn the meeting at approximately 7:10 p.m.

Respectively submitted, Lori Paulette and Victoria Volent



Staff Memo To:

Housing & Economic Development Committee
Councilor Pious Ali, Chair

MEETING DATE

April 15, 2025

AGENDA ITEM

Agenda Item 2 – Hotel Inclusionary Zoning Ordinance

PURPOSE

An initial discussion on the history, background, and development trends related to the City’s hotel inclusionary zoning ordinance, with the committee providing direction on next steps.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

On December 16, 2024, the City Council established its 2025 Common Goals, outlining policy priorities and guiding the development of Council committee work plans. The Housing & Economic Development Committee (HEDC) identified the review and potential revision of the hotel inclusionary zoning ordinance (Chapter 14, Section 17.2.4) as a policy matter aligned with Council Common Goal #2: *“The Council will work to implement solutions to the housing crisis, including building more working class housing, improved support for the unhoused community such as an overdose prevention center as well as continued support for warming shelters. Additionally conduct independent assessment of Efficiencies, Outcomes, and Expenditures.”*

At its [January 21, 2025](#) meeting, the HEDC established its 2025 work plan, which includes reviewing and considering potential revisions to the City’s existing hotel inclusionary zoning ordinance.

BACKGROUND/ANALYSIS

On November 4, 2024, the City Council passed Order 77-24/25 (6-2, Mayor Dion & Councilor Rodriguez – No, Councilor Fournier Absent) (Attachment A) establishing a 180-day moratorium on new hotel projects in the City of Portland. The moratorium went into effect on December 4, 2024 and is set to expire on June 2, 2025.

Portland’s Hotel Inventory & Development Trends

According to lodging license data from the Maine Department of Health and Human Services, there are currently 41 licensed lodging places in the City of Portland, with approximately 3,500 total rooms. 68% of these hotels have been developed since 2000, and 18 (44%) have been developed since 2010.

History of Hotel IZ policy

In 2019, the City proposed and established a hotel inclusionary zoning (IZ) ordinance. The requirement applies to hotel projects with 10 or more rooms and any hotel expansions of 10 or more rooms within any five-year period. To meet the requirement, hotel projects can provide one unit of low-income housing for rent within the city for every 28 hotel rooms. Portland considers a low-income housing unit to mean one that is rented to households earning 80% AMI or less. The other alternative is for a hotel project to pay a linkage fee (fee-in-lieu) with a 2019 basis of \$3,806 per room, which is deposited into the City's Housing Trust Fund at the time the Certificate of Occupancy is issued. The linkage fee is adjusted annually; the 2025 hotel inclusionary fee-in-lieu is \$4,831 per guest room.

The impetus for the creation of a hotel inclusionary zoning ordinance was a steady rise in hotel/inn/motel development between 2012 and 2018. Local and national data indicated that job creation in the hospitality industry would involve a considerable amount of workforce households at average wage rates below what was required to afford housing in Portland at the time. As a result of the specifics of the industry's profile and anticipating an increase in hotel/inn/motel development in the coming years, the hotel inclusionary zoning ordinance was adopted on January 23, 2019, Order 134-18/19 (Attachment B) and became effective on February 22, 2019.

Hotel development post IZ policy

Since adoption of the ordinance in 2019, 14 projects have been approved. Of the 14 projects three hotel projects approved in that timeframe were not subject to hotel inclusionary zoning requirements (Table 1). One project was too small (<10 rooms) to trigger the requirement and the other two were products of approved master development plans (Thompsons Point and Portland Foreside), which gave them pending proceeding status under the pre-inclusionary zoning code.

Table 1: Approved Hotel Projects Exempt From Hotel IZ Regulations				
Address	Common Name	Approval Year	Total Rooms	Status
148 Coveside Drive	Diamond Cove	2024	8	Approved
Thompson's Point	Forefront Hotel	2023	148	Under Construction
58 Fore Street	Portland Foreside	2023	128	Approved
Total	3		284	

Of the 11 remaining projects (Table 2), four have been constructed and completed, resulting in a combined total of 223 rooms. Each of these projects elected to contribute to the Housing Trust Fund, generating a total of \$834,373 in contributions. Two additional projects are currently under construction: The Docent's Collection at 178–184 Middle Street, which will contain 19 rooms and contribute \$86,602 into the Housing Trust Fund and 215 Commercial Street, which will contain 15 rooms and contribute \$70,380 into the housing trust fund. Both are smaller-scale renovations of

former office spaces in the Old Port. The remaining five projects have received approval but have not yet begun construction. If built, the five remaining projects would add an additional 623 new rooms. If all 11 projects are constructed as approved, they would collectively generate approximately \$3.8 million in contributions to the Housing Trust Fund and 880 hotel rooms.

Table 2: Approved Hotel Projects Subject To Hotel IZ Regulations					
Address	Common Name	Approval Year	Total Rooms	Fee-in-lieu	Status
*121 Middle Street	Docent's Collection	2019	26	\$72,314	Construction Complete
1 Center Street	Canopy by Hilton	2019	135	\$513,810	Construction Complete
754 Congress Street	The Longfellow Hotel	2020	48	\$182,688	Construction Complete
54 York Street	The Weldon Hotel	2024	14	\$65,562	Construction Complete
178-184 Middle Street	Docent's Collection	2023	19	\$86,602	Under Construction
215 Commercial Street	-	2024	15	\$70,380	Under Construction
477 Congress Street	Time & Temperature	2023	181	\$849,252	Approved
1060 Westbrook Street	Hyatt Jetport	2024	119	\$558,348	Approved
465 Congress Street	Monument Hotel	2024	92	\$431,664	Approved
385 Congress Street	Fathom	2023	179	\$815,882	Approved
245 Commercial Street	Portland Harbor Hotel Expansion	2024	52	\$243,984	Approved
TOTAL	11		880	\$3,890,486	

121 Middle Street – Awaiting fee-in-lieu payment for 7 additional rooms, which are included in the total room count.

In terms of location, of the 14 projects approved since the implementation of the Hotel IZ policy, approximately 57%, a total of eight projects (699 rooms) are located in the City's B-3 Downtown Business zone. This zone spans from roughly Franklin Street to State Street and includes the Old Port, Arts District, and abuts the waterfront areas recognized as the region's core for arts, culture, commerce, and civic life, where hotel development is both anticipated and encouraged. For comparison, between 2019 and 2024, the City also approved 1,695 residential dwelling units within the B-3 zone, reflecting strong and balanced growth in both hotel and residential

development. This trend aligns with the goals outlined in *Portland's Plan 2030*, which reinforces downtown as the region's primary hub of activity for the region.

The remaining hotel projects are also located in areas where hotel development is generally expected. Two projects are in the B-5 zone—one at Thompson's Point and the other at 54 York Street, just outside the B-3 zone near Commercial Street and the Old Port/Waterfront Central neighborhoods. One project, part of the master development plan for the Portland Foreside mixed-use development, is located in the B-6 zone in the Eastern Waterfront. Another is situated in the Airport Business (A-B) zone, an area commonly associated with airport-related uses and business travel. Finally, one project was approved as part of a contract zone on Great Diamond Island.

Approved Hotel Projects by Zone (2019–2024)		
Zone	Total Hotel Projects	Total Rooms Approved
B-2b	1	48
B-3	8	699
B-5	2	162
B-6	1	128
A-B	1	119
Contract Zone	1	8
TOTAL	14	1,164

In terms of size, there is no clear evidence of a significant trend toward smaller hotel projects (<10 rooms) as a means of avoiding Hotel IZ requirements. The average size of hotels operating prior to the adoption of the IZ policy was 89 rooms, compared to an average of 83 rooms for hotels approved since its implementation. Only one project approved since 2019 has been under 10 rooms. However, a notable emerging trend in hotel development is the rise of smaller-scale hotels with fewer than 30 rooms, offering an alternative to traditional accommodations. These boutique-style properties typically feature apartment-style suites with fully equipped kitchens, separate dining and living areas, and private bedrooms. They often operate with limited on-site staff, minimal amenities, and rely on mobile check-ins and lacking a centralized reception area. Four such projects—121 Middle Street, 178–184 Middle Street (Docent's Collection), 215 Commercial Street, and 54 York Street (The Weldon Hotel)—fit this model. While these developments were still required to comply with Hotel IZ regulations, they reflect a growing and distinct segment of the hospitality market that tend to operate more in the vein of short term rentals.

ReCode Zoning Changes

As part of the City's ReCode initiative, adopted by the City Council on November 4, 2024, new hotels are now prohibited in the B-1, B-2b, and TOD-1 zones. The purpose of these zones is to support neighborhood- and community-oriented retail, business, and service establishments within a more urban development pattern. They are intended to foster mixed-use development and moderate- to high-density housing in urban neighborhoods that align with the City's investment in high-frequency transit infrastructure, encouraging walking, biking, and public transit use. By prohibiting hotels in these zones, the City prioritizes housing and mixed-use developments and directs hotels to designated areas better suited for such uses.

ReCode also included changes to the definition of "hotel" within the land use code. These changes were designed to more clearly define hotels as multi-room commercial facilities with centralized reception, management, and cleaning services, and to address the emerging trend toward non-traditional forms of hotel development more akin to short-term rentals.

Inclusionary Zoning Fee-in-Lieu Assumptions

Linkage fees are often used by cities as a way to offset the impacts of new development. Before establishing a linkage fee, communities typically conduct a study that formally and systematically establishes the nexus, or the 'link,' between new development and the fee's purpose. In the case of the city's hotel IZ policy, a linkage fee study was completed in 2018 to document the nexus between hotel development and demand for affordable housing (Attachment C). The basic principle of the study, which was conducted by the Greater Portland Council of Governments (GPCOG), is that new hotel development creates new jobs and attracts new households to fill those jobs, and that new affordable housing is necessary to accommodate them.

When the hotel policy was created, it was also the intent that the linkage fee would be periodically updated. Although no specific timeframe was established for these updates and in anticipation of upcoming discussions regarding the current Hotel IZ fee amounts, City staff requested an updated fee-in-lieu analysis from GPCOG in early 2025 (Attachment D). It is important to note that GPCOG's current work did not include an evaluation of the 2018 fee study methodology, but instead simply replicated the original methodology using current day income and housing cost assumptions. In almost all cases, the current study used the same data sources as the 2018 study; the one exception was for housing cost data, where the original data source was no longer available. Because of this change in the availability of data, GPCOG supplied three possible updated fee-in-lieu figures, reflecting three estimated affordability gaps based on three alternative rental cost data sources (the City of Portland Rent Board reports, American Community Survey, or HUD Fair Market Rent). These figures range from \$9,520 to \$10,620 to \$13,731 per room, depending on the rent data source used.

For purposes of comparison, staff conducted an initial analysis of the potential impact of these three possible fees, based on an average sized hotel in the City of Portland of 85 rooms. Under the possible fees, the total inclusionary zoning contribution for a hotel of this size would range from \$809,164 to \$902,720 to \$1,167,120. The total contribution for an 85 room hotel at the 2025 hotel IZ figure of \$4,831 per room would be \$410,635.

NEXT STEPS:

If the summary and recommendations for changes to the existing Hotel IZ ordinance align with the committee's and City Council's priorities, the City can proceed in several possible directions:

1. **Option 1 - Raise IZ fee-in-lieu:** This option would increase the hotel IZ fee-in-lieu based on the estimated affordability gap identified in the 2025 GPCOG study. Staff seeks committee direction on the preferred fee amount based on the rent data source used. Based on the Council's direction, the housing unit per room requirement within hotel inclusionary zoning policy would also be adjusted.
2. **Option 2 - Raise IZ fee-in-lieu & reduce applicability threshold:** In addition to raising the hotel IZ fee-in-lieu based on the estimated affordability gap from the GPCOG study, this option would amend the definition of a "Hotel project" to apply to any size hotel, rather than the current requirement of only applying to projects that include 10 or more guest rooms. Based on the Council's direction, the housing unit per room requirement within hotel inclusionary zoning policy would also be adjusted.
3. **Option 3 - Maintain existing fee-in-lieu & reduce applicability threshold:** This option would retain the existing hotel IZ fee-in-lieu while reducing the applicability threshold. The definition of a "Hotel project" would be amended to include any hotel, rather than only those with 10 or more guest rooms. As in Option 2, the threshold of >10 rooms would be removed, making the IZ requirements applicable to all hotel projects. Based on the Council's direction, the housing unit per room requirement within hotel inclusionary zoning policy would also be adjusted.

FISCAL IMPACT

The hotel IZ policy has resulted in \$834,374 in contributions to the housing trust fund, with just over \$3 million in anticipated revenues from approved projects pending construction. The fee-in-lieu amount is adjusted annually. If the fee is updated to more accurately reflect current incomes and housing costs, assuming that hotel development trends hold steady, contributions to the housing trust fund could be expected to increase significantly.

CONCLUSION(S)

This item is for discussion and direction. If the committee supports the presented options and provides additional guidance on revisions, staff recommends that the hotel moratorium be extended to allow time for staff to draft proposed Land Use Code revisions. These revisions would then be reviewed by the Planning Board, which will provide a recommendation on a text amendment to update the Hotel Inclusionary Zoning ordinance for consideration by the full City Council. Following the Planning Board's recommendation, the amendment will move forward to the full City Council for consideration and final decision.

PRIOR COMMITTEE REVIEW

N/A

PREPARED BY

Kevin Kraft, AICP
Director
Planning & Urban Development

Nell Donaldson
Director of Special Projects
Planning & Urban Development

ATTACHMENTS

Attachment A – Hotel Moratorium Order 77-24/25

Attachment B – Hotel IZ Ordinance Order 134-18/19

Attachment C – GPCOG Linkage Study 2018

Attachment D – GPCOG Linkage Study 2025

Attachment E – Hotel IZ Ordinance – Chapter 14

Order 77-24/25 Passage as amended: 6-2 on 11/04/2024 (Mayor Dion & Councilor Rodriguez-No, Councilor Fournier Absent)

Motion to waive second reading: Passed 7-1 (Dion-No, Fournier absent)

Motion to amend effective until date to 5/3/2024 if passed as an emergency and to send any changes made to the Planning Board. - Passed 7-1 (Dion-No, Fournier absent)

Motion to refer to HEDC Committee-Failed 3-5 (Sykes, Ali, Phillips, Trevorrow, Pelletier-No, Fournier absent)

Motion to pass as an emergency: Failed 6-2 (Dion & Rodriguez No, Fournier absent)

Effective 12/04/2024

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 ESTABLISHING A 180-DAY MORATORIUM ON NEW HOTEL PROJECTS
IN THE CITY OF PORTLAND**

WHEREAS, the City of Portland faces a critical shortage of affordable housing;

WHEREAS, in January 2019, by Order 134-18/19, the City Council adopted an inclusionary zoning ordinance for hotel projects as set forth in Section 18.2.5 of the City's Land Use Code (the "Hotel Inclusionary Zoning Ordinance"); and

WHEREAS, hotel projects create many jobs that do not pay employees at a rate sufficient to allow those employees to afford market rate housing in Portland, and the purpose of the Hotel Inclusionary Zoning Ordinance was to address that demand; and

WHEREAS, the Hotel Inclusionary Zoning Ordinance currently requires developers of hotel projects to provide one unit of low-income long-term rental housing for every 28 rooms in the hotel project or to pay a fee-in-lieu of such units to the Jill C. Duson Housing Trust Fund in the amount of \$4,692 for each guest room in the hotel project; and

WHEREAS, since 2019, nine hotel projects have been approved, are under review, are under construction, or have been constructed, including 801 guest rooms; and

WHEREAS, the developers of those hotel projects have provided no low-income long-term rental units and will generate only about \$3,556,000 in fees to the Jill C. Duson Housing Trust Fund; and

WHEREAS, the hotel projects that have been constructed since 2019 are projected to create approximately 489 jobs, many of which are expected to pay below 60% of the area median income; and

WHEREAS, hotel development continues to be robust and competes with housing development in Portland;

WHEREAS, the Hotel Inclusionary Zoning Ordinance has not been substantially changed since its initial passage in 2019 and is inadequate to prevent serious public harm caused by hotel development, including the lack of sufficient affordable housing for hotel employees employed at new hotels;

WHEREAS, a temporary 180-day prohibition on approval for new hotel projects is appropriate in order to allow the City time to review and amend the Hotel Inclusionary Zoning Ordinance as necessary to ensure that there is sufficient affordable housing for hotel employees and otherwise prevent a worsening of the housing crisis; and

WHEREAS, in the judgment of the City Council for the City of Portland, these facts create an emergency within the meaning of 30-A M.R.S. § 4356(1) (A) and the City Charter, requiring immediate action to prevent serious public harm; and

NOW, THEREFORE, pursuant to its authority in 30-A M.R.S. §§ 3001 and 4356, the Portland City Council hereby ordains that a Moratorium is imposed, effective immediately, on any and all applications and approvals for hotel projects, except that this Moratorium does not apply to any hotel projects that have any applications with the City or the Planning Board that are currently under review by the City or the Planning Board or that have already been approved by the City or Planning Board (the “Existing Hotel Projects”); and

BET IT ORDERED, that that no permit applications for any hotel project, other than the Existing Hotel Projects, shall be accepted, processed, or reviewed by the City or the Planning Board for the period of this Moratorium; and

BE IT FURTHER ORDERED, that those provisions of the City’s Land Use Code that are inconsistent or conflicting with the provisions of this Moratorium, are hereby repealed to the extent that they are applicable for the duration of this Moratorium, but not otherwise; and

BE IT FURTHER ORDERED, that during the time that this Moratorium is in effect, the City’s Housing and Economic Development Committee shall review the Hotel Inclusionary Zoning Ordinance and identify policy concerns for the Planning Board to consider in developing potential amendments to the ordinance for consideration by the City Council; and

BE IT FURTHER ORDERED, that this Moratorium shall remain in effect until the earlier of the effective date of necessary amendments to the Hotel Inclusionary Zoning Ordinance or June 2, 2025, unless extended, repealed, or modified by the Portland City Council; and

BE IT FURTHER ORDERED, that to the extent any provision of this Moratorium is deemed invalid by a court of competent jurisdiction, the balance of the Moratorium that shall remain shall be considered valid.

EXHIBIT B

Order 134-18/19

Passage: 9-0 on 1/23/2019

Effective 2/22/2019

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**AMENDMENT TO PORTLAND CITY CODE CHAPTER 14
RE: HOTEL PROJECT INCLUSIONARY ZONING**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND,
MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:**

*That Chapter 14, Sections 14-484, 14-485 and 14-488.1 is
hereby amended to read as follows:*

Sec. 14-484. Purpose.

It is in the public interest to promote an adequate supply of affordable housing for the city's residents. The purpose of this division therefore is to offer incentives to developers to include units of affordable housing within development projects, thereby mitigating the impact of market rate housing construction, or the demonstrated increase in affordable housing needs resulting from the creation of new lower-income jobs, on the limited supply of available land for suitable housing and helping to meet the housing needs of all economic groups within the city. The city believes that this division will assist in meeting the city's comprehensive goals for affordable housing, in the prevention of overcrowding and deterioration of the limited supply of affordable housing, and by doing so promote the health, safety and welfare of its citizens.

...

Sec. 14-485. Definitions.

...

Eligible project means a development project:

...

- (d) Projects shall not be considered "eligible projects" solely because they are subject to Section 14-487 ("Ensuring Workforce Housing").

Hotel Project is any hotel, inn or motel, as defined in Section 14-47 of Chapter 14 of the Portland City Code, consisting of 10 or more guest rooms for rent. Any such development that exists prior to the effective date of this Section but expands by 10 or more rooms within any 5 year period will also be considered a hotel project.

...

14-488.1 Inclusionary Zoning for Hotel Projects

(a) **Purpose:** This section is based on City analysis, most specifically the analysis documented in the Greater Portland Council of Government study "Proposed Hotel Linkage Fee: Supportable Range" dated August 29, 2018, that finds that new hospitality developments create a need for new affordable housing. This need is the result of the fact that hospitality developments necessarily create a number of jobs that do not pay employees at a rate sufficient to allow those employees to afford market-rate housing in the City of Portland.

(b) **Hotel Projects Conditional Uses:** Notwithstanding anything to the contrary in Chapter 14, all hotel projects are conditional uses subject to Planning Board review on the condition that they comply with the requirements of this Section 14-489.

(c) **Low Income Housing Minimum.** All hotel projects shall provide one unit of Low Income Housing for rent in the City of Portland for every 28 rooms in the hotel project which shall meet the standards outlined in Section 14-487 and in the implementing regulations governing Low Income Units. This amount shall be rounded up to the nearest increment of 28 rooms. These units shall be deed restricted for the longest period permitted by law; shall not be used for Short Term Rentals of less than 30 days; and must be provided with distinct entrances from the street to delineate them from the hotel itself.

(d) **Fee-in-Lieu Alternative:** As an alternative to providing Low Income Housing units under subsection (c) above, a Hotel Project may pay a fee-in-lieu of \$3,806 per hotel guest room. This amount shall be paid into the City's Housing Trust

and used for the purposes set forth in the ordinance and regulations applicable to that trust.

(e) **Annual Adjustments:** The amounts in (d) above shall be adjusted annually in the same way as the fee under Division 29 for Housing Replacement.

(f) **Regulations:** The Planning Board may promulgate implementing regulations based on this ordinance.

(g) **Applicability:** Notwithstanding the provisions of 1 M.R.S. § 302, Sec. 14-489 shall apply retroactively and include any and all actions and proceedings pending on September 26, 2018 or thereafter.

To: Jeff Levine, Planning & Urban Development Director
From: Stephanie Carver, GPCOG Planning Director
Date: 8/29/18
RE: Proposed Hotel Linkage Fee: Supportable Range

This memo has been expanded and updated based on additional data provided by the Maine Innkeepers Association.

Introduction

The City of Portland's Department of Planning & Urban Development is examining the feasibility of a proposal for assessing hotel linkage fees that would recover the cost of producing housing that is affordable for hotel employees. The purpose of this memo is to provide information to the City regarding the use of linkage fees for this purpose and outline a potential methodology for the calculation of a fee.

We have used the best available data to demonstrate how this methodology could be used to estimate a potential hotel linkage fee, but this does not constitute a recommendation from GPCOG as to the amount the City of Portland should charge for the hotel linkage fee nor is it a recommendation for the City of Portland to enact a hotel linkage fee ordinance.

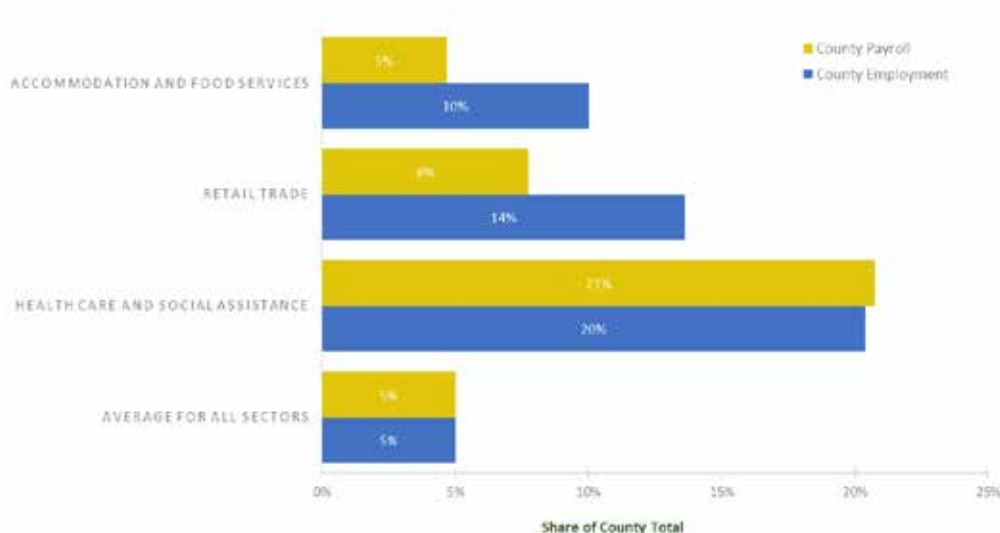
Background

Linkage fees are fees that cities may choose to implement to help mitigate the impact of new commercial development on the demand and availability of affordable housing. Prior to implementing a fee policy, communities often conduct a study to identify the connection, or “nexus” between new commercial development and the need for additional affordable housing. It is assumed that new commercial development contributes additional workers to a city’s workforce and adds new worker households. In many industries, a percentage of these households do not make enough to live and work in the same city. Looking outside the city to find affordable housing often results in longer commute times and higher transportation costs. If implemented, a linkage fee is typically charged to a developer as a condition of approval and it is assessed based on total square footage or number of units in the development.

The City's Comprehensive Plan identifies the increasing demand for affordable housing as an emerging issue and sets a goal of pursuing “policies to enable people who work in Portland to have the option to live in Portland.” To be considered affordable, housing should consume no more than 30% of a household’s income including rent, mortgage, utilities and other household related costs. Of the 1,130 housing units that were permitted and/or built in Portland between 2010 to 2014,

including apartments, condominiums and single-family homes, just 29% were offered at a rent or sales price affordable to a household earning the median incomeⁱ.

CUMBERLAND COUNTY EMPLOYMENT 2016



Source: US Census County Business Patterns, 2016

The Maine Office of Tourism estimates over 6 million tourists visited Portland in 2017. Hotel development is steadily increasing, with 1,811,050 square feet of hotel development - representing 2,647 units - currently in operation throughout the City. According to the US Census, the accommodation and food service sector is the third largest share of employment in Cumberland County, representing 10% of the County's workforce but only 5% of the County's payroll.

According to the Maine State Housing Authority the average rent (including utilities) for a two-bedroom apartment in Portland is \$1,053 per month, and the household income needed to afford the average rent in Portland is \$42,111 per year. However, this is the average rent paid by existing renters in Portland and new households moving to Portland will pay the current market rate, which is generally higher than the average rent. As of June 15, 2018, there are roughly 60 two-bedroom apartments listed for rent in Portland on Zillow, with monthly rents ranging between \$1,300-\$3,500. One third of those apartments are listed with rents between \$1,500 and \$2,000, and another third of those apartments are listed for more than \$2,000 per month. Therefore, a new household moving to Portland will expect to pay between 120%-330% of the average rent to live in the City.

There are a range of estimates available regarding the average wages of a full-time employee in this sector, and all are well below the household income needed to afford housing in Portland. According to the US Census, the average Cumberland County employee in this sector earns \$312 a week or \$16,227 per year. The Maine Department of Labor (DOL) estimates the median income for a full-time

Cumberland County employee in this sector to be significantly higher, \$24,908 per year. Additionally, as of 2017 the minimum wage in Portland is \$10.68/hour, so a full-time employee making this salary would earn an annual income of \$22,214. This affordability gap may force accommodation workers employed in Portland to seek housing outside of Portland.

Data

The minimum justified fee per square footage of hotel development outlined in this memo is based on data from both the US Census American Community Survey (ACS), and wage data from the Maine Department of Labor (DOL).

The US Census American Community Survey (ACS) data in this memo was used because it is the most comprehensive and consistent data source for demographic and economic characteristics of the population in GPCOG's service area. However, there are some limitations to the ACS data. First, it is 5-year sample data because this is the only data consistently available at the municipal, county, and state level. The drawback to using data pooled over five years is it averages out any short-term changes in income due to economic cycles or Portland's more recent minimum wage increase. Second, the median earnings reported by the ACS are based on what individuals report for their earnings regardless of whether they work full-time or part-time. As a result, these earnings may be skewed lower by individuals who work part-time, which may be more common for employment in the retail, food service, or accommodation sectors.

To balance these limitations, the median weekly wage data from the Maine DOL was also included in the analysis. The Maine DOL wage data is from the Quarterly Census of Employment and Wages (QCEW), which is based on employment and wage data reported to the Unemployment Insurance (UI) of the United States. The Maine DOL data also has some limitations. First, the data are only available at the industry level, so it is not possible to calculate the affordability gap for different occupations in the hotel sector. Second, the average weekly wage reported by the QCEW also does not differentiate between full-time and part-time employment. As a result, the weekly wage data reported by the Maine DOL may be skewed both by higher wage occupations and by part-time employment. The average weekly wage reported by Maine DOL was used to calculate yearly income based on full-time employment. This also assumes individuals employed in the accommodation sector can work full-time if they are willing and able toⁱⁱ.

Methodology

Methodologies used to calculate linkage fees vary, but in most cases the analysis begins with an estimation of the number of new employees associated with a typical development, in this case a hotel. In this methodology, a formula is used to calculate the affordability gap between what workers can afford to pay for housing and the average cost of market rate housing.

In Portland's case, a link is established between the creation of new jobs in the hotel sector and the increased demand for affordable housing through the following steps:

- **New Jobs.** Industry data was used to estimate the number of direct jobs that will be created by a new hotel with 180 units. According to the Urban Land Institute the typical hotel employs between 0.5-0.8 employees per hotel room. Using an average value of 0.65 employees per hotel room, it is estimated that a hotel with 180 rooms will employ 117 people. The current ratio of jobs per household was used to estimate how many households will be created by this new employment.
- **Households.** Currently there are 37,737 employed civilians aged 16 and over within the 30,211 total households in Portland. This means that on average there are 1.2 jobs per every household in Portland. Based on this ratio it is estimated that the 117 additional jobs created by a new hotel will create 94 new households in Portland. However, it is assumed employment in these households will be split up between different occupations, such as management, sales, service, and maintenance. The wages for each specific occupation may be higher or lower than the median wage for the hotel industry. Therefore, industry occupation employment and wage data examined from the ACS was used to estimate how many new households will be low income.

EMPLOYED POPULATION PER HOUSEHOLD 2016

	Portland	Cumberland County	Maine
Employed Civilian Population 16+	37,737	155,014	652,638
Total Households	30,211	117,871	551,109
Jobs/Household	1.2491	1.3151	1.1842

Source: American Community Survey 2016 5-year estimate

- **Jobs by Occupation.** Based on industry and occupation employment data from the ACS 64% of jobs in the hotel industry are service occupations, 19% of hotel jobs are management occupations, 13% of hotel jobs are sales and office occupations, and the remainder are maintenance and transportation occupations. The total number of jobs and households that will be created in each occupation was calculated by multiplying the share of hotel employment by occupation by the total number of new hotel jobs created.

NEW JOBS AND HOUSEHOLDS BY OCCUPATION CREATED BY NEW HOTEL EMPLOYMENT

	Share of Hotel Employment	Number of New Jobs	Number of New Households
Service	64%	74	60
Sales and Office	13%	15	12
Transportation	4%	4	3
Maintenance	1%	1	1
Management	19%	22	18
Total - All Occupations	100%	117	94

Source: American Community Survey 2016 5-year estimate;
GPCOG Analysis

Household Income. Median wage by occupation data for Cumberland County from the ACS was used to calculate the household income for each household in each occupation category. This calculation assumes 1 person in each new household works full-time in the hotel industry and any additional workers in the household earn the area median income:

NEW HOUSEHOLDS AND HOUSEHOLD INCOME BY OCCUPATION (ACS DATA)

	Number of New Households	Median Wage for Hotel Income Earner	Median Wage for Second Income Earner	Total Household Income
Service	60	\$18,109	\$9,015	\$27,124
Sales and Office	12	\$30,444	\$9,015	\$39,459
Transportation	3	\$31,695	\$9,015	\$40,710
Maintenance	1	\$33,421	\$9,015	\$42,436
Management	18	\$52,910	\$9,015	\$61,925

Source: GPCOG Analysis and American Community Survey 2016 5-year estimates

Median wage by industry data from the Maine DOL was also used to calculate the average household income for the 94 new households created by hotel employment:

NEW HOUSEHOLDS AND HOUSEHOLD INCOME (MAINE DOL DATA)

	Number of New Households	Median Wage for Hotel Income Earner	Median Wage for Second Income Earner	Total Household Income
Accommodation	94	\$24,908	\$12,164	\$37,072

Source: GPCOG Analysis and Maine DOL QCEW 2016

Affordability Gap. These estimates for household income by occupation were compared to housing affordability data from the Maine State Housing Authority to show the difference between what the new households created by hotel employment earn and the minimum income needed to afford a two-bedroom apartment in Portland. These results show that households with Service, Sales and Office, and Transportation occupations have a household income that is lower than the minimum income needed to afford rental housing in Portland. This household affordability gap is largest (\$14,987) for households with Service occupations, which also represent nearly 2/3 of households created by the new hotel employment.

AFFORDABILITY GAP ANALYSIS (ACS DATA)

	Number of New Households	Total Household Income	Income Needed to Afford Rent in Portland	Household Affordability Gap	Total Affordability Gap
Service	60	\$27,124	\$42,111	\$14,987	\$892,820
Sales and Office	12	\$39,459	\$42,111	\$2,652	\$32,048
Transportation	3	\$40,710	\$42,111	\$1,401	\$4,856
Maintenance	1	\$42,436	\$42,111	NA	\$0
Management	18	\$61,925	\$42,111	NA	\$0
Total					\$929,724

Source: Maine State Housing Authority, 2017; American Community Survey 2016 5-year estimates

The household affordability gap using the median wage by industry data from the Maine DOL was also calculated:

AFFORDABILITY GAP ANALYSIS (MAINE DOL DATA)

	Number of New Households	Total Household Income	Income Needed to Afford Rent in Portland	Household Affordability Gap	Total Affordability Gap
Accommodation	94	\$37,072	\$42,111	\$5,039	\$472,007

Source: Maine State Housing Authority, 2017; Maine DOL QCEW 2016

Aggregate Affordability Gap. The household affordability gap for each occupation was multiplied by the number of households with employment in each occupation to arrive at a total affordability gap that ranges between \$472,007 and \$929,724 per year. This number represents the difference between these households' ability to pay for their housing and the market cost of their housing based on the median monthly rent, for one year. In reality these

households may face higher rental housing costs since current Portland rents for new units are significantly higher than the median rent.

· **Final Calculation.** Dividing the affordability gap by the number of new hotel rooms results in an average affordability gap that ranges between \$2,622 and \$5,165 per room, or between \$3.91 and \$7.70 per square foot. Therefore, a fee between **\$3.90-\$7.70 per square foot** would cover a minimum justified housing affordability gap for the 94 new households created by a new 180-unit hotel employment for one year. This methodology assumes the median wage for a hotel income earner in the service industry, including full-time and part-time employees, is \$18,109 based on US Census ACS data. If it is instead assumed that hotel service industry employees are working full-time at the City's minimum wage of \$10.68/hour and making \$22,241 annually, then the minimum justified fee would be between \$2,622 and \$3,806 per room or **\$3.90-\$5.67 per square foot** of hotel development for one year. However, this assumes individuals working in the service sector are able to procure full-time employment, which is not always the caseⁱⁱ.

This example estimate represents the full cost of the affordability gap for employment in one hotel for one year as calculated by the proposed methodology. Multiple factors could potentially impact the demand for affordable housing and the City may determine a higher or lower percentage of this fee based on these variables. Furthermore, this fee could be re-evaluated periodically as circumstances such as inflation, rents, and rental housing supply change.

ⁱ Portland 2030 Housing Demand, GPCOG 2015

ⁱⁱ According to a 2016 study (<https://www.epi.org/publication/still-falling-short-on-hours-and-pay-part-time-work-becoming-new-normal/#epi-toc-21>) from the Economic Policy Institute the retail trade and leisure and hospitality sectors contributed to 63% of the growth in part-time employment and 54% of the growth in involuntary part-time employment from 2007-2015. Involuntary part-time employment is defined as individuals who are working part time because full time work could not be found or hours were reduced due to economic conditions (slack work).

MEMO

To: Kevin Kraft, Director of Planning & Urban Development
From: Kristina Egan, GPCOG Executive Director
Date: 3/18/25
Re: Hotel Linkage Fee Update

Introduction

In 2018, the City of Portland asked the Greater Portland Council of Governments (GPCOG) to assess the feasibility of a hotel linkage fee that could be used to help offset the cost of producing affordable housing for hotel employees. The resulting memo outlined the use of linkage fees for this purpose, proposed a methodology for calculating the fee, and provided a range of justifiable figures for implementation. Using this analysis, the City established inclusionary zoning requirements for hotels and an in-lieu fee of \$3,806 per guest room. This figure has been adjusted annually in the time since its adoption. The fee-in-lieu for 2025 is \$4,831 per guest room.

Recognizing significant market changes since 2018, the City of Portland requested an updated analysis in early 2025. The following memo replicates the original linkage fee methodology to the best extent possible using updated data.

Background

Linkage fees are tools cities can use to offset the impact of new commercial development on affordable housing availability and demand. Before implementing such a policy, communities typically conduct a study to identify the “nexus” between new development and the need for additional affordable housing. The assumption is that commercial growth brings new workers, some of whom may not earn enough to live in the city. This often forces households to seek housing outside the city, resulting in longer commutes and higher transportation costs. If adopted, a linkage fee is typically charged to developers as a condition of project approval, based on the development’s total square footage or number of units.

Data

Where possible, the hotel linkage fee range in this memo is based on the same data sources used in the original 2018 study. To maintain consistency, 2023 data was used across multiple sources, even when newer data was available in some cases.

Employment + Wage Data

This analysis relies on employment and wage data from the U.S. Census American Community Survey (ACS), which provides the most consistent workforce and wage estimates. The previous memo also incorporated wage data from the Maine Department of Labor as a point of comparison; however, the adopted hotel linkage fee was ultimately based on wage data from the ACS.

Housing Cost Data

The 2018 linkage fee study used rental data from the Maine State Housing Authority to establish a baseline housing cost, using a two-bedroom unit as a reference point (due to its ability to accommodate the assumed household size). However, in the time since, Maine Housing has stopped publishing rental data. As a result, this memo relies on several other readily available sources of rental data to estimate housing costs, including the Department of Housing and Urban Development's Fair Market Rent (FMR) Documentation System, the American Community Survey, and the City of Portland's Rent Board Report.

- **Fair Market Rent:** FMR represents the average cost of renting a moderately priced home, including utilities, in a specific area. It is used to set rent limits for housing assistance programs to ensure they align with current market conditions. The Portland, ME HUD Metro FMR Area includes municipalities in Cumberland County and parts of York County. Updated annually, FMR estimates are based on rental market surveys, American Community Survey data, and inflation adjustments.¹
- **U.S. Census ACS Data:** The ACS provides median gross rent estimates by unit size, accounting for both rent and utilities when not already included. Data is based on five-year samples, which help ensure statistical reliability but smooth out short-term rent fluctuations. Estimates reflect both market-rate and subsidized rentals.²
- **City of Portland Rent Board Report:** These annual reports provide data on rental availability, city-wide rent prices, rental market trends, and board actions on rent increases, among other topics.³

Methodology

Linkage fee calculations typically estimate the number of new employees and households generated by a development, such as a hotel. Wage and rent data are then used to estimate the gap between what these workers can afford for housing and the average market rent. This memo presents that analysis for Portland, using the most recent and locally relevant data, through the following steps:

Number of New Jobs

To estimate job creation, industry data was applied to a 180-room hotel – chosen as a representative example based on an actual development. While staffing levels vary based on factors such as hotel size, service level, and operational needs, the original linkage fee study assumed a ratio of .65 employees per hotel room, based on numbers from the Urban Land Institute. Using this ratio, a 180-room hotel is expected to generate 117 jobs.

Number of New Households

The current ratio of jobs per household was then used to estimate the number of households represented by this new employment. Portland currently has 39,590 employed civilians aged 16 and over across 32,393 households⁴, or an average of 1.22 jobs per household. Using this ratio, the 117 new jobs created by the example 180-room hotel would generate an estimated 96 new households.

Employment and Households by Occupation

The jobs held by hotel employees would span various occupations – management, sales, service, maintenance, etc.— with wages varying by role. To estimate how many of the households employed by a new hotel would be low-income, industry-specific employment and wage data from the American Community Survey was used. The American Community Survey groups Arts, Entertainment, Recreation, Accommodation, and Food Services together, reflecting industries tied to the service sector. While this broad category includes more than just hotel jobs, it offers the best available estimate for occupational distribution. Within this sector, approximately 56% of jobs are in service occupations, 31% in management, 7% in sales and office, 6% in transportation, and 1% in maintenance.⁵

The table below estimates the number of new employees and households created by occupation.

ESTIMATED NEW HOTEL JOBS AND HOUSEHOLDS BY OCCUPATION

	% of Service Sector Employment	# of New Hotel Employees ⁱ	# of New Households ⁱⁱ
Service	55.5%	65	53
Management	30.6%	36	29
Sales and Office	6.8%	8	7
Transportation	5.8%	7	6
Maintenance	1.2%	1	1
Total	100%	117	96

ⁱ Calculated by multiplying the percentage of service sector employment by the total estimated 117 hotel employees.

ⁱⁱ Calculated by multiplying the percentage of service sector employment by the total estimated 96 households.

Household Incomes

Household income estimates were calculated using Cumberland County's ACS median earnings data by occupation for 2023.⁶ This approach reflects the broader region where hotel workers in Portland may reside. The one exception is for service workers, where the City of Portland's 2023 minimum wage of \$14/hour was substituted for the ACS median wage. The household income calculations assume one person in each household works full time in the hotel industry and also assumes a second household member makes the area median earnings.⁷ The table below presents these estimated household incomes by occupation.

ESTIMATED NEW HOUSEHOLDS AND HOUSEHOLD INCOME BY OCCUPATION (2023 ACS DATA)

	# of New Households	Median Wage for Hotel Employee	Median Wage for 2 nd Income Earner ⁱⁱ	Total Household Income
Service ⁱ	53	\$29,120	\$10,899	\$40,019
Management	29	\$71,711	\$10,899	\$82,610
Sales and Office	7	\$42,467	\$10,899	\$53,366
Transportation	6	\$40,829	\$10,899	\$51,728
Maintenance	1	\$50,572	\$10,899	\$61,471

ⁱ The Service wage reflects Portland's 2023 minimum wage of \$14/hour, as the Census estimate was below the legal minimum.

ⁱⁱ The second income earner's wage of \$10,899 is based on 0.22 of the 2023 Census median earnings for all occupations in Cumberland County (\$49,540), reflecting the estimated 1.22 employees per household.

Affordability Gap

To create a range, the estimated household incomes for each occupation category were then compared to three different rent data sources to assess whether new hotel employees can afford a two-bedroom unit in Portland and to calculate the cumulative 'affordability gap.'

ESTIMATED AFFORDABILITY GAP: 2023 FAIR MARKET RENT FOR PORTLAND METRO AREA

[\$1,859 for a two-bedroom unit]

	New Households	Household Income	Income Needed ⁱ	Affordability Gap (HH)	Total Gap
Service	53	\$40,019	\$79,671	\$39,652	\$2,101,556
Management	29	\$82,610	\$79,671	- \$2,939	N/A
Sales and Office	7	\$53,366	\$79,671	\$26,305	\$184,135
Transportation	6	\$51,728	\$79,671	\$27,943	\$167,658
Maintenance	1	\$61,471	\$79,671	\$18,200	\$18,200
Total	96	--	--	--	\$2,471,549
Per Room					\$13,731

ⁱAnnualizing Fair Market Rent (\$1,859 * 12 months = \$22,308) and dividing by 0.28 yields \$79,671, ensuring rent remains just below the 30% housing cost burden threshold.

ESTIMATED AFFORDABILITY GAP: 2023 ACS MEDIAN GROSS RENT FOR PORTLAND

[\$1,664 for a two-bedroom unit]

	New Households	Household Income	Income Needed ⁱ	Affordability Gap (HH)	Total Gap
Service	53	\$40,019	\$71,314	\$31,295	\$1,658,635
Management	29	\$82,610	\$71,314	- \$11,296	N/A
Sales and Office	7	\$53,366	\$71,314	\$17,948	\$125,636
Transportation	6	\$51,728	\$71,314	\$19,586	\$117,516
Maintenance	1	\$61,471	\$71,314	\$9,843	\$9,843
Total	96	--	--	--	\$1,911,630
Per Room					\$10,620

ⁱAnnualizing ACS median rent (\$1,664 * 12 months = \$19,968) and dividing by 0.28 yields \$71,314, ensuring rent remains just below the 30% housing cost burden threshold.

ESTIMATED AFFORDABILITY GAP: 2023 CITY OF PORTLAND RENT BOARD

[\$1,595 for a two-bedroom unit]

	New Households	Household Income	Income Needed ⁱ	Affordability Gap (HH)	Total Gap
Service	53	\$40,019	\$68,357	\$28,338	\$1,501,914
Management	29	\$82,610	\$68,357	- \$14,253	N/A
Sales and Office	7	\$53,366	\$68,357	\$14,991	\$104,937
Transportation	6	\$51,728	\$68,357	\$16,629	\$99,774
Maintenance	1	\$61,471	\$68,357	\$6,886	\$6,886
Total	96	--	--	--	\$1,713,511
Per Room					\$9,520

ⁱAnnualizing ACS median rent (\$1,595 * 12 months = \$19,140) and dividing by 0.28 yields \$68,357, ensuring rent remains just below the 30% housing cost burden threshold.

Final Calculation

As shown on the previous page, dividing the total affordability gap by the 180 new hotel rooms results in an **estimated per-room affordability gap ranging from \$9,520 to \$10,620 to \$13,731** depending on the rent data source used (City of Portland Rent Board, American Community Survey, or HUD Fair Market Rent). This estimate reflects the full annual affordability gap associated with the jobs generated by a single hotel room based on the methodology from the original 2018 study.

¹ Department of Housing and Urban Development [FY 2023 Fair Market Rent Documentation System](#) for the Portland, ME HUD Metro FMR Area

² U.S. Census American Community Survey 2019-2023 5-year estimate (Table B25031)

³ [2023 Portland Rent Board Annual Report](#) (pg. 12)

⁴ U.S. Census American Community Survey 2019-2023 5-year estimate (Table DP03)

⁵ U.S. Census American Community Survey 2019-2023 5-year estimate (Table S2405)

⁶ U.S. Census American Community Survey 2019-2023 5-year estimate (Table B24011)

⁷ U.S. Census American Community Survey 2019-2023 5-year estimate (Table S2001)

17 HOUSING

17.1 HOUSING PRESERVATION AND REPLACEMENT

17.1.1 Purpose

The purpose of the housing preservation and replacement ordinance is:

- A. To promote and facilitate an adequate supply of housing, particularly affordable housing for all economic groups.
- B. To limit the net loss of housing units in the city.
- C. To preserve housing in zones where housing is permitted in the city for all residents in order to promote the health, safety, and welfare of its citizens.

17.1.2 Applicability

- A. Except as otherwise provided in this section, the housing preservation and replacement ordinance shall apply to the loss of three or more dwelling units in a five-year period, provided that such dwelling units were a legally registered residential use as of July 1, 2002. For the purposes of this section, dwelling units shall be as defined in Article 3, but also include rooming units that people rent in or sleep in within lodging houses, dormitories, shelters, and sheltered care group homes.
- B. Except as otherwise provided in this section, the housing preservation and replacement ordinance shall also apply to proposals that result in the loss of fewer than three dwelling units which were legally registered residential use as of July 1, 2002 for the purposes of creating surface parking.
- C. For the purposes of this section, loss of dwelling units shall mean the elimination or conversion to nonresidential use of a dwelling

unit and dwelling units that remain vacant for three years or more or are lost due to demolition unless the vacancy or demolition results from accidents outside of the owner's control, fire, natural disasters, or acts of war.

- D. Determination of number of the dwelling units within a structure or structures and the number of units lost will be based on the records of the Building Authority indicating the legal, registered use of the property since July 1, 2002 through the time of application. The actual use of the property for purposes of applicability of this section may be rebutted by the owner by proof of documentary evidence including but not limited to photographs, letters, and sworn affidavits. The Planning Authority may conduct its own investigation of the actual use and shall determine the applicability of this section based on the totality of the evidence.

17.1.3 Exemptions

This section does not apply to:

- A. Consolidation, elimination, or reconfiguration of one or more dwelling units within an existing structure, as long as all the resulting units remain as dwelling units after such consolidation, elimination, or reconfiguration, except as provided by (D) below. Conversion of a dwelling unit to a hotel or motel room shall not qualify for the exemption provided by this paragraph.
- B. Legally nonconforming dwelling units existing in zones which no longer permit residential uses.
- C. Property which has been ordered demolished by the City, pursuant to 17 M.R.S. § 2851, et seq., as amended, except where it is determined by

the Building Authority that the deterioration was caused by neglect or lack of maintenance.

- D. Paragraph (A) above notwithstanding, the conversion to a nonresidential use of any dwelling units located on the ground floor of a building within a mixed-use zone.

17.1.4 Planning Authority approval required

Notwithstanding any other provision of this section, a proposal to demolish or to convert three or more dwelling units to a nonresidential use in a zone where such use is otherwise permitted must first obtain approval from the Planning Authority. In addition to any other requirements of the Land Use Code, the applicant must submit a statement certifying the number of dwelling units to be demolished or converted to nonresidential use, as well as a description of the characteristics of each of those units.

17.1.5 Tenant notification requirements

Prior to elimination as a result of demolition or conversion to nonresidential use, the owner shall:

- A. Provide the Planning Authority a list containing the name of each tenant currently residing in the dwelling units to be demolished or converted to nonresidential use, as well as verification of compliance with tenant notice requirements of this subsection.
- B. Deliver to each tenant who occupies such a dwelling unit a written notice to vacate the unit. The notice shall either be sent by certified mail, return receipt requested, or served in-hand. The notice will grant the tenant not less than 90 days from the date of receipt of the notice to vacate the unit.
- C. File proof of service of the notice with the Planning Authority.

17.1.6 Housing replacement requirements

- A. The Planning Authority shall require, as a condition of approval, that an owner shall replace any dwelling units that are demolished or converted to nonresidential use.
- B. This requirement may be satisfied in any one of the following ways, which may be used in combination:
 - 1. *Construction of units.* The construction of housing units within a new structure or a new addition either on site or off-site.
 - 2. *Residential conversion.* The conversion of a nonresidential building to residential use.

17.1.7 Replacement unit requirement

In addition to the foregoing, all replacement units built pursuant to Subsection 17.1.6.B above shall:

- A. Be located within the same United States census block group as the parcel from which the dwelling units are being removed or within 1,500 feet of the dwelling units being removed.
- B. Not previously have been on the market as of the date of application.
- C. Be situated within a development which has not been a candidate for site plan approval as of the date of the application.
- D. Be comparable in size to the units replaced. For the purpose of this section, “comparable in size” means that the aggregate size of the replacement units will be no less than 80% of the size of the aggregate of the original units to be replaced and a similar bedroom mix.

17.1.8 Contribution to the Housing Trust Fund

- A. The applicant may meet the requirements of this housing replacement ordinance by depositing \$50,000 for each dwelling unit into the City’s Housing Trust Fund.

B. Beginning on January 1, 2004 and annually thereafter, the amount of the contribution shall be adjusted by multiplying this amount originally deposited for each unit by a fraction, the denominator of which shall be the “Consumer Price Index for Urban Wage Earners and Clerical Workers (“CPI-W”),” U.S. City Average, “All Items Index,” as published by the United States Bureau of Labor Statistics (“the index”) for January 1, 2003 year, and the numerator of which shall be the index for the same month in each subsequent year. In the event that the index is not then in existence, the parties shall use such equivalent price index as is published by any successor governmental agency then in existence, or, if none, then by such nongovernmental agency as may then be publishing an equivalent price index, in lieu of and adjusted to the index. If the index shall cease to use 1982-84 equals 100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the index, the base index shall be adjusted to conform to such change, using such computation thereof, if available, as shall be employed by the United States Department of Labor in computing same. Notwithstanding anything herein to the contrary, contributions made after January 1, 2004 shall not be less than the amount originally required to be deposited for each rooming or dwelling unit.

17.1.9 Performance guarantee

Owners or affiliates must post a performance guarantee in the form of a letter of credit, or other security acceptable to the City attorney, in the amount equivalent to the amount the applicant would have been required to contribute to the

City’s Housing Trust Fund if the applicant had chosen that option pursuant to Subsection 17.1.8. Such a performance guarantee shall be valid for no more than three years, after which the full amount due shall be provided to the City’s Housing Trust Fund if replacement units satisfying the conditions of this housing replacement ordinance do not have certificates of occupancy.

17.1.10 Partial waiver of replacement requirements

A. Any owner who has applied for site plan review for elimination or conversion to nonresidential use of dwelling units may apply to the Zoning Board of Appeals for a partial waiver from the housing replacement requirements of this section. Such waiver may be a downward adjustment of up to 50% of the owner’s housing replacement obligation if the owner establishes to the board’s satisfaction that:

- 1.** The proposed development is consistent with the Comprehensive Plan.
- 2.** The proposed development provides significant value and benefit to the immediate and surrounding neighborhood, including, but not limited to, community enhancement, social benefits or job creation.
- 3.** The applicant demonstrates with objective evidence that the imposition of the requirements of this section would impose such an economic burden upon the project relative to its scope that it renders the project impossible to develop.
- 4.** The requested relief does not constitute a grant of a special privilege inconsistent with the limitations upon similar properties.

- B.** The Zoning Board of Appeals must make positive findings on each of the four criteria above in order for any such adjustment to be valid. An applicant aggrieved of a decision of the Zoning Board of Appeals may appeal a decision under this subsection pursuant to the provisions of Article 2.

17.1.11 Effect of other City ordinances

- A.** Nothing in this section shall permit the demolition or conversion to nonresidential use of dwelling units in residential property protected by Article 16, except as permitted by that ordinance.
- B.** A conditional zone may not be used to circumvent the application of this section. The terms of this section shall apply to any conditional zone which involves dwelling units affected by this section. Notwithstanding the foregoing, nothing herein shall be deemed to prevent the City and the applicant from agreeing to terms which exceed those imposed by this section by means of a conditional zone.

17.1.12 Appeals

Any applicant aggrieved by a decision of the Planning Authority under this section may appeal to the Zoning Board of Appeals within 30 days of that decision.

17.2 AFFORDABLE HOUSING

17.2.1 Purpose

It is in the public interest to promote an adequate supply of housing that is affordable to a range of households at different income levels. Therefore, the purpose of this section is to offer incentives to developers to include units of affordable housing within development projects and to require the

inclusion of affordable housing units in development projects in certain contexts. In so doing, this section will assist the city in meeting its comprehensive goals for affordable housing, in preventing the overcrowding and deterioration of the limited supply of affordable housing, and promote the health, safety, and welfare of its citizens.

17.2.2 Affordable housing incentives

- A. Eligible projects.** Under this subsection, eligible projects shall include any development project:
 - 1.** That is permissible under the provisions of this Land Use Code in the zone in which it is proposed.
 - 2.** That creates new dwelling units, among which is at least one low-income or workforce housing unit for rent or sale, through new construction, substantial alteration of existing structures, adaptive reuse or conversion of a nonresidential use to residential use, or any combination of these elements. Affordable housing units for sale or rent may not differ in exterior design from other units within an eligible project.
- B. Reduction of fees.** Notwithstanding any other provision of this Land Use Code or Chapter 6 to the contrary, development fees, including site plan review and inspection fees, subdivision review and inspection fees, impact fees, administrative fees, and construction and permit fees as described in Chapter 6 of the City of Portland Code of Ordinances, shall be reduced by the City for an eligible project in the manner described in Table 17-A. Development

TABLE 17-A: AFFORDABLE HOUSING FEE REDUCTIONS

% of New Units That are Low- Income or Workforce	Development Fee Discount	Cost of Work (Building Permit) Fees
10% up to but not including 15%	10% reduction	\$9.90 per \$1,000
15% up to but not including 20%	15% reduction	\$9.35 per \$1,000
20% up to but not including 25%	20% reduction	\$8.80 per \$1,000
25% or more	25% reduction	\$8.25 per \$1,000

TABLE 17-B: BONUSES FOR ELIGIBLE PROJECTS

% Low-income or Workforce Units	Density Permitted¹
10-19%	1.1 x base
20-29%	1.25 x base
30-49%	1.3 x base
50-74%	2.5 x base
>75%	2.5 x base

¹ “Base” is the number of units allowed under the zoning without this bonus but with any other bonuses applied.

fees do not include any fees charged for review conducted by any party other than the City.

- C. Expedited review.** The Planning Authority shall perform its review of an eligible project in as expedited a manner as is practical, without impairing the scope or thoroughness of the review. The Planning Authority may adopt administrative procedures to prioritize review of eligible projects and facilitate this expedited review. The Planning Board shall make its best efforts to give priority in scheduling workshops and public hearings related to any plans or applications required for an eligible project that are within the Planning Board’s jurisdiction, without impairing the scope or thoroughness

of its review. At the conclusion of these public meetings, the Planning Board shall promptly issue a decision on all such plans and applications before it for consideration.

D. Density and height bonuses.

Notwithstanding any other provision of this Land Use Code to the contrary, in order to encourage low-income and workforce units in areas prioritized for growth, eligible projects as defined under Subsection 17.2.2 may avail themselves of the following options:

- 1. Density bonuses.** The maximum number of units that would otherwise be allowed under this Land Use Code shall be increased for an eligible project in the manner described in Table 17-B, applicable where residential is allowed as a permitted or conditional use in mainland zones.
- 2. Height bonuses.** In mixed-use zones, the TOD zones, and the RN-6, for eligible projects over ten units in size in which over 75% of units are low-income or workforce units, maximum heights as permitted under Article 7 shall be increased by 10 feet.
- 3. Unit size.** In order to be eligible for this subsection, the low-income and workforce housing units must meet Subsections 17.2.3(C)(2), (3), and (4).
- 4. Term of affordability.** Affordable units under this subsection shall be deed-restricted to remain affordable for 30 years or the longest term permitted under federal, state, and local laws, whichever is longer. Such deed restrictions shall be recorded in the Cumberland County Registry of Deeds.

17.2.3 Ensuring workforce housing

- A. Purpose.** Based on the City’s Comprehensive Plan and the City’s 2015 housing study, it is in the public interest to promote an adequate supply of housing that is affordable to a range of households at different income levels. The purpose of this subsection is to ensure that housing developments over a certain size provide a portion of workforce housing units and, by doing so, promote the health, safety, and welfare of Portland citizens.
- B. Applicability.** This subsection shall apply to site plan applications that create ten or more new dwelling units for rent or for sale through new construction, substantial alteration of existing structures, adaptive reuse or conversion of a nonresidential use to residential use, or any combination of these elements. This subsection shall not apply to projects that otherwise meet or exceed the standards of 17.2.3(C).
- C. Standards.** Development projects subject to this subsection shall meet to the following requirements:
1. At least 25% of the units in the project shall meet the definition of workforce housing unit for sale or for rent as defined in Article 3. The project shall have the option of paying a partial fee-in-lieu as per (5) below or providing an additional unit on-site for any fractional value.
 2. Projects shall not be segmented to avoid compliance with these provisions.
 3. Workforce units must be integrated with the rest of the development, must use a common entrance in the case of mixed market rate and workforce buildings, must

TABLE 17-C: MINIMUM TERM OF AFFORDABILITY FOR REQUIRED WORKFORCE UNITS

% of Workforce	
Units Provided	Minimum Term of Affordability
25%	30 years
50%	20 years
100%	10 years

provide no indication from the exterior or from areas inside the respective buildings that these units are workforce housing units, and must demonstrate general parity in unit design, finishes, and amenities between market and workforce units in the development. Applications shall include a narrative that addresses parity of workforce and market rate units, a description of workforce and market rate unit attributes and amenities, phasing if applicable, and integration into the respective building and site design.

4. Workforce units need not be the same size as other units in the development but the cumulative number of bedrooms in such units shall be no less than 25% of the total number of bedrooms in the development.
5. As an alternative to providing workforce housing units, projects may pay a fee-in-lieu of some or all of the units. In-lieu fees shall be paid into the Housing Trust Fund. The fee for affordable units not provided shall be \$150,000 per unit, adjusted annually in the same way as the fee under Subsection 17.1.8.
6. Workforce housing units for sale, if converted to workforce housing units for

rent, shall become subject to the income limits and other requirements of such units.

7. The term of affordability for the required 25% workforce units provided shall be defined as shown in Table 17-C.
 8. Projects shall be subject to an affordable housing agreement with the City of Portland, unless a project is otherwise subject to such an agreement requiring an equal or greater percentage of affordable units at an equal or lower income target level than required by this section.
- D. Density and height bonuses.** Projects that are subject to this subsection shall be eligible for density and height bonuses under Subsection 17.2.2(D).
- E. Implementation guidance.** The Housing & Economic Development Department shall provide guidance on income verification methods, affordable housing agreements, and subsequent monitoring requirements.
- F. Reporting to City Council.** In conjunction with the annual report on the Housing Trust Fund, the Planning Authority shall annually report on developments subject to this subsection, the number of units produced, the amount of fee-in-lieu collected, and the overall effectiveness of this subsection in achieving its stated purpose.

17.2.4 Inclusionary zoning for hotel projects

- A. Purpose.** This subsection is based on City analysis, most specifically the analysis documented in the Greater Portland Council of Government study *Proposed Hotel Linkage Fee: Supportable Range* dated August 29, 2018, that finds that new hospitality developments create a need for new affordable housing. This need is

the result of the fact that hospitality developments necessarily create a number of jobs that do not pay employees at a rate sufficient to allow those employees to afford market-rate housing in the City of Portland.

- B. Hotel projects.** For the purposes of this subsection, hotel projects shall include any hotel as defined in Article 3 consisting of 10 or more guest rooms for rent to transient guests or to extended stay guests of up to six months. Any expansion of an existing hotel by 10 or more rooms within any five-year period will also be considered a hotel project.
- C. Low-income housing minimum.** All hotel projects shall provide one unit of low-income housing for rent in the City of Portland for every 28 rooms in the hotel project, which shall meet the standards outlined in Subsections 17.2.3(C)(2), (3), and (4) and in the implementing regulations governing low-income units. Such units shall contain two bedrooms and be a minimum of 900 SF in floor area. This amount shall be rounded up to the nearest increment of 28 rooms. These units shall be deed restricted for the longest period permitted by law, shall not be used for short-term rentals of less than 30 days, and must be provided with distinct entrances from the street to delineate them from the hotel itself.
- D. Fee-in-lieu alternative.** As an alternative to providing low-income housing units under Subsection 17.2.4(C) above, a hotel project may pay a fee-in-lieu of \$3,806 per hotel guest room. This amount shall be paid into the City's Housing Trust Fund and used for the purposes set forth in the ordinance and regulations applicable to that trust.

- E. Annual adjustments.** The amounts in Subsection 17.2.4(D) above shall be adjusted annually in the same way as the fee under Section 17.1.8.
- F. Implementation guidance.** The Housing & Economic Development Department shall provide guidance on income verification methods, affordable housing agreements, and subsequent monitoring requirements.

17.3 JILL C. DUSON HOUSING TRUST FUND

17.3.1 Purpose

The purpose of enacting this section is:

- A.** To establish a City of Portland Housing Trust Fund for the promotion, retention, and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the city.
- B.** To serve as a vehicle for addressing very low, low, and moderate income housing needs through a combination of funds as set out in this article.

17.3.2 Establishment of the Jill C. Duson Housing Trust Fund

The City Council shall establish a special revenue account under the name “City of Portland Jill C. Duson Housing Trust Fund” (Housing Trust Fund). Deposits into the fund shall include:

- A.** Contributions from the City’s housing replacement ordinance under Subsection 17.1.8.
- B.** In-lieu fees under Subsections 17.2.3 and 17.2.5.
- C.** Funds appropriated to be deposited into the fund by vote of the City Council.
- D.** Voluntary contributions of money or other liquid assets to the fund.

- E.** Any federal, state, or private grant or loan funds provided to the fund.
- F.** Interest from fund deposits and investments.
- G.** Repayments of loans made from the fund.

17.3.3 Management of the trust fund

The City Manager, or their designee, shall serve as the manager of the Housing Trust Fund. The responsibilities of the manager, subject to the orders of the City Council, shall include:

- A.** Maintaining the financial and other records of the Housing Trust Fund.
- B.** Disbursing and collecting Housing Trust Fund monies in accordance with the Housing Trust Fund annual plan.
- C.** Monitoring the use of monies distributed to successful applicants for Housing Trust Fund support to assure on-going compliance with the purposes of the fund and the conditions under which these monies were granted or loaned.

17.3.4 Housing Trust Fund annual plan

- A.** Each fiscal year, the City Council shall adopt a Housing Trust Fund annual plan. The City Manager shall submit to the City Council a recommended Housing Trust Fund annual plan, utilizing the revenues of the Housing Trust Fund as well as any other funds the manager may propose as appropriate. The housing committee of the City Council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.
- B.** The Housing Trust Fund annual plan shall include:

1. A description of all programs to be funded in part or in full by the Housing Trust Fund.
 2. A description of how funds from the Housing Trust Fund will be distributed among very low-income, low-income and moderate-income households.
 3. The amount of funds budgeted for programs funded in part or in full from the Housing Trust Fund.
- C. Priority for the expenditure of funds collected pursuant to Section 17.1 shall be given to the creation of new housing stock, through either new construction or conversion of nonresidential buildings to residential use.

17.3.5 Distribution and use of the Housing Trust Fund's assets

- A. All distribution of principal, interest, or other assets of the Housing Trust Fund shall be made in furtherance of the public purposes set out in Section 17.1.
- B. During each year, the Housing Trust Fund shall disburse as grants or loans so much of the Housing Trust Fund's assets as the City Council in its discretion has approved in the Housing Trust Fund annual plan.
- C. Funds shall not be used for City administrative expenses.
- D. Funds shall not be used for property operating expenses or supporting services.
- E. No grants or loans shall be awarded by the Housing Trust Fund to corporations, partnerships, or individuals who are delinquent at the time of application in the payment of property taxes or other fees to the City of Portland, who have been convicted of arson, who have been convicted of discrimination in the sale or lease of housing under the fair

housing laws of the State of Maine, or who have pending violations of current City electrical, plumbing, building, or housing codes or zoning ordinances.

17.3.6 Term of affordability

- A. Whenever funds from the Housing Trust Fund are used for the acquisition, construction, or substantial rehabilitation of an affordable rental or cooperative unit, the City of Portland shall impose enforceable requirements on the owner of the housing unit that the unit remain affordable for the remaining life of the housing unit, assuming good faith efforts by the owner to maintain the housing unit and rehabilitate it as necessary. The remaining life of the housing unit shall be presumed to be a minimum of 30 years.
- B. Whenever funds from the Housing Trust Fund are used for the acquisition, construction, or substantial rehabilitation of ownership housing, the City of Portland shall impose enforceable resale restrictions on the owner to keep the housing unit affordable for the longest feasible time, while maintaining an equitable balance between the interests of the owner and the interests of the City of Portland.
- C. The affordability restriction requirements described in this subsection shall run with the land and the City of Portland shall develop appropriate procedures and documentation to enforce these requirements and shall record such documentation in the Cumberland County Registry of Deeds.

17.4 CONDOMINIUM CONVERSION

17.4.1 Purpose

The purpose of this section is to regulate the conversion of rental housing to condominiums, to minimize the potential adverse impacts of such conversion on tenants, to ensure that such converted housing is safe and decent, and to maintain a reasonable balance of housing alternatives within the city for persons of all incomes.

17.4.2 Applicability

This section shall apply to the conversion of any rental unit to a condominium unit. For the purposes of this section, developer shall mean any person or other legal entity, but not including an established lending institution unless it is an active participant in a common promotional scheme, who, whether acting as principal or agent, records a declaration of condominium that includes real estate, any portion of which was previously a rental unit.

17.4.3 Protection of tenants

A. Notice of intent to convert. A developer shall give to each tenant, meaning any occupant in lawful possession of a rental unit, whether by lease, sublease, or otherwise, written notice of intent to convert at least one 120 days before the tenant is required by the developer to vacate. If a tenant has been in possession of any unit within the same building for more than four consecutive years, the notice period shall be increased by 30 additional days for each additional year, or fraction thereof, to a maximum of 240 additional days. The notice shall set forth specifically the rights of tenants under (A), (B), and (C) of this subsection and

Subsection 17.4.4, and shall contain the following statement:

If you do not buy your apartment, the developer of this project is required by law to assist you in finding another place to live and in determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by the developer, you may contact the Department of Permitting & Inspections, City of Portland, 389 Congress Street, Portland, Maine 04101.

B. If the notice specifies a date by which the tenant is required to vacate, the notice may also serve as a notice of termination under the applicable law of forcible entry and detainer, if it meets the requirements thereof. The notice shall be hand delivered to the tenant or mailed, by certified mail, return receipt requested, postage prepaid, to the tenant at the address of the unit or such other address as the tenant may provide. The notice shall be effective when actually received. No tenant may be required by a developer to vacate without having been given notice as required herein, except for the reasons specified in the applicable law of forcible entry and detainer, and in accordance with the procedures thereof. The terms of a tenancy, including rent, may not be altered during the notice period, except as expressly provided in a preexisting written lease. If, within 120 days after a tenant is required by a developer to vacate, the developer records a declaration of condominium without having given notice as required herein, the developer

shall be presumed to have converted in violation of this article.

- C. Option to purchase.** For a 60-day period following the giving of notice as required in Subsection 17.4.3(A), the developer shall grant to the tenant an exclusive and irrevocable option to purchase the unit of which the tenant is then possessed, which option may not be assigned. If the tenant does not purchase or contract to purchase the unit during the 60-day period, the developer may not convey or offer to convey the unit to any other person during the following 180 days at a price or on terms more favorable than the price or terms previously offered to the tenant, unless the more favorable price or terms are first offered exclusively and irrevocably to the tenant for an additional 60-day period. This subsection shall not apply to any rental unit that, when converted, will be restricted exclusively to nonresidential use. If, within two years after a developer records a declaration of condominium, the use of any such unit is changed such that but for the preceding sentence, this subsection would have applied, the developer shall be presumed to have converted in violation of this article.

17.4.4 Relocation payments

If the tenant does not purchase the unit, the developer shall, before the tenant is required by the developer to vacate, make a cash payment to the tenant in an amount equal to the amount of rent paid by the tenant for the immediately preceding two months, provided that this requirement shall not apply to any tenant whose gross income exceeds 80% of the median income of the Portland SMSA, adjusted for family size, as determined by the

U.S. Department of Housing and Urban Development at the time notice is given as required in Subsection 17.4.3. Additionally, the developer shall, upon demand, provide assistance to the tenant in the form of referrals to other reasonable accommodations and in determining the tenant's eligibility for relocation payments as provided herein.

17.4.5 Conversion permit

Before conveying or offering to convey a converted unit, the developer shall obtain a conversion permit from the Building Authority. The permit shall issue only upon receipt of a completed application therefore in a form to be devised for that purpose, payment of a fee of \$25,000 per converted unit, to be adjusted annually in the same way as the fee under Chapter 14, Section 17.1.8 of this code, at least \$1,000 of which shall be appropriated to the Housing Safety Office for the administration and enforcement of the Rent Stabilization Ordinance, Chapter 6, Articles XII and XIII of this code, and the remainder of which shall be paid into the Jill C. Dusen Housing Trust Fund, and a finding, upon inspection, that each unit, together with any common areas and facilities appurtenant thereto, is in full compliance with all applicable provisions of Chapter 6, Articles II, III, and V and Chapter 10, Article II of the City of Portland Code of Ordinances, and the Life Safety Code as adopted by the state. The developer shall post a copy of the permit in a conspicuous place in each unit and shall make copies available to prospective purchasers upon request.

17.4.6 Variation by agreement

No provision of or right conferred by this Section 17.4 may be waived by a tenant, by agreement or

otherwise, and any such waiver shall be void. Any attempt to require, encourage, or induce a tenant to waive any provision hereof, or right conferred hereby, shall be a violation of this article. Nothing herein shall be construed to void any term of a lease which offers greater rights than those conferred hereby.

17.5 RELOCATION OF DISPLACED TENANTS

17.5.1 Purpose

The purpose of this section is to encourage the retention of a diverse housing supply throughout the downtown and in areas readily accessible to the downtown, to ensure that persons displaced as the result of redevelopment of residential units to nonresidential uses within the B-3 Downtown Business zone are treated fairly and consistently, and to ensure that persons so displaced will be relocated at the reasonable expense of the developer to comparable housing at a location providing comparable access to services and amenities.

17.5.2 Notice and eligibility for relocation assistance

When a proposed development will result in the displacement of residents of an existing structure, the developer of the property shall give all tenants written notice as set forth below and shall provide relocation assistance as set forth below for any tenant whose gross income is 80% or less of the median income of the Portland SMSA, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development at the time the developer gives the tenant written notice of intent to cause removal of the residential unit. Such written notice shall be given to the tenant at least 120 days before the tenant shall be required to

vacate the premises and shall contain the following statement:

The developer of this project is required by law to assist you in finding another place to live and in determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by the developer, you may contact the Department of Planning and Urban Development, City of Portland, 389 Congress Street, Portland, Maine 04101.

17.5.3 Relocation assistance for all tenants

The developer shall provide, upon demand, assistance to all tenants who will be displaced by the development in the form of referrals to other reasonable accommodations and in determining the tenants' eligibility for relocation payments as provided herein. The developer shall make relocation payments to eligible tenants in accordance with the schedule adopted by the City Council in Subsection 17.5.4.

17.5.4 Schedule of relocation payments for eligible tenants

The developer shall, before the tenant is required by the developer to vacate, make a cash payment to the tenant in an amount equal to the amount of rent paid by the tenant for the immediately preceding two months.



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

MEETING DATE

April 15, 2025

AGENDA ITEM

Agenda Item # 3 – (Public Comment) Review and vote on a recommendation to the City Council to approve the FY2026 Agreement for the Portland Tourism Development District (Greg Watson and Lynn Tillotson)

PURPOSE

For HEDC to discuss and vote on a recommendation to the City Council to approve the FY2026 Portland Tourism Development District (“District”).

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

This is an annual item on the Committee work plan.

BACKGROUND/ANALYSIS

The District was originally approved by the City Council to begin with the second half of FY2024 – January 1, 2024, through June 30, 2024 and was then approved for its first full year beginning with FY2025, so FY2026 would be its full second year.

Visit Portland (VP), a/k/a Greater Portland Convention and Visitors Bureau, had originally approached the City indicating a need for the District as they were underfunded compared with other Destination Marketing Organizations (DMO), the majority of which are funded by lodging taxes and/or tourism development districts. Historically, VP had been largely funded by annual membership dues and advertising revenue. At that time, VP reported that their then current annual budget was less than half-a-million dollars, but pre-pandemic budgets had exceeded \$1M.

Other DMOs of similar size to VP, based on Portland's hotel room count of approximately 3,600, have operating budgets of anywhere from \$2.3 Million to \$14 Million. In order to be sustainable, VP requested the creation of the District.

In consultation with Corporation Counsel's office and outside counsel, it was determined that the District could be established using assessments similar to Portland Downtown District (PDD). An assessment would be placed on non-seasonal lodging houses with 40 or more rooms, making up the District, at 1.5% per room sold. The larger lodging houses in the District were identified due to the programming that would occur through the District for leisure, meetings, and conferences.

Using data from 2023, it is estimated that an assessment rate of 1.5% per room sold would bring in an estimated \$1.4 Million in assessments for FY2026. The City's administrative fee is 10% of assessments collected, which would net VP an estimated \$1.3 Million for FY2025. See attached listing of the lodging houses and estimated assessments.

With the District in place, VP has sustainable funding to keep Portland competitive as a tourist and convention destination and provide assurances for additional marketing efforts needed during seasonal or economic downturns. VP targets national audiences and capitalizes on growth markets to drive high value, overnight, shoulder season travel to the area, and solidify Portland as a year-round destination. This, in turn, bolsters hotels, restaurants, and retail establishments, their employees, and the multitude of local business contracts needed to run these establishments.

VP tracks results to show a return on investment as a result of the District.

FISCAL IMPACT

Because of the 10% administrative fee to be retained by the City, negotiated and agreed upon by both parties, there is no financial impact to the City. Administrative fees are intended to cover staff costs associated with the administration of the program, as well as provide funding for City infrastructure needs impacted by increased tourism, including but not limited to, new public restrooms and maintenance, new trash receptacles and maintenance, public benches, and transportation.

CONCLUSION(S)

Terms for the FY2026 District are recommended by staff as follows:

Agreement Period: Term of the agreement would be one year based on Fiscal Year, and approved annually by the City Council, similar as to how the PDD is approved annually.

Assessment Rate and City's Administrative Fee: The assessment rate will be one and one-half percent (1.5%). Assessments for each individual lodging house would be established based on the following formula:

Number of Rooms x 365 = Number of Rooms/Year x Occupancy at 50% x Average Daily Room Rate Per Hotel Class x 1.5% Assessment Rate.

Example:

125 Rooms x 365 = 45,625

45,625 x 50% = 22,813

22,813 x \$132.00 = \$3,011,250

\$3,011,250 x 1.5% = \$45,168.75

\$45,168.75 Assessment to Hotel

City 10% Admin = \$4,516.88

Please see attached listing of non-seasonal lodging houses with 40 or more rooms, and, with an assessment fee of 1.5% per room sold, it is estimated that the FY2026 assessment would bring in just over \$1.44 Million. With the City's 10% administrative fee of assessments collected, this would yield \$144,564 to the City, and net VP \$1.3 Million for FY2026.

The estimated assessment fees are based on the estimated number of rooms sold. VP estimated the occupancy percentage of 50% and the Average Daily Room Rate in these estimates was determined using data from the Smith Travel Research (STR) 2023 Report based on hotel class.

Annual Reporting: VP will provide the Director of Finance with an annual certified financial statement for expenses related to the District and the programs and services outlined in the Development Program. The statement shall list all income and expenses related to the District and shall be provided to the Director of Finance within six (6) months after the fiscal year.

Visit Portland will produce an annual report to the City reflecting all projects, expenses, and returns on investment of the District.

The City will complete financial reporting on the 10% administrative fee at the same intervals.

Staff is recommending that the District for FY2026 be approved by the City Council based on the terms noted above.

PRIOR COMMITTEE REVIEW

The HEDC last took up this item at its April 29, 2024, meeting where it recommended to the City Council approval of the District for FY2025

PREPARED BY

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

ATTACHMENTS

- Listing of Lodging Houses Proposed for District and estimated Assessments for FY2026
- Proposed FY2026 Agreement with attached Development Plan

NON-SEASONAL LODGING PROPERTIES OF 40 ROOMS OR MORE TO BE ASSESSED FOR PROPOSED PORTLAND TOURISM DEVELOPMENT DISTRICT- FY2026 - 4/11/2025	Address	Chart-Block-Lot	Acreage		Number of Rooms	Number of Rooms per year	Rooms Rented at Annual Average Rate of 50% Per Class	Est. Room Revenue Per Hotel Class Using US Average Daily Rate (ADR) (YEAR-TO-DATE JUNE 2024)	Estimated Assessment for FY2026, Based on 50% ADR * 1.5% Assessment	10% of Assesment Fee to City Adm.
Hotel Name										
- Economy Class							50.0%	\$78.49	1.50%	10%
Motel 6 Portland ME	1 Riverside St	266 A001001	3.0384		128	46,720	23,360	\$1,833,526.40	\$27,502.90	\$2,750.29
- Midscale Class							50.0%	\$100.39	1.50%	10%
Ramada Plaza By Wyndham Portland	155 Riverside St	267 B001001	8.173		119	43,435	21,718	\$2,180,219.83	\$32,703.30	\$3,270.33
Fireside Inn & Suites Portland	81 Riverside St	266 A002001	5.3691		200	73,000	36,500	\$3,664,235.00	\$54,963.53	\$5,496.35
- Upper Midscale Class							50.0%	\$134.21	1.50%	10%
La Quinta Inn & Suites by Wyndham Portland	340 Park Ave, Portland	065 A003001	2.007		105	38,325	19,163	\$2,571,799.13	\$38,576.99	\$3,857.70
Clarion Hotel Airport	1230 Congress St	189 A014001	4.8057		149	54,385	27,193	\$3,649,505.43	\$54,742.58	\$5,474.26
Hampton Inn Portland Downtown - Waterfront	209 Fore Street	029 L00100H	0.5829		125	45,625	22,813	\$3,061,665.63	\$45,924.98	\$4,592.50
Holiday Inn By The Bay	88 Spring St	039 E010001	2.3018		239	87,235	43,618	\$5,853,904.68	\$87,808.57	\$8,780.86
Hampton Inn & Suites Portland West	1210 Brighton Ave	265 A001001	2.9256		86	31,390	15,695	\$2,106,425.95	\$31,596.39	\$3,159.64
- Upscale Class							50%	\$165.25	1.5%	10%
Residence Inn By Marriott Portland Downtown/Waterfront	145 Fore St	020 C010001	0.7821		179	65,335	32,668	\$5,398,304.38	\$80,974.57	\$8,097.46
Hilton Garden Inn Portland Downtown Waterfront	65 Commercial St	029 K003001	0.3866		120	43,800	21,900	\$3,618,975.00	\$54,284.63	\$5,428.46
AC Hotel by Marriott Portland Downtown/Waterfront	158 Fore St	019 B020001	0.6552		178	64,970	32,485	\$5,368,146.25	\$80,522.19	\$8,052.22
Courtyard by Marriott Portland Downtown/Waterfront	321 Commercial St	040 E00300H	0.767		132	48,180	24,090	\$3,980,872.50	\$59,713.09	\$5,971.31
Hyatt Place Portland-Old Port	433 Fore St	032 I042001	0.4392		130	47,450	23,725	\$3,920,556.25	\$58,808.34	\$5,880.83
Cambria Hotel Portland Downtown / Old Port	25 Hancock Street	020 C009001	0.7983		102	37,230	18,615	\$3,076,128.75	\$46,141.93	\$4,614.19
Aloft Portland Maine	379 Commercial Street	042 A001001	0.807		157	57,305	28,653	\$4,734,825.63	\$71,022.38	\$7,102.24
Hilton Garden Inn Portland Airport	145 Jetport Blvd	209A A016002	2.2107		76	27,740	13,870	\$2,292,017.50	\$34,380.26	\$3,438.03
- Upper Upscale Class							50%	\$222.32	1.5%	10%
The Press Hotel, Autograph Collection	119 Exchange St	032 C001001	0.2304		110	40,150	20,075	\$4,463,074.00	\$66,946.11	\$6,694.61
Portland Regency Hotel & Spa	20 Milk St	029 R001001	0.5596		95	34,675	17,338	\$3,854,473.00	\$57,817.10	\$5,781.71
The Westin Portland Harborview	157 High St	037 E007001	1.0647		289	105,485	52,743	\$11,725,712.60	\$175,885.69	\$17,588.57
Canopy by Hilton Portland Waterfront	9 Center Street	038 G005001	0.5462		135	49,275	24,638	\$5,477,409.00	\$82,161.14	\$8,216.11
Embassy Suites by Hilton Portland Maine	1050 Westbrook St	210A A005001	2.78		120	43,800	21,900	\$4,868,808.00	\$73,032.12	\$7,303.21
The Longfellow Hotel	754 Congress St.	054 G001001	0.2459		48	17,520	8,760	\$1,947,523.20	\$29,212.85	\$2,921.28
- Luxury Class							50%	\$380.06	1.50%	10%
Portland Harbor Hotel	468 Fore St	038 F009001	0.6505		97	35,405	17,703	\$6,728,012.15	\$100,920.18	\$10,092.02
Totals:			42.1269					\$94,428,597.03	\$1,445,641.80	\$144,564.18

**AGREEMENT
BETWEEN THE CITY
OF PORTLAND AND
VISIT PORTLAND**

This AGREEMENT made as of the 1st day of July, 2025, (the “Effective Date”) is by and between the CITY OF PORTLAND, a body politic and corporate with a mailing address of 389 Congress Street, Portland, Maine 04101 (the “City”) and the CONVENTION AND VISITORS’ BUREAU OF GREATER PORTLAND, doing business as VISIT PORTLAND, a Maine non-profit corporation with a mailing address of 1375 Congress Street, Portland, Maine 04102 (“Visit Portland”) (collectively referred to as (the “Parties”).

WHEREAS, by Council Orders _____, and dated _____, 2025, the City has approved a tourism economic development district designated as the ***Portland Tourism Municipal Development District*** (the “District”), the Development Program (defined below), including a map of the District, is attached hereto as Exhibit A and incorporated herein; and

WHEREAS, Visit Portland has been designated as the independent, non-profit corporation that shall manage the District as the Development Program Manager; and

NOW, THEREFORE, in consideration of the covenants herein contained, the Parties hereby mutually agree as follows:

ARTICLE I. Term

The term of this Agreement shall commence with the establishment of the District, and shall expire on June 30, 2026 (“the Term”).

ARTICLE II. Financial Considerations

- a. The City Council has approved the Portland Tourism Municipal Development District Development Program for the District (“the Development Program”) and the special assessment rate that provides funding to support the Development Program.
- b. The City shall make assessments (the “Assessments”) on all non-seasonal lodging properties with forty (40) rooms or more located within the boundaries of the District (each a “District Property”) in accordance with the Development Program as authorized by the City Council and permitted by law.

- c. The City shall remit the Assessments to Visit Portland within thirty (30) days of collection, less the administrative fee of ten percent (10%) of District revenue as described in the Development Program. The City administrative fee may be used for any costs or expenses related to the administration, collection, enforcement, and reporting particular to the District. Any additional funds shall be spent in accordance with the Development Districts Law in a manner which uniformly benefits the assessed parcels in the district.
- d. In addition to the foregoing, the City will pay in a lump sum, within thirty (30) days from the close of the fiscal year, any amount assessed in a prior year, but collected in a subsequent year. Said payment by City shall be subject to the City's administrative fee described in the Development Plan and less any amounts remaining to be reimbursed under a prior year Agreement with the City. City will provide Visit Portland with written detail as to any deductions taken from payments under this paragraph.
- e. Notwithstanding the foregoing, Visit Portland agrees that it will neither encumber funds that it anticipates receiving from the District Assessments nor incur expenditures in anticipation of receipt of such funds except in accordance with the Development Program.
- f. Visit Portland has approved Visit Portland's budget and Development Program, covering the period beginning on July 1, 2025, and ending on June 30, 2026, and the City Council has approved the assessment that provides funding to support Visit Portland's budget and Development Program.
- g. Any penalties and interest collected by the City for nonpayment of assessments shall be retained by the City. Such penalties and interest shall be equivalent to penalties and interest for nonpayment of property taxes.
- h. Visit Portland will provide the Director of Finance with an annual certified financial statement for expenses related to the District and the programs and services outlined in the Development Program. The statement shall list all income and expenses related to the District and shall be provided to the Finance Director within six (6) months after the fiscal year ends.
- i. Visit Portland will produce an annual report to be submitted to the City reflecting all projects, expenses, and returns on investments of the District. Any audits needed to verify collection assessment will be paid for by Visit Portland. The City may require reporting and conduct an audit without cause no more than once during the Term to verify remittance in accordance with the assessment formula.

Visit Portland shall have reasonable access to the City's assessment collection records, and the City shall have reasonable access to the Visit Portland's books and records particular to the District expenditures.

ARTICLE III. Services To Be Provided By Visit Portland

During the Term, Visit Portland shall:

- a. Provide the services described herein and in the Development Program.
- b. Provide staff and administrative services sufficient for the performance of the services described herein and in the Development Program.
- c. Establish a corporate Board of Directors whose members fairly represent a cross section of District Property owners or their designees in the District, and include on the Board one (1) ex-officio Director seat for the Portland Housing and Economic Development Director or the City Manager's designee.
- d. Establish a mechanism for resolving any dispute to the kind and level of services which may arise between Portland Downtown and persons subject to development district assessments regarding the kind and level of services provided by Visit Portland.
- e. Provide liaison between the City, the District property owners, civic groups, interested persons, and other groups and individuals, as necessary to carry out the mission of the District.
- f. Maintain all minutes and records of Visit Portland proceedings as may be required.
- g. Nothing in this Agreement is intended to or shall be construed to limit Visit Portland's general powers, as set forth in the Maine Non-profit Corporation Act, Title 13-B of the Maine Revised Statutes Annotated.

ARTICLE IV. Termination

- a. The District will commence upon the date of its establishment by the City Council and continue indefinitely in accordance with applicable law until the Council takes action to terminate or amend the District. District Property owners may submit a petition to the City Council at any time requesting that the District be terminated, which the City will consider in accordance with applicable law. The City has and reserves the right to suspend, terminate or abandon the execution of any work by Visit Portland upon receipt of a petition dissolving the District.
- b. This Agreement may be terminated by either Party for good cause. If Visit Portland or the City should fail to perform any material covenant, obligation or agreement

hereunder for a period of thirty (30) days after written notice of complaint from the City Manager or Visit Portland specifying such failure, either Party may provide the other with notice of failure to perform the Agreement as provided herein. Upon receipt of notice, Visit Portland or the City shall have a ninety (90) day period, computed from the date of delivery of the notice of failure to perform, within which the affected Party may provide a written plan to remedy the complaint. In the event that a determination is made at the expiration of the ninety (90) day period that the complaint is unresolved, either Party may declare their intent to terminate the Agreement and identify the specific date of termination with a written notice. Either Party shall have the right to appeal the decision to the other. Either Party shall file such appeal within seven (7) business days from the date the Party receives the notice of termination. If such appeal does not remedy the complaint, consideration for termination of this Agreement would be subject to a vote of the City Council.

- c. Nothing herein shall be construed as giving Visit Portland the right to perform the work contemplated under this Agreement beyond the time that the City Council terminates this Agreement. In case Visit Portland should be discharged before all the services contemplated in this Agreement have been completed, or the services for any reason should be stopped, either because of the expiration of the Term or because of the inability of Visit Portland to fulfill its obligations under this Agreement, Visit Portland shall be reimbursed for all services satisfactorily performed prior to the effective date of termination in accordance with Article II hereof, but only to the extent that sufficient Assessments have been received by the City to make such reimbursement. After termination of the Agreement, Visit Portland shall:
 1. With respect to existing activities, take only such actions as the City Manager shall direct;
 2. Upon City's request, assign to the City in the manner, at the times and only to the extent the City, acting by and through its City Manager, may direct it to do so, all the rights, title and interest of Visit Portland in and to all existing orders and agreements.
 3. To the extent rights, title and interests of Visit Portland in and to existing orders and agreements may be assigned to the City and accepted by it; obligations incurred on or after such assignment will be assumed by the City. Otherwise, Visit Portland shall settle all outstanding liabilities and all claims arising out of any terminated orders or agreements.
 4. Deliver to the City, in the manner, at the times and to the extent directed by the City Manager, all documents and data produced by Visit Portland as part of or in connection with the work.
 5. In the event of termination of the District, any remaining revenues, after all outstanding debts are paid, derived from the charge of fees, or derived from

the sale of assets acquired with the revenues, shall be returned to the City and appropriated for the purposes of the Development Program, subject to the approval of the City Council.

ARTICLE V. Assignment

Visit Portland covenants and agrees that it will neither assign nor transfer any rights here under, either in whole or in part, without first obtaining the prior written consent of the City.

ARTICLE VI. Performance of Services

All services performed by Visit Portland under this Agreement, or by third parties paid with funds provided under this Agreement, shall be performed in a good, workman like fashion and in accordance with all applicable professional and industry standards.

ARTICLE VII. Compliance with Law

Visit Portland will comply with all provisions of Federal, State, and local law, applicable to the services provided under this Agreement. Visit Portland further agrees to adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. This shall include compliance with all applicable provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37 and all other applicable laws, including the Maine Human Rights Act, ordinances and regulations regarding equal opportunity and equal treatment. Visit Portland specifically agrees that all employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide

occupational qualifications, business necessity, or age limitations will be adhered to by Visit Portland where appropriate.

ARTICLE VIII. Indemnification

- a. Visit Portland shall, at its own cost and expense, defend, indemnify, and hold harmless the City, its officers, agents, and employees, from and against the following:
 1. To the fullest extent permitted by law, Visit Portland shall defend, indemnify and hold harmless the City, its officers and employees, from and against all claims, damages, losses, and expenses, just or unjust, including but not limited to costs of defense, including attorney's fees, arising out of or resulting from the performance of this Agreement, provided that any such claims, damage, loss or expense is (1) attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property, including the loss or use thereof; and (2) is caused in whole or in part by any negligent act or omission of Visit Portland, anyone directly or indirectly employed by it, or anyone for whose act it may be liable;
 2. All claims and liens of Visit Portland's consultants, subcontractors, and their laborers, mechanics, material men, and/or suppliers. Such obligation shall not be construed either to negate or abridge any other obligation of indemnification and shall not be limited by any provision for insurance contained in this Agreement.
- b. Notwithstanding the foregoing, nothing herein shall, nor is intended to, waive any defense, immunity or limitation of liability which may be available to the City or their respective officers, agents and employees, under the Maine Tort Claims Act or any other privileges and/or immunities provided by law.

ARTICLE IX. Insurance

- a. Neither Visit Portland nor any of its subcontractors shall commence work under this Agreement until they have provided the insurance coverage required by this Agreement and such coverage has been approved by the City.
- b. Prior to the execution of this Agreement, Visit Portland shall, at its own expense, procure and maintain:
 - Occurrence-based Professional Liability Insurance for errors, omissions and negligence, in the amount of One Million Dollars (\$1,000,000.00) per claim.

- Occurrence based Commercial General Liability Insurance coverage in amounts of not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, death and property damage;
- Workers' Compensation Insurance coverage to the extent required by law, which shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees;

With respect to the Commercial General Liability, Visit Portland shall name the City as an additional insured for coverage for claims for which the City does not have governmental immunity, including, without limitation, those areas where government immunity has been expressly waived as set forth in 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. This provision shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the City under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the City. Prior to execution of this Agreement, Visit Portland shall furnish the City and thereafter maintain certificates evidencing all such coverages, which certificates shall guarantee thirty (30) days' notice to the City of termination of insurance from the insurance provider or agent. Visit Portland shall also provide a copy of any endorsement naming the City as additional insured. A certificate that merely has a box checked under "Addl Insr," or the like, or that merely states the City of Portland is named as an Additional Insured, will not be acceptable. The Workers' Compensation insurance shall include an endorsement waiving all rights of subrogation against the City of Portland, its officers or employees. Upon City's request, Visit Portland shall provide City with a complete copy of any of the above-referenced policies. Visit Portland shall be responsible for any and all deductibles and/or self-insured retentions (not to exceed \$10,000.00 without prior written approval of Corporation Counsel). City's acceptance or lack of acceptance of Visit Portland's Certificate of Insurance or other evidence of insurance shall not be construed as a waiver of the Visit Portland's obligation to obtain and maintain such insurance as required by this agreement.

Article X. No Joint Venture; Independent Contractors

- a. Nothing contained in this Agreement will constitute or be construed to be or create a partnership or joint venture between the parties or any of their respective officers, directors, employees, affiliates, successors or assigns. The parties understand and agree that this Agreement does not make either of them an agent or legal representative of the other for any purpose whatsoever. No party is granted, by this Agreement or otherwise, any right or authority to assume or create any obligation or responsibilities, express or implied, on behalf of or in the name of any other

party, or to bind any other party in any manner whatsoever.

- b. Each party will secure, at its own expense, all personnel, materials, and equipment required to perform its obligations under this Agreement. Each party, in accordance with its status as an independent contractor, covenants and agrees that its employees shall be regarded for all legal and tax purposes as its own employees during the term of this Agreement, and each party shall govern and supervise the work of its own employees. Each party shall discharge all applicable obligations imposed upon employers under the law, including without limitation payment of wages, social security taxes, withholding taxes, unemployment taxes and worker's compensation. Both parties' employees shall not be considered employees of the other party for any purpose and shall not be entitled to any retirement benefits, social security benefits, unemployment benefits, group health or life insurance, vacation, personal, or sick leave, worker's compensation, or any other similar benefits ("Employment Benefits") from the other party. Each party further covenants and agrees that its employees will conduct themselves consistent with such status, that they will neither hold themselves out as, nor claim to be, officers or employees of the other party by reason of this Agreement, and that its employees will not, by reason of this Agreement, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the other party, including but not limited to the Employment Benefits.
- c. Nothing in this Agreement is intended to or does prohibit Visit Portland or the City from entering into any other contractual relationship with each other or any third party.

Article XI. Miscellaneous Provisions

- a. This Agreement shall be construed in all respects in accordance with, and governed by, the laws of the State of Maine. All parties hereto hereby consent to the exclusive jurisdiction of the Superior Court for the County of Cumberland in the State of Maine, for all actions, proceedings and litigation arising from or relating directly or indirectly to this Agreement or any of the obligations hereunder, and any dispute not otherwise resolved as provided herein shall be litigated solely in said Court.
- b. This Agreement and its attachments represent the entire and complete agreement and understanding between the parties and supersedes any prior agreement or understanding, written or oral, between the parties with respect to the subject matter of this Agreement. This Agreement cannot be amended except by written instrument executed by the City and Visit Portland.
- c. Visit Portland warrants and represents that it has the full right and authority to enter into this Agreement, that there is no impediment that would inhibit its ability to

perform their respective obligations under this Agreement, and that the person signing this Agreement on behalf of Visit Portland has the authority to do so.

- d. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. A signature in a pdf or electronic document shall be considered the equivalent of an original signature.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the _____ day of _____, 2025

WITNESS

CITY OF PORTLAND

By: _____
Danielle P. West
Its City Manager

WITNESS

**CONVENTION AND VISITORS’
BUREAU OF GREATER
PORTLAND**

By: _____
Print Name:
Its: _____

Approved as to Form:

City Corporation Counsel

Approved as to Funds:

City Finance Department

ECONOMIC DEVELOPMENT PROJECT

CITY OF PORTLAND, MAINE

A Municipal Development District

**PORTLAND TOURISM MUNICIPAL DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM**

Presented to:

City Council

City of Portland

June __, 2025

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Exhibit List

Exhibit A	City of Portland Property Map Showing District Property Relative to City Boundaries
Exhibit B	Notice of Public Hearing
Exhibit C	Minutes of Public Hearing
Exhibit D	City Council Order
Exhibit E	Statutory Requirements and Thresholds Form

Development Program

I. Introduction

The City of Portland (the “City”) seeks to establish a Municipal Development District to be known as the “**Portland Tourism Municipal Development District**” (the “District”), located throughout the City of Portland.

The District includes 23 non-seasonal hotels with 40 rooms or more to be assessed for the District to provide programs, services and improvements as described in this Development Program.

In designating the proposed District and adopting this Development Program, the City can accomplish the following goals:

- Maintain and ideally expand the existing tax revenues flowing from the District properties;
- Enable the investment of assessment payments made by properties uniformly and proportionally benefitting from the Development Program in strategic sales, marketing, promotions, destination development and special events;
- Maintain and create long-term, stable employment opportunities for area residents; and
- Improve the overall economy of the City, the Cumberland County region, and the State of Maine.

II. Development Program Narrative

A. The Development District

The District will encompass approximately 42.1269 acres of real property, and includes the following\ City Tax Map/Lots/Blocks: 019-B020001 (0.6552 acres), 042-A001001 (0.807 acres), 20-C009001 (0.7983 acres), 038-G005001 (0.5462 acres), 054-G001001 (.2459 acres), 189-A014001 (4.8057 acres), 040-E00300H (0.767 acres), 210A-A005001 (2.78 acres), 266-A002001 (5.3691), 029-L00100H (0.5829 acres), 265-A001001 (2.9256 acres), 029-K003001 (0.3866 acres), 209A-A016002 (2.2107 acres), 039-E010001 (2.3018 acres), 032-I042001 (0.4392 acres), 065-A003001 (2.007 acres), 266-A001001 (3.0384 acres), 038-F009001 (0.6505 acres), 029-R001001 (0.5596 acres), 267-B001001 (8.173 acres), 020- C010001 (0.7821 acres), 032-C001001 (0.2304 acres), 037-E007001 (1.0647 acres) (each a “District Property”). The District is shown in **Exhibit A** attached hereto.

B. The Development Program

The City’s designation of the District and adoption of this Development Program allows for the City to fund activities and projects to be supported by the District Property owners, and also coordinate services to ensure effective delivery and proper support for tourism promotion while building on existing revitalization efforts and protection of public and private investment. The travel industry is a major economic driver for the City and Maine. Visitor spending not only

supports tourism-related businesses but also the local artists, lobster/fishing community, cultural institutions, food & beverage establishments, and small businesses that residents alone could not support year-round. Therefore, it is in the public interest of the City, and vital to the welfare of the City's economy, to facilitate and encourage cooperating public-private partnerships where lodging properties become partners with the City for the enhancement and expansion of the travel economy and to provide for increased business activity, tourism, economic development and job creation throughout the District.

The term of the District will commence when established by the City Council and continue indefinitely, subject to annual budget approvals by the City Council, until the Council takes action to terminate or amend the District. District Property owners may submit a petition to the City Council at any time requesting that the District be terminated, which the City will consider in accordance with applicable law.

Under this Development Program, projects as listed below in Table 1 will be executed through an agreement with a development program manager (the "Development Program Manager").

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the "Statute"). The designation of the District and adoption of the Development Program are effective upon approval by the City Council, evidenced by Exhibit C and Exhibit D hereto.

C. The Projects

District Property owners will pay assessments on an annual basis to support the program. The formation of the District is intended to contribute to the economic growth and wellbeing of the City, and to the betterment of the health, welfare or safety of the inhabitants of the City. To accomplish this intention, the City desires to support the costs described below using District revenues. The City shall not reduce services to the District Properties because of the implementation of the District. Projects and services approved and executed by the District shall be in addition to and not in the place of municipal projects and services. Assessment revenues must be spent in accordance with the financial plan.

The annual project costs presented in the annual Financial Plan shall be approved by the City Council and must be contained within the project descriptions below and identified in the Order Establishing the Portland Tourism Development District. Please see Table 1 herein for a complete list of authorized projects and their respective cost estimates for the second half of the 2024 fiscal year. Future cost estimates for the projects will be approved on an annual basis and will serve as the basis for the assessment calculation.

TABLE 1
Municipal Projects

Project	FY 2026 Cost Estimate*
----------------	---------------------------------------

<u>A. Sales, Marketing, Promotions, Destination Development and Special Events.</u> Marketing efforts will reach markets such as Leisure Travelers, Meetings & Conferences, Sporting Events, Destination Weddings and Social Events, International Travelers, Motorcoaches, Cruise Passengers, and Media/Influencers. Marketing messaging will reach all ages of travelers and target all demographics including BIPOC and LGBTQ+. Ten percent (10%) of the Sales, Marketing, Promotions, Destination Development, and Special Events budget shall be allotted specifically to reach the BIPOC, LGBTQ+ markets, and community DEI efforts. Projects may include: ● Promoting and marketing tourism in different periods (for example out of season or shoulder seasons); ● Research & Development of a marketing plan designed to outline a strategy for attracting potential visitors and expand programs to attract diverse visitors at the right time with the right message; ● Regional and national leisure marketing and convention trade marketing programs inclusive of broadcast, social, digital, audio, print, pay-per-click and out-of-home channels, designed to increase awareness of and drive overnight traffic to the destination – in turn, benefitting the assessed lodging properties through increased consumer demand and increased year-round room night bookings.; ● Public Relations and media programs that enhance the profile of Portland as a visitor, meetings and event destination – in turn, benefitting the assessed lodging properties through increased consumer demanded increased room night bookings; ● Dedicated funds to support incentives, hosting fees and other offsetting costs associated with securing strategic industry events, incremental group and convention business, and/or large-scale events for the destination that generate room nights for the assessed lodging properties; ● Strategic partnerships, sponsorships, or other alliances that reinforce the City of Portland as a destination of choice within the travel marketplace for meetings, events and leisure travel – in turn, generating greater room night sales to the assessed lodging properties; ● Attendance at tradeshow, conferences, and professional industry/partner events to promote the destination and the assessed lodging properties;	\$791,949
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- | | |
|--|--|
| <ul style="list-style-type: none">● Sales missions, client events, site inspections, and familiarization tours showcasing the destination and the assessed lodging properties;● Visitor services programs designed to extend stays at assessed lodging properties and increase visitor spending;● Preparation, production, mailing, and distribution of collateral promotional materials such as brochures, flyers, maps, and videos featuring assessed lodging properties;● Research on current and new markets that would result in additional room night sales to assessed lodging properties_ | |
|--|--|

Project	FY 2026 Cost Estimate*
B. Business Practices & Workforce Initiatives Work with lodging partners, attractions, restaurants, venues and other tourism-related entities to support programs that encourage sustainable visitation. Services may include: • Programs to combat congestion at specific locations and reduce pressure on infrastructure and resources that have a negative impact on the quality of life for residents; • Programming to sustain demand and undertaking activities that balance the livability of the destination in popular tourism periods and generating overnight stays from leisure travelers especially during need periods; • Infrastructure or capital improvements, including maintenance activities, that enhance Portland's competitive position to attract desirable special events year around and attract overnight visitors including payment of debt service on such expenditures; • Funds may be deployed to build programs to support a sustainable workforce. Programming may include destination wide workforce assessment, cost analysis and investment strategy, and apprenticeship/educational programming as seasonality requires.	\$100,000
C. <u>District Administration</u> The administration portion of the budget shall be utilized for administrative costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees incurred by the City and the Development Program Manager. A portion of the budget will be allocated to a contingency fund. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the Development Program Manager board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board, subject to approval by the City.	\$533,692
D. <u>Return on Investment/ Quarterly and Annual Reporting</u> The Development Program Manager will account for the expenses of the District specific to the services and programming and the return on investment to be recorded in room nights sold, lodging properties occupancy percentages, and revenues generated.	\$20,000

Project	FY 2026 Cost Estimate*
Total	\$1,445,641

* These are estimates only. The City may approve different budgeted amounts for the listed projects each year.

D. Strategic Growth and Development

By creating and designating the District, the City can achieve the appropriate level of programs, services and improvements described in this Development Program as well as a fair and appropriate financial contribution from each party benefitting from such activities. Establishing the public private partnership to fund our local tourism industry will pave the way for an engaged community that will be invested in efforts to stabilize and sustain a year-round balanced visitor demand, local workforce development and support, creating a new platform for Portland to elevate the accessibility to its diverse community, support residents and business development, and maintain and evolve experiences for visitors.

In addition, by providing additional services for assessed lodging properties in the City of Portland, the District will ease the burden on local government, which faces constrained budgets, while under obligation to provide equivalent levels of service throughout the entire community.

The City's designation of the District and pursuit of this Development Program constitute a good and valid public purpose described in Chapter 206 of Title 30-A of Maine Revised Statutes because it represents a substantial contribution to the economic well-being of both the City and the region, by supporting surrounding businesses which provide jobs and contribute to property taxes.

E. Improvements to the Public Infrastructure

As further set forth in Table 1, the City will undertake a variety of operations and maintenance activities, including potential public infrastructure improvements.

F. Operational Components

1. Public Facilities

As further set forth in Table 1, the City may undertake public capital improvement projects and maintenance activities.

2. Commercial Improvements Financed Through Development Program

No commercial improvements will be financed through the District or assessments.

3. Relocation of Displaced Persons

No persons will be displaced.

4. Transportation Improvements

No transportation improvements will be financed through the District or Assessments.

5. Environmental Controls

The improvements made under the proposed Development Program will meet or exceed all federal and state environmental regulations and will comply with all applicable land use requirements for the City.

6. Plan of Operation

During the term of the District, the City Manager or designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District, including the imposition and collection of implementation assessments.

Pursuant to the Development Districts Law, the City will enter into a contractual arrangement with the Development Program Manager to perform the Projects outlined in Table 1 above and all administrative matters associated with the Development Program other than those matters within the purview of the City. The Development Program Manager shall establish a corporate Board of Directors whose members fairly represent a cross section of assessed property owners or their designees in the District and include on the Board one (1) ex-officio Director seat for the Portland Housing and Economic Development Director or the City Manager's designee.

III. Physical Description

Municipal documents relating to the District's physical description attached as: City of Portland property map showing the District relative to City boundaries. **Exhibit A**

IV. Financial Plan

The District will encompass approximately 42.1269 acres of property and will begin for the 2026 fiscal year July 1, 2025 – June 30, 2026, with subsequent fiscal years with an indefinite term of years to be terminated only upon Council action.

A. Cost Estimate and Sources of Revenues

All non-seasonal lodging properties with forty (40) or more rooms within the boundaries of the City of Portland that meet the assessed property criteria shall be assessed. The assessment is based upon the benefits received from the district programming, derived from the business activity related to the parcel. The fiscal year method and assessment rate is based on short term room rental using the US Average, Average Daily Rate (ADR) multiplied by fifty-percent (50%) occupancy as reported by STR year or, when unavailable, as reported by the District Property, for the previous year, multiplied by one and one-half percent (1.5%) which is also equal to one and one-half percent (1.5%) of annual gross short-term room rental revenue.

With a July 1, 2025, District begin date, the budget is based on July 1, 2025, to June 30, 2026, business activity as reported by STR as outlined above, or when unavailable as reported by District Property owners. The subsequent annual assessment will be calculated in a similar manner to the initial assessment using the most recent available previous fiscal year data as reported by STR as outlined above, or when unavailable by District Property Owners.

Assuming a July 1, 2025 District begin date, the District is expected to have a budget (FY2026) of approximately \$1,445,641 based on the assessment rate described above and the cost of programs detailed in the attached budget and as described in Table 1.

B. Collections and Remittance

Pursuant to the Development Districts Law, assessments must be collected by the City at the same time and in the same manner as municipal taxes, following municipal procedures as outlined by the City of Portland. The City shall forward to the Development Program Manager all District assessment funds collected within thirty (30) days of collection, less a ten (10) percent City administrative fee as authorized in the District Development Program. The City tax collector has all the authority and powers by law to collect the assessments. If any District Property owner fails to pay any assessment or part of an assessment on or before the dates required, the City has all the authority and powers to collect the delinquent assessments vested in the City by law to collect delinquent municipal taxes. Penalties for nonpayment of assessments shall be equivalent to penalties for nonpayment of property taxes. Assessments may be remitted on a monthly basis in advance of the municipal tax billing. The City administrative fee may be used for any costs or expenses related to the administration, collection, enforcement, and reporting particular to the District. Any additional funds shall be spent in accordance with the Development Districts Law in a manner which uniformly benefits the assessed parcels in the district. The City may require reporting and conduct an audit without cause no more than once every year to verify remittance in accordance with the assessment formula.

C. Municipal Indebtedness

The City reserves the right to issue municipal bonds in order to pay for costs of maintenance and operations costs. Any municipal bond issued for such a project would require City Council approval and follow the Charter required process.

D. Related Contract, Agreements, and Obligations

There are no existing terms and conditions of any agreements, contracts, or other obligations related to this Program, other than the anticipated contract with the Development Program Manager to implement the Projects outlined in Table 1 above and all other administrative matters concerning the implementation and operation of the District, other than those matters within the purview of the City.

E. Rollover Funds

Any and all unused fee funds collected during a year may be rolled over to the subsequent year to be used for programs detailed in the Financial Plan. In the event of termination of the

District, any remaining revenues, after all outstanding debts are paid, derived from the charge of fees, or derived from the sale of assets acquired with the revenues, shall be appropriated for the purposes of this Development Program.

F. Reserve Policy

The District's Development Program Manager may develop a Reserve Policy to establish minimum levels for designated funds to ensure stable program and project execution, meet future needs, and protect against financial instability, subject to approval by the City.

V. Financial Data

Please find attached as **Exhibit E** the Statutory Requirements and Thresholds Form required by the Maine Department of Economic and Community Development.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as **Exhibit B** is a copy of the Notice of Public Hearing held on _____ in accordance with the requirements of 30-A M.R.S.A. § 5226(1). The notice was published in the Portland Press Herald, a newspaper of general circulation in the City _____ on a date at least ten (10) days prior to the public hearing.

B. Minutes of Public Hearing

Attached as **Exhibit C** is a certified copy of the minutes of the public hearing held on , at which time the proposed District was discussed by the public.

C. City Council Order

Attached as **Exhibit D** is an attested copy of the City Council Order adopted by the Portland City Council at a Council Meeting duly called and held on _____, 2024, designating the District and adopting the Development Program.

EXHIBIT A

CITY OF PORTLAND PROPERTY MAP SHOWING DISTRICT PROPERTY
RELATIVE TO CITY BOUNDARIES

Boundary Map Portland Tourism Development District

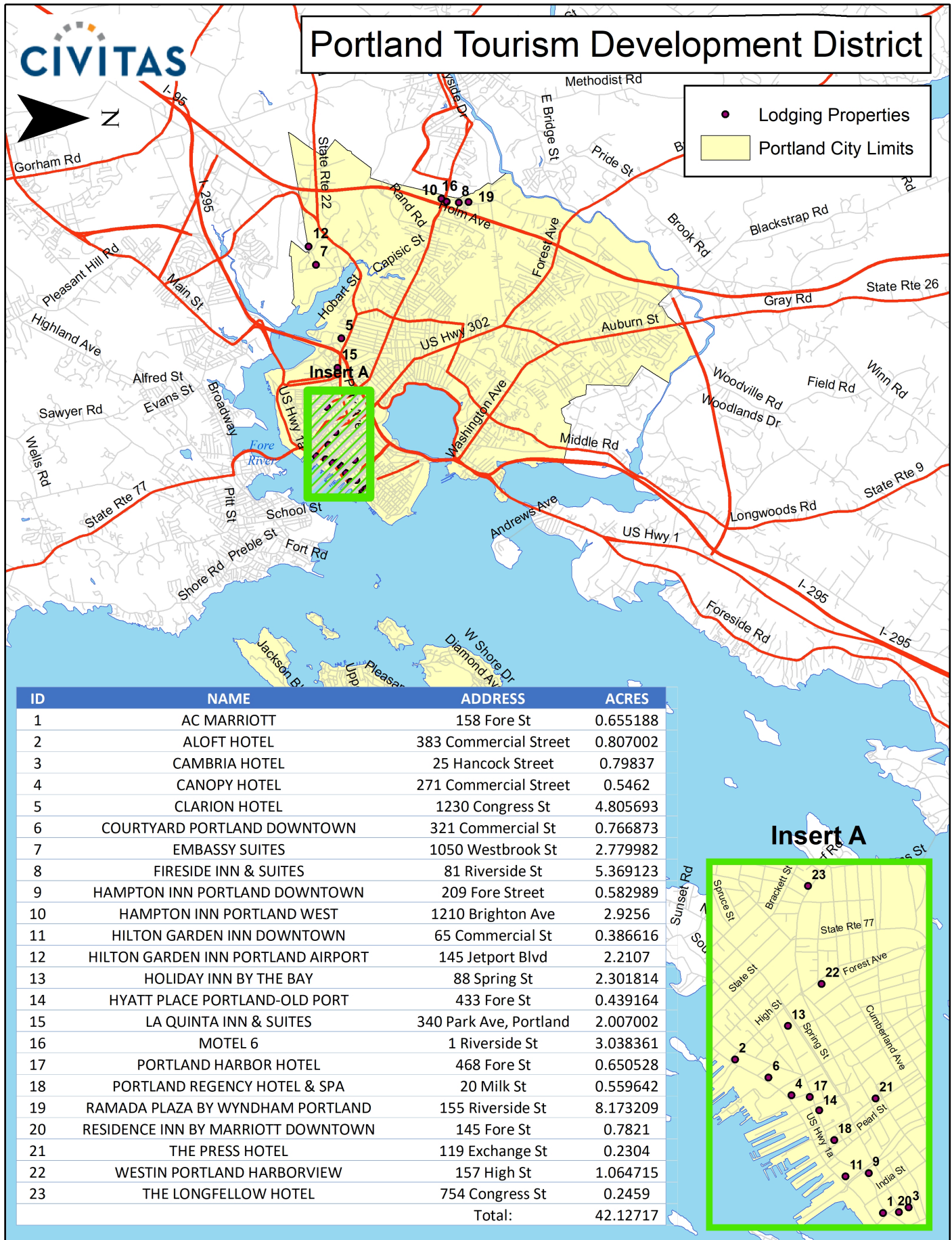


EXHIBIT B
NOTICE OF PUBLIC HEARING

EXHIBIT C
MINUTES OF PUBLIC HEARING

EXHIBIT D
CITY COUNCIL ORDER

EXHIBIT E
STATUTORY REQUIREMENTS AND THRESHOLDS
PORTLAND TOURISM MUNICIPAL DEVELOPMENT DISTRICT/FY2025

SECTION A. Acreage Caps		
1. Total municipal acreage;	13,785.6	
2. Acreage of proposed Municipal Development District;	42.1269	
3. Downtown-designation ¹ acres in proposed Municipal Development District;	0	
4. Transit-Oriented Development ² acres in proposed Municipal Development District;	0	
5. Total acreage [=A2-A3-A4] of proposed Municipal Development District counted toward 2% limit;	42.1269	
6. Percentage [=A5÷A1] of total acreage in proposed Municipal Development District (CANNOT EXCEED 2%).	.3056%	
7. Total acreage of all <u>existing/proposed</u> Municipal TIF districts in municipality including Municipal Affordable Housing Development districts: ³ SEE ATTACHED LISTING . District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage	Existing	847.5118
	Proposed	42.1269
	Total:	889.6387
30-A § 5223(3) EXEMPTIONS⁴		
8. Acreage of an <u>existing/proposed</u> Downtown Municipal TIF district;	416.1688	
9. Acreage of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: District Name/Acreage District Name/Acreage	30.00	
10. Acreage of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: District Name/Acreage District Name/Acreage	0	
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts common to ⁵ Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such acreage also factored in Exemptions 8-10 above: District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage	0	
12. Total acreage [=A7-A8-A9-A10-A11] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	443.47	
13. Percentage of total acreage [=A12÷A1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	3.2169%	
14. Real property in proposed Municipal Development District that is:	ACRES	% [=Acres÷A2]
a. A blighted area;		
b. In need of rehabilitation, redevelopment or conservation;		
c. Suitable for commercial or arts district uses.	42.1269	100%
TOTAL (except for § 5223 (3) exemptions a., b. OR c. must be at least 25%)		

¹ Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

² For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

³ For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

⁴ Downtown/TOD overlap nets single acreage/valuation caps exemption.

⁵ PTZ districts approved through December 31, 2008.

EXHIBIT E
STATUTORY REQUIREMENTS AND THRESHOLDS
PORTLAND TOURISM MUNICIPAL DEVELOPMENT DISTRICT/FY2025

SECTION B. Valuation Cap			
1.	Total TAXABLE municipal valuation—use most recent April 1;	N/A	
2.	Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	N/A	
3.	Taxable OAV of all <u>existing/proposed</u> Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts:	Existing	N/A
	District Name/OAV District Name/OAV District Name/OAV	Proposed	N/A
	District Name/OAV District Name/OAV District Name/OAV	Total:	N/A
30-A § 5223(3) EXEMPTIONS			
4.	Taxable OAV of an <u>existing/proposed</u> Downtown Municipal TIF district;	N/A	
5.	Taxable OAV of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts:	N/A	
	District Name/OAV District Name/OAV		
6.	Taxable OAV of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts:	N/A	
	District Name/OAV District Name/OAV		
7.	Taxable OAV of all <u>existing/proposed</u> Single Taxpayer/High Valuation ⁶ Municipal TIF districts:	N/A	
	District Name/OAV District Name/OAV		
8.	Taxable OAV in all <u>existing/proposed</u> Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such OAV also factored in Exemptions 4-7 above:	N/A	
	District Name/OAV District Name/OAV District Name/OAV		
	District Name/OAV District Name/OAV District Name/OAV		
9.	Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	N/A	
10.	Percentage of total taxable OAV [=B9÷B1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	N/A	

COMPLETED BY			
PRINT NAME	Lori Paulette		
SIGNATURE		DATE	4/11/2025
If this form has <u>not be completed by the municipal or plantation assessor</u> , the assessor must sign and date below, acknowledging he/she agrees with the information reported on this form, and understands the OAV stated in Section B, line 2, will be used to determine the IAV for this District.			
PRINT NAME	Elisa Marr		
SIGNATURE		DATE	

⁶ For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.

Listing of Existing TIF Districts

4/11/2025

Active and Proposed TIFs			
TIF District	FY Start/End	Original Assessed Value (OAV)	Acres
Waterfront/and W Maine Sub District/Added March 2018 Parcels	FY2002-03/FY2031-32	\$8,283,740	6.625
- WTIF 9/2018 Added Parcels		\$20,076,870	77.560
- WTIF 5/2019 Added Parcels		\$5,938,400	13.430
Bayside Expanded TIF District	FY2003-04/FY2032-33	\$121,639,640	128.728
Pearl Place/Avesta-AH TIF	FY2007-08/FY2035-36	\$0	1.035
Public Market/Power Pay	FY2010-11/FY2039-40	\$1,862,600	1.070
McAuley Place	FY2009-10/FY2038-39	\$0	5.320
Avesta/409 Cumberland Ave-AH TIF	FY2013-14/FY2034-35	\$0	0.410
Thompson's Pt TOD/TIF II	FY2014-15/FY2043-44	\$4,970,470	30.000
134 Washington Avenue/AH TIF	FY2014-15/FY2033-34	\$0	0.230
17 Carleton St/AH TIF	FY2015-16/FY2036-37	\$0	0.572
Downtown TOD TIF	FY2015-16/FY2044-45	\$964,702,263	416.1688
ImmuCell TIF	FY2017-18/FY2028-29	\$52,600	1.110
58 Boyd Street/AH TIF	FY2018-19/FY2047-48	\$0	0.480
178 Kennebec St/AH TIF	FY2019-20/FY2048-49	\$0	0.220
Deering Place/AHTIF	FY2018-19/FY2047-48	\$0	1.090
977 Brighton Avenue/AHTIF	FY2019-20/FY2048-49	\$0	0.730
66 State Street AHTIF	FY2020-2021/FY2049-50	\$0	0.509
PHA Front Street AHTIF	FY2020-2021/FY2049-50	\$0	3.487
200 Valley Street AHTIF	FY2020-2021/FY2049-50	\$0	0.344
577 Washington Avenue AHTIF	FY2020-2021/FY2049-50	\$0	3.610
337 Cumberland Avenue AHTIF	FY2020-2021/FY2049-50	\$0	0.452
104 Grant Street AHTIF	FY2020-2021/FY2049-50	\$0	0.330
83 Middle Street AHTIF	FY2020-2021/FY2049-50	\$0	0.285
91 Winter Street AHTIF	FY2021-2022/FY2050-51	\$0	0.0000
73 Winter Street AHTIF	FY2021-2022/FY2050-51	\$0	0.3941
45 Dougherty Street AHTIF	FY2023/2024/FY2052-53	\$0	1.6750
25 Casco Street AHTIF	FY2024-2025/FY2053-54	\$0	0.312
Riverton Park	FY2024-2025/FY2043-44	\$0	19.8649
70 E. Oxford		\$0	0.560
Portland Tourism Dev. District	n/a	n/a	42.1269
Portland Downtown Munic. Dev. Dist.	n/a	n/a	130.9100
Sub-Total:		\$1,127,526,583	889.6387
Less Exempt:			
Thompson's Point (TOD TIF)	FY2014-15/FY2043-44	-\$4,970,470	-30.000
Downtown TOD District	FY2015-16/FY2044-45	-\$964,702,263	-416.1688
Totals for Caps:		\$157,853,850	443.470
FY2023 Aggregate Total Value:		\$14,872,866,446	
Total Acreage for Ptd:			13,785.600
5% Allowed to be TIF'd:		\$743,643,322	689.280
Current Amounts TIF'd:		\$157,853,850	443.470
Amount Remaining that can be TIF'd:		\$585,789,472	245.810



MEETING DATE: April 11, 2025

AGENDA ITEM

Review of FY2026 HUD Annual Action Plan

PURPOSE

An opportunity for members of the Housing and Economic Development Committee (HEDC) to review the City Council Memo and Packet for the FY 2026 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan and allocation recommendations for the Community Development Block Grant (CDBG) Program, HOME Program and Emergency Solutions Grant (ESG) Program.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

The HUD Annual Action Plan and the allocations for the CDBG, HOME and ESG Programs will work to address the 2025 City Council Goals.

BACKGROUND/ANALYSIS

Each year the City Council holds two public hearings to review and receive public comment on the HUD Annual Action Plan and allocation recommendations for the CDBG, HOME and ESG Programs. The council packet item is also reviewed at a HEDC meeting to allow committee members an opportunity to review the information in advance of the City Council public hearings. This year, the public hearings are scheduled for April 28th and May 5th. At the May 5th meeting, the Council will act on the plan and annual allocations.

FISCAL IMPACT

HUD has not announced the annual allocation amounts for the CDBG, HOME and ESG Programs. The estimated budgets being presented to the City Council assume level funding from FY2025. HUD should announce the allocation amounts on or before May 15.

CONCLUSIONS

Staff will be available to answer any questions that members of the HEDC may have on the FY2026 Annual Action Plan and HUD program allocations.

PRIOR COMMITTEE REVIEW: FY2026 Housing Program Budget reviewed at the February 25th HEDC meeting.

PREPARED BY

Mary Davis, Division Director
Housing and Community Development Division

ATTACHMENTS

Attachment A: Council Agenda Item, Memo and Backup

MEMORANDUM
City Council Agenda Item

FROM: Mary Davis, Division Director

DATE: March 27, 2025

SUBJECT: Adopting the Fiscal Year 2025-2026 Housing and Community Development Annual Action Plan including Appropriations for the Community Development Block Grant, HOME, and Emergency Solutions Grant Programs and Certifications Pertaining Thereto

SPONSOR: Danielle West, City Manager
(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 4/28/2025

**Final
Action 5/5/2025**

Can action be taken at a later date: No A public notice of these meetings and public hearings has been published in the Press Herald as required.

Does this item involve a new contract with the City: This involves a grant agreement that will be sent to the City when the Annual Action Plan is approved.

PRESENTATION:

The Chair and/or Vice-Chair of the CDBG Annual Allocation Committee will present the Allocation Committee's recommendations. The City Manager will present her recommendations. HCD Staff are available for questions.

I. SUMMARY

The resolution adopts the 2025-2026 Annual Action Plan including appropriations for Community Development Block Grant, HOME, and Emergency Solutions Grant Programs.

II. AGENDA DESCRIPTION

The 2025-2026 Housing and Community Development Program Annual Action Plan reports to the U.S. Department of Housing and Urban Development (HUD) a total estimated budget of \$7,830,113 (Community Development Block Grant ("CDBG") Entitlement Funds \$1,833,541; CDBG Contingency Funds \$142,545; \$120,000 Downtown TIF funding; \$20,000 Cotton St proceeds; HOME Program Grant \$839,923; Program Income and Recapture \$131,660; Lead Safe Housing Program Income \$122,744; local Housing Trust Fund \$863,559; HOME-ARP \$3,594,143; \$161,998 Emergency Solutions Grant ("ESG") funds).

The CDBG Annual Allocation Committee, appointed by the City Council, reviewed each application and made funding recommendations that will be presented to the Council. The City Manager reviewed the Committee's recommendations and submitted her funding recommendations to the Council. The Housing and Economic Development Committee reviewed the Housing Program Budget at their meeting on February 25, 2025, and voted unanimously (3-0) to recommend City Council approval of the budget.

The City's public participation process requires two public hearings to consider the City's Housing and Community Development Program proposal. The hearings allow the public to comment on the City's Consolidated Annual Action Plan. Public hearings for FY25 are set for April 28 and May 5. People who wish to speak may do so once; they may not speak at both public hearings.

III. BACKGROUND

The CDBG Annual Allocation Committee reviewed all applications and made funding recommendations to the City Manager; both sets of recommendations are included in the attached backup materials. Please see attachments for additional details about CDBG, HOME/Housing, and ESG program funding.

IV. INTENDED RESULT AND/OR COUNCIL GOAL ADDRESSED

The activities supported by these grants address housing and homelessness, as well as infrastructure improvements that may impact climate change and sustainability.

V. FINANCIAL IMPACT

Please see attached budgets for each program. Funding for these activities will be provided through grants from the US Department of Housing and Urban Development.

VI. STAFF ANALYSIS AND BACKGROUND

For additional details, reference is made to the attachments included in the backup materials.

VII. RECOMMENDATION

Staff recommends that the City Council vote to approve the 2025-2026 Annual Action Plan.

VIII. LIST ATTACHMENTS

1. 0 Council Resolution Approving AAP Template
2. 1 Memo to Council budget 25-26
3. 2 Memo budget and cap calculations background 2025-2026
4. 3 2025-26 Letter to the City ManagerFINAL
5. 4 CDBG Allocation Recommendations
6. 4 Final City Manager CDBG Letter
7. 5 Draft Memo Housing Program Budget new memo format 02.20.2025
8. 6 ESG Budget 2025-2026 DRAFT 03.03.2025
9. 7 AAP draft 4.4.2025

Prepared by:

Mary Davis, Division Director

Date: 03/27/2025

MARK DION (MAYOR)
APRIL D. FOURNIER(A/L)
PIOUS ALI (A/L)
BENJAMIN GRANT (A/L)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

SARAH MICHNIEWICZ (1)
WESLEY PELLETIER (2)
REGINA L. PHILLIPS (3)
ANNA BULLETT (4)
KATE SYKES (5)

**RESOLUTION ADOPTING THE FISCAL YEAR 2025-2026 ANNUAL
ACTION PLAN INCLUDING APPROPRIATIONS FOR COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM, HOME PROGRAM, AND
EMERGENCY SOLUTIONS GRANT PROGRAM AND CERTIFICATIONS
PERTAINING THERETO**

WHEREAS, the City of Portland, Maine has determined that there are pressing community and neighborhood needs for further federal assistance for housing and community development activities; and

WHEREAS, activities for the Fiscal Year 2025-2026 Annual Action Plan have been recommended; and

WHEREAS, the City of Portland will receive an estimated annual allocation from the United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Entitlement Funds in the amount of \$1,833,541 for the program year 2025-2026; and

WHEREAS, the City has received Community Development funds in CDBG Housing Development Fund Program income in the amount of \$74,924 and HUD program income funds from the sale of City-owned property on Cotton Street in the amount of \$20,000, and will use \$142,545.03 in prior year funding, all of which is subject to the same regulations as the CDBG Entitlement Funds; and

WHEREAS, the City will receive an estimated HUD HOME Program Grant allocation in the amount of \$839,923; HUD HOME Program Income and Recaptured Funds in the amount of \$131,660; HUD Lead Safe Housing Program Income in the amount of \$22,744; and HUD Emergency Solutions Grant funds (ESG) estimated allocation of \$161,998; and

WHEREAS, the City also has local funds available from the Downtown TIF District in the amount of \$120,000 and funds from the Jill C. Duson Housing Trust Fund \$863,559; and

WHEREAS, the City Council of the City of Portland, Maine, desires to utilize these funds to support housing and community development activities;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Portland, Maine, hereby adopts the FY 2025-2026 Annual Action Plan in substantially the form attached; and

BE IT FURTHER RESOLVED, that the estimated annual sums of \$1,833,541 of CDBG Entitlement Funds, for the program year 2025-2026; \$74,924 of Community Development funds; \$20,000 in Cotton Street proceeds; \$142,545.03 in prior year CDBG funds; the \$839,923 HUD HOME Program Grant allocation; \$131,660 in HUD HOME Program Income and Recaptured Funds; \$22,744 in HUD Lead Safe Housing Program Income; \$161,998 of HUD Emergency Solutions Grant funds; \$120,000 in Downtown TIF District funds; and \$863,559 from the Jill C. Duson Housing Trust Fund (collectively, the “Annual Action Plan Funds”) are hereby appropriated for the purposes approved in the attached Plan and budgets set forth in the Attached Exhibits; and

BE IT FURTHER RESOLVED, that the City of Portland, Maine, possesses legal authority to apply for the above referenced Community Development Block Grant Program Funds, HOME Program funds and Emergency Shelter Grant Program funds for the Program Year 2025-2026; and

BE IT FURTHER RESOLVED, that the City Manager or designee be authorized to:

- 1) Apply for, accept, and expend the Annual Action Plan Funds; and
- 2) Officially represent the City of Portland, Maine, in connection with the applications, including the execution of contracts on behalf of the City; and
- 3) Act as the certifying officer for HUD environmental documents related to these grants and to execute said documents and any other related documents necessary or convenient to carry out the intent of said grants; and
- 4) Make adjustments to all proposed activities’ budgets as noted below:
 - (a). If estimated allocations decrease, activities under the CDBG, HOME and ESG Programs be proportionately decreased from the estimated funding levels to match the actual allocation amounts;
 - (b). If estimated allocations increase, activities under the HOME and ESG Programs be proportionately increased to match the actual allocation amounts; and
 - (c). If the estimated CDBG allocation increases, any partially funded

projects will be proportionately increased until fully funded. Once all recommended projects are fully funded, any remaining balance will be allocated to fully funding unfunded projects from greatest score to least, unless another funding source can be identified for the next eligible project; and

BE IT FURTHER RESOLVED, that the City of Portland, Maine certifies that it will comply with all of the attached assurances and provide such additional information as may be required by the U.S. Department of Housing and Urban Development; and

BE IT FURTHER RESOLVED, that the foregoing FY 2025-2026 Annual Action Plan funds are hereby appropriated pursuant to the Budget attached hereto.

Memorandum

To: Mayor Dion and the Portland City Council
Cc: Danielle West, Interim City Manager
From: Mary Davis, Division Director Housing and Community Development Division
Date: April 28, 2025
Re: HUD's Annual Action Plan 2025-2026

The Annual Action Plan includes budgets for the Community Development Block Grant, HOME Program, and the Emergency Solutions Grant, as well as local funding sources such as program income, TIF, and Jill C Duson Housing Trust Fund. The final allocations have not been provided by the U.S. Department of Housing and Urban Development. The amounts reflected below are estimates based on the previous year's allocations.

CDBG	
Attachments: CDBG Recommendation Letter from City Manager, CDBG Recommendation Letter from CDBG Allocation Committee, Spreadsheet summarizing recommendations of Allocation Committee and City Manager, Budget and Cap Calculation Background Memo	
\$1,833,541.00	Estimated HUD Allocation 25-26
\$74,924.00	Program Income (HDF)
\$142,545.03	Contingency Funds
\$30,000.00	TIF Funds for Administration*
\$90,000.00	TIF Funds for Construction*
\$20,000.00	Cotton Street Proceeds for Social Services*
\$2,191,010.03	Total Estimated CDBG and local funds to allocate for 2025-2026
CDBG Funds by Category for HUD Budget *Does not include TIF or Cotton St proceeds.	
\$377,706.00	Administration and Planning
\$613,317.03	Social Services
\$913,454.97	Development Activities
\$1,904,478.00	Total CDBG Funds by category
Housing Funding	
Attachments: Housing Budget Memo	
HOME	
\$839,923	Estimated HUD Allocation 25-26
\$78,938	HOME Program Income 2024
\$52,722	HOME Recaptured Funds 2024
\$971,583	Total Estimated HOME funds to allocate for 2025-2026
Local Housing Funding	
\$22,744	Lead-Safe Housing Program Income Funds
\$863,559	Local Jill C Duson Housing Trust Funds
\$886,303	Total Estimated Local Housing Funding for 2025-2026
ESG	
Attachments: ESG Budget	
\$161,998	Total Estimated ESG funds to allocate for 2024-2025
Total Funding	

Memorandum

To: Mayor Dion and City Council
Cc: Danielle West, City Manager
From: Mary Davis, Division Director Housing and Community Development Division
Date: April 28, 2025
Subject: **2025-2026 CDBG Budget and Cap Calculations**

In past years, the CDBG budget submitted as part of the HCD Annual Action Plan matched the local CDBG budget presented on the allocation summary sheet. Starting in 2018, the budget differs due to the replacement of program income with TIF funds and Cotton Street proceeds. Staff would like to take the opportunity to address how these changes impact the overall CDBG budget and cap calculations.

CDBG budget and cap calculations: Each year staff calculate the HUD mandated funding caps for the following CDBG funding categories: Planning and Admin, and Social Services. The budget for our local CDBG program is created once the HUD mandated funding caps have been determined. The CDBG budget combines the CDBG entitlement funds with program income, reprogramed funds, and available local funds. These local resources are not included in the cap calculations nor are they required to be included in the HUD CDBG budget.

In past years, the CDBG program received program income from a parcel of land known as the Cotton Street parking lot. Following the HUD cap calculations, 20% of the program income went to Planning and Admin, 33% went to Social Services, and the remainder went to Development Activities. In 2017, the City sold the Cotton Street parcel. In order to make up the loss of program income funds for each category, the City Council allocated \$120,000 of TIF revenue to be used for Planning and Administration (\$30,000) and for TIF-eligible public infrastructure projects (\$90,000). In addition, the City Council allocated \$20,000 from the Cotton Street proceeds to be used for social service activities.

The budget submitted to HUD in the HCD Annual Action Plan excludes local funding for the purposes of HUD mandated cap calculations, but they are included in the Annual Action Plan as other funding sources.

February 27, 2024

Danielle West
City Manager
Portland City Hall
389 Congress Street
Portland, Maine 04101

Dear Danielle:

We are pleased to submit the Community Development Block Grant (CDBG) Allocation Committee's recommended budget for the 2025-2026 program year.

This letter includes a description of this year's process, how the applications were reviewed and scored, along with our recommendations for funding.

The U.S. Department of Housing and Development (HUD) has not released the 2025-2026 allocations. This information should be available in the coming months and we are unsure whether the funding will remain level with the previous year's funding.

The need for CDBG funds, in general, exceeds the available resources.

The Administration Planning submission was joined by 10 Development Activities projects (one more as last year) and 20 Social Service projects (four more than last year). The Committee's allocation recommendation, the funding requested, and the resulting difference are represented in the following table.

CDBG Year	ESTIMATED HUD ALLOCATION	REQUEST	DEFICIT
Planning and Administration	\$381,693	\$377,706.00	\$0
Social Service Activities	\$613,317.03	\$1,818,215	\$1,204,897.97
Development Activities	\$913,454.97	\$1,605,500	\$692,045.03

TOTAL	\$1,908,465	\$3,801,421	\$1,892,956
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Application Review Process

The mandatory applicant meeting was held on October 17, 2024. CDBG Applications were made available on October 21, 2024, and submissions were due Monday, November 18, 2024, by 4:00pm.

The Committee will meet 10 times between December 16, 2024, and March 6, 2025, to discuss Administration and Planning, Development Activities, and Social Service applications. The Committee members read each application individually prior to the meeting and discussed each as a group. When questions about the applications arose, staff documented the questions and forwarded them to the applicant to respond, and the applicant's responses were then shared with the Committee and reviewed. Allocation Committee members then scored each application individually, using the scoring matrix structured in accordance with the priorities established by the City Council.

After all the scores were received from Allocation Committee members, staff organized the applications by score from the highest to the lowest within each application category. The City Council has directed the Committee to recommend full funding based on the request of each applicant; therefore, each applicant was awarded full funding in descending order, by total score, until the anticipated funding was exhausted.

Funding Caps and Set Asides

The funding caps for individual projects are set at \$150,000 for Social Service applicants and \$250,000 for Development activities. Administration and Planning funding is limited to 20% of the entire CDBG budget. City applicants are eligible for up to 85% of available funds for Development Activities, with a minimum 15% reserved for outside organizations. In addition to the 85% cap, a public infrastructure set aside of up to 60% of the City's maximum 85% request remains in effect.

This year's allocations again features a structure where 20% of available funds for Social Services is set aside for projects submitted by applicants that have not previously received CDBG funding. These projects must receive a minimum average score of 75 but then are ranked among the subset of new applicants for the 20% funding set aside. This year 3 applicants met these criteria.

RECOMMENDATIONS

Administration and Planning Funding

The Committee reviews information regarding Administration and Planning but does not score the application competitively. Administration funding is essential for operating the CDBG program and reporting to HUD. The Housing and Economic Development Department submitted a budget of \$377,706.00 with the understanding that Administration and Planning funding is limited to 20% of the entire CDBG budget. This year, the 20% cap is estimated to be \$381,693; increases to the estimated cap will also increase the budget proposal.

Development Activities Funding

The Committee received 10 eligible Development Activity applications requesting \$1,605,500 which includes both construction activities and economic development initiatives. For 2025-2026, \$913,454.97 is available for Development Activity funding. The following table lists in descending scoring point order the applicant organization, program, funding request, and committee recommendation. There is a deficit of \$692,045.03 needed to fund all Development Activities.

If there are contingency funds available the committee recommends allocating funds to the next highest score in Development Activities.

Organization	Program	Request	Points	Committee Recommendation
City of Portland Department of Parks, Recreation, and Facilities	Tyng Tate Playground and Age Inclusive Courts	\$248,000.00	90.43	\$248,000.00
City of Portland Department of Public Works	Cumberland Ave Sidewalk Improvement	\$200,000.00	82.43	\$200,000.00
City of Portland's Housing and Economic Development Department	Business Assistance for Job Creation Program	\$205,000.00	82.32	\$205,000.00

Organization	Program	Request	Points	Committee Recommendation
(HEDD) and Portland Development Corporation (PDC)				
Youth and Family Outreach	Resource Hub	\$250,000.00	81.57	\$242,592.94
City of Portland Department of Public Works	Tate Street Sidewalk Improvement	\$175,000.00	81.43	\$17,862.03
City of Portland's Housing and Economic Development Department (HEDD) and Portland Development Corporation (PDC)	Microenterprise Grant and Training Program	\$212,500.00	81.14	\$0.00
Alpha One	Critical Access Ramp Program	\$50,000.00	71.00	\$0.00
Upwards	Microenterprise Childcare Boost Program	\$80,000.00	69.71	\$0.00
Catherine Morrill Day Nursery	Playground Ramp Replacement	\$155,000.00	66.29	\$0.00
Port Resources	Group Home Repaving Projects	\$30,000.00	65.43	\$0.00

Social Service Funding

The Committee received 20 eligible Social Service applications. A total of \$1,818,215 in Social Service requests were received with an estimated \$613,317.03 in available funding. The

following table lists in descending scoring point order the applicant organization, program, funding request, and committee recommendation.

Organization	Program	Request	Points	Committee Recommendation
Quality Housing Coalition	Housing for Systems-Involved Youth and Families	\$150,000.00	93.00	\$150,000.00
Wayside Services Program	Direct Services Program	\$40,000.00	91.14	\$40,000.00
Hope Acts	Asylum Seeker Assistance	\$150,000.00	91.00	\$150,000.00
Portland Fire Department	Mobile Medical Outreach	\$50,000.00	90.00	\$50,000.00
Greater Portland Family Promise	Homeless Prevention and Housing Stabilization	\$131,419.00	88.71	\$100,653.62
Milestone Recovery	HOME Team	\$107,000.00	88.61	\$0.00
Preble Street	Joe Kreisler Teen Shelter	\$35,000.00	88.57	\$0.00

Organization	Program	Request	Points	Committee Recommendation
Preble Street	Emergency Food Programs	\$55,000.00	88.29	\$0.00
Through These Doors	Community Based Domestic Violence Services	\$59,968.00	88.29	\$0.00
Spurwink	Ashlea's Place	\$144,419.00	87.14	\$0.00
Catholic Charities Maine	Immigrant Legal Services	\$135,072.00	86.42	\$0.00
Commonspace	Brackett Street Housing	\$68,000.00	84.71	\$0.00
Maine Needs*	Maine Needs	\$119,641.50	84.67	\$119,641.50
MaineHealth*	MaineHealth Food Pantry	\$68,105.00	84.29	\$3,021.91
Youth and Family Outreach	Relocation for Expansion	\$60,000.00	83.71	\$0.00
Presente! Maine*	Emergency Services & Food Assistance	\$142,632.20	82.04	\$0.00

Organization	Program	Request	Points	Committee Recommendation
Portland Health and Human Services Department	Immediate Nutritional Support	\$56,566.00	81.29	\$0.00
Boys and Girls Clubs of Southern Maine	Boys and Girls Club Transportation Program	\$149,947.35	80.32	\$0.00
Our Place	Youth Mentorship Program and Family Advocacy Services	\$57,993.60	76.04	\$0.00
Maine Academy of Modern Music*	Extracurricular Youth Development through Music	\$45,000.00	71.14	\$0.00

*Indicates new applicants

Additional Considerations

There are three points related to the submitted projects that deserve additional consideration beyond the scoring rubric we have applied in the above allocations.

1. First, the set aside funds for 'New Applicants' is producing positive if somewhat mixed results after 4 funding cycles since being implemented. Having any new applicants is evidence of a healthy program and our expectation is that this set aside will continue to increase interest going forward. This year, three new applicants scored well enough to meet the 75-point minimum threshold needed to qualify for funding and a fourth new applicant did not score high enough to qualify for funding.

Specifically, the qualifying applicants meet the minimum threshold for the Set Aside, but their scores are markedly lower than several other Social Service applicants. As the 'New Applicant' set aside is seeking a balance between established applicants and new

applicants, it is expected that organizations new to CDBG may not score as high. The committee also notes that Quality Housing Coalition was a first-time applicant during the 2022-23 cycle and this year submitted the highest ranked proposal which we take as evidence that the new applicant process yielded positive results this year.

2. Secondly, the Committee is aware that the City Council can authorize an allocation of \$20,000 from the Cotton Street parking lot sales proceeds towards CDBG Social Service Activities. In its advisory capacity, the CDBG Allocation Committee recommends applying these funds toward Greater Portland Family Promise to bring that application—which is currently recommended for partial funding—closer to the full amount requested. The Committee also recommends reallocation of the approximately \$3,000 from Maine Health to Greater Portland Family Promise, since the minimum grant request is \$10,000.
3. Finally, while the CDBG Allocation Committee is not suggesting immediate changes to the scoring process, the Committee is looking ahead to the next iteration of the CDBG Priority Task Force and opportunities to revisit the process for scoring applications and allocating CDBG funds. There is a strong consensus within the Committee that the limits of the scoring system and funding availability mean that we are leaving competitive applications and critical services unfunded. There are two types of potential remedies to this that we'd like to suggest for consideration:
 - There have been motions in recent years to adjust funding caps or reduce existing set-asides (or both). The committee believes that these should be reconsidered in light of a post-COVID environment where community need continues to increase and shift.
 - The other potential remedy for discussion is an allocation that is either more widely distributed or gives some proportion of funding to the entire group of highest scoring applicants. In practice, this would mean partial funding above a threshold score.
 - The Committee also indicated that there may be a greater weight on Letters of Support and Demonstrated Outreach than necessary. The effort put into the rest of the application generally exceeds the effort demonstrated in the letters of support, despite the high scoring value placed on the letters. Members question whether to reduce the scoring category to align with the general quality of the letters of support, or to hold applicants to a higher standard for such letters and demonstrated outreach as to be deserving of the full 15 points.
 - The Committee would welcome further review of the Location and Sustainability scoring categories. Members feel there is an opportunity to clarify the intent and interpretation for scoring Development Activity applications.

We respect that you may have different priorities from those reflected in the Committee's allocation recommendations, and that you have the flexibility that is not afforded by the structure of the Committee's scoring system. We look forward to learning of your and the City Council's conclusions regarding CDBG allocations.

Summary

Portland is fortunate to have a diverse and talented community of organizations seeking the development of the City and the redress of the needs of its residents. All projects that applied to the program would benefit our City, but scarce funding prevents us from funding all of them. This is a competitive process; each applicant competes against all other applicants in their respective Development and Social Services categories.

We thank you for your commitment to this program and hope you are satisfied with the results. We take the opportunity to serve on this committee with the utmost seriousness and diligence and feel the outcomes above reflect our best adherence to the rules and guidance provided.

We offer our recommendations for your consideration. We look forward to seeing you during your upcoming meetings and hearing your response.

Sincerely,

The CDBG Annual Allocation Committee for Program Year 2025-2026:

Robby Perkins-High, Chair

Todd Morse, Vice Chair

Lawson Condrey

Natalie King

Teale Smith

Kim Vandermeulen

Wendy Harmon

Non-Voting Members include: Kristen Dunphey and Andrea Levinsky

Attachments: CDBG Allocation Committee Funding Recommendations 2025-2026 (spreadsheet)

Total Estimated HUD Allocation: \$1,833,541.00
 Estimated Program Income \$74,924.00
 Total HUD funding \$1,908,465.00

HUD Administrative Cap (20%) \$381,693.00
 City Admin TIF \$30,000.00
 Estimated Administrative \$411,693.00
 HUD Social Service Cap (33%) \$613,317.03
 Cotton St Funds \$20,000.00
 Remaining COVID Response Waiver Funds \$68,000.00
 Estimated Social Service \$701,317.03
 HUD Development Activities \$913,454.97
 Downtown TIF \$90,000.00
 Contingency \$74,545.03
 Estimated Development Activities \$1,078,000.00
 Total Estimated Funding \$2,191,010.03

ATTENTION: The Community Development Block Grant (CDBG) Program is funded under the Department of Housing and Urban Development (HUD). The available funds contained in this spreadsheet are estimated using last year's funding. Therefore, all applicants should be advised that without HUD's allocation from Congress, the City Council's Allocation does not guarantee funds. Please note the final column showing the possibility of adjustments due to the final HUD allocation.

Administration and Planning

Case Id	App Type	Priority	Organization	Project Name	Funding Requested	Avg Committee Score	Point Deductions	Final Score	Committee Recommendation	City Manager Recommendation	*	Final City Council Allocation	Adjusted for Final HUD Allocation
N/A	Admin	N/A	Housing and Economic Development Department	CDBG Admin and Planning	\$377,706.00				\$377,706.00	\$411,693.00	*		
										*Indicates allocation of TIF Funding (\$30,000)			

Development Activities Applications

Case Id	App Type	Priority	Organization	Project Name	Funding Requested	Avg Committee Score	Point Deductions	Final Score	Committee Recommendation	City Manager Recommendation	*	Final City Council Allocation	Adjusted for Final HUD Allocation
30585	Cons.	NI	City of Portland Department of Parks, Recreation, and Facilities	Tyng Tate Playground and Age Inclusive Courts	\$248,000.00	90.43	0.00	90.43	\$248,000.00	\$248,000.00			
30589	Cons.	NI	City of Portland Department of Public Works	Cumberland Ave Sidewalk Improvement	\$200,000.00	82.43	0.00	82.43	\$200,000.00	\$200,000.00	*		
30555	ED	EO	City of Portland's Housing and Economic Development Department (HEDD) and Portland Development Corporation (PDC)	Business Assistance for Job Creation Program	\$205,000.00	82.57	0.25	82.32	\$205,000.00	\$205,000.00			
30564	Cons.	EO	Youth and Family Outreach	Resource Hub	\$250,000.00	81.57	0.00	81.57	\$242,592.94	\$250,000.00			
30544	Cons.	NI	City of Portland Department of Public Works	Tate Street Sidewalk Improvement	\$175,000.00	81.43	0.00	81.43	\$17,862.03	\$175,000.00			
30540	ED	EO	City of Portland's Housing and Economic Development Department (HEDD) and Portland Development Corporation (PDC)	Microenterprise Grant and Training Program	\$212,500.00	81.14	0.00	81.14	\$0.00	\$0.00			
30546	Cons.	NI	Alpha One	Critical Access Ramp Program	\$50,000.00	71.00	0.00	71.00	\$0.00	\$0.00			
30571	ED	EO	Upwards	Microenterprise Childcare Boost Program	\$80,000.00	70.71	1.00	69.71	\$0.00	\$0.00			
30548	Cons.	EO	Catherine Morrill Day Nursery	Playground Ramp Replacement	\$155,000.00	66.29	0.00	66.29	\$0.00	\$0.00			
30563	Cons.	NI	Port Resources	Group Home Repaving Projects	\$30,000.00	65.43	0.00	65.43	\$0.00	\$0.00			
				Total Cost of Project Requests	\$1,605,500.00			Total:	\$913,454.97	\$1,078,000.00			
				Total Estimated HUD Funds Available	\$913,454.97								
				Contingency Funds	\$74,545.03								
				Total Estimated Funds Available	\$1,078,000.00								
				Estimated City Project Cap (85%)	\$776,436.72								
				Estimated Public Infrastructure Set Aside (60% of City Cap)	\$465,862.03						*Indicates TIF Funding (\$90,000)		

Social Service Applications

Case Id	App Type	Priority /Goal	Organization	Program Name	Funding Requested	Avg Committee Score	Point Deductions	Final Score	Committee Recommendation	City Manager Recommendation	*	Final City Council Allocation	Adjusted for Final HUD Allocation
30538	SS	ANGHP	Quality Housing Coalition	Housing for Systems-Involved Youth and Families	\$150,000.00	93.000	0.000	93.00	\$150,000.00	\$150,000.00			
30566	SS	ANGHP	Wayside Services Program	Direct Services Program	\$40,000.00	91.143	0.000	91.14	\$40,000.00	\$40,000.00			
30554	SS	ANGHP	Hope Acts	Asylum Seeker Assistance	\$150,000.00	91.000	0.000	91.00	\$150,000.00	\$150,000.00			
30545	SS	ANGHP	Portland Fire Department	Mobile Medical Outreach	\$50,000.00	90.000	0.000	90.00	\$50,000.00	\$50,000.00			
30556	SS	ANGHP	Greater Portland Family Promise	Homeless Prevention and Housing Stabilization	\$131,419.00	88.714	0.000	88.71	\$100,653.62	\$100,653.62			
30552	SS	ANGHP	Milestone Recovery	HOME Team	\$107,000.00	88.857	0.250	88.61	\$0.00	\$51,000.00			
30550	SS	ANGHP	Preble Street	Joe Kreisler Teen Shelter	\$35,000.00	88.571	0.000	88.57	\$0.00	\$17,000.00			
30570	SS	ANGHP	Preble Street	Emergency Food Programs	\$55,000.00	88.286	0.000	88.29	\$0.00	\$0.00			
30576	SS	ANGHP	Through These Doors	Community Based Domestic Violence Services	\$59,968.00	88.286	0.000	88.29	\$0.00	\$0.00			
30543	SS	ANGHP	Spurwink	Ashlea's Place	\$144,419.00	87.143	0.000	87.14	\$0.00	\$0.00			
30541	SS	EO	Catholic Charities Maine	Immigrant Legal Services	\$135,072.00	86.667	0.250	86.42	\$0.00	\$0.00			
30575	SS	ANGHP	Commonspace	Brckett Street Housing	\$68,000.00	84.714	0.000	84.71	\$0.00	\$0.00			
30553	SS	ANGHP	Maine Needs	Maine Needs	\$119,641.50	84.667	0.000	84.67	\$119,641.50	\$119,641.50			
30558	SS	ANGHP	MaineHealth	MaineHealth Food Pantry	\$68,105.00	84.286	0.000	84.29	\$3,021.91	\$23,021.91	*		
30551	SS	EO	Youth and Family Outreach	Relocation for Expansion	\$60,000.00	83.714	0.000	83.71	\$0.00	\$0.00			
30584	SS	ANGHP	Presente! Maine	Emergency Services & Food Assistance	\$142,632.20	82.286	0.250	82.04	\$0.00	\$0.00			
30577	SS	ANGHP	Portland Health and Human Services Department	Immediate Nutritional Support	\$56,566.00	81.286	0.000	81.29	\$0.00	\$0.00			
30574	SS	EO	Boys and Girls Clubs of Southern Maine	Boys and Girls Club Transportation Program	\$149,947.35	80.571	0.250	80.32	\$0.00	\$0.00			
30583	SS	NI	Our Place	Youth Mentorship Program and Family Advocacy Services	\$57,993.60	76.286	0.250	76.04	\$0.00	\$0.00			
30565	SS	NI	Maine Academy of Modern Music	Extracurricular Youth Development through Music	\$45,000.00	71.143	0.000	71.14	\$0.00	\$0.00			
				Total Cost of Project Requests	\$1,825,763.65			Total:	\$613,317.03	\$701,317.03		\$0.00	\$0.00
				Total Estimated HUD funds Available	\$613,317.03								
				Remaining COVID Response Waiver Funds	\$68,000.00								
				Total Estimated Funds Available	\$701,317.03								
			New Applicants Highlighted in Green	<i>Estimated New Project Set Aside (New applicants must score above 75 points to be eligible for funds)</i>	\$122,663.41					*Indicates allocation of Cotton St Funding (\$20,000)			

Executive Department

Danielle P. West

City Manager

March 27, 2025



Mayor Dion and Members of the Portland City Council:

I am pleased to submit to you my recommendations for the Community Development Block Grant (CDBG) Program for the fiscal year beginning July 1, 2025 to June 30, 2026. I would like to note that the U.S. Department of Housing and Urban Development (HUD) has not released the final allocations for the 2025-2026 Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant Programs (ESG); and therefore, the final award amounts may be proportionally amended at that time.

To begin, I would like to thank the CDBG Allocation Committee for their dedication and work over the last few months. They began their work at the end of December 2024 and have met almost weekly since then to discuss each application. I reviewed their recommendations and acknowledged the difficult task they had. After reviewing the CDBG applications, I met with Housing and Community Development staff and carefully considered the Allocation Committee's recommendations before forming my attached recommendations.

1) ***Social Services.*** As in past years, the City received a wide variety of competitive social service applications, requesting \$1,825,763.65. With an estimated \$613,317.03 in available funding, there is a gap of \$1,212,446.62, nearly twice the deficit as last year. There is an additional \$68,000 in contingency funds that may be used to fund an applicant who is serving clients still experiencing the effects of the pandemic (e.g. homelessness, substance abuse, or housing shortages), which I am recommending be put towards Milestone HOME Team and Preble St. Joe Kreisler Teen Shelter. An additional \$20,000 is available from the Cotton Street fund, which I am recommending be put towards the Maine Health Food Pantry. My recommendations follow that of the Allocation Committee in all other regards.

2) ***Development Activities.*** Funds in this category are used to improve and invest in the physical infrastructure and the economic development of our city. This year, we received ten applications in this category requesting \$1,605,500 in funding. A total of \$913,454.97 is available in this category, a gap of \$692,045.03. I also recommend funding the one project which fits the eligibility criteria for the annual \$90,000 in Downtown TIF funding, which is the Cumberland Ave Sidewalk Project. I recommend that extra \$90,000 previously funding Cumberland Ave be moved to the Tate Street Sidewalk Project. There are also available contingency funds, which I am recommending be used to fully fund the Tate Street Sidewalk Project and Youth and Family Outreach's Resource Hub. With these recommendations five projects are fully funded. Otherwise, my recommendations match those from the Allocation Committee.

3) ***Administration and Planning.*** The Housing and Economic Development Department is required to submit a non-competitive application to the Allocation Committee. The Housing and Economic Development Department submitted an initial request of \$377,706.00, but have

requested a revision to \$411,693.00 to match the updated estimated available funds. These funds are used to administer the program. I recommend full funding of this application to administer the program.

The above funding recommendations comply with the regulatory requirements set forth by HUD, while also helping to address the critical needs and gaps in services in our community. I thank you for the opportunity to share my recommendations, and I hope you join me in commending all of the good work being done in our city.

Sincerely,
Danielle P. West
City Manager



To: Mayor Dion and City Council

MEETING DATE: April 28, 2025

AGENDA ITEM

Review and approval by the City Council of the 2025-2026 Housing Program Budget.

PURPOSE

The City Council has final approval of the Housing Program Budget.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

Council Goal 2: Housing Affordability

“Implement solutions to the housing crisis, including building more working-class housing...”

BACKGROUND/ANALYSIS

HOME Program: The Home Investments Partnerships Program (HOME) was established by Congress in 1992. Since 1992, the City of Portland and the Cumberland County HOME Consortium have received almost \$27 million dollars in HOME funding. In 2009 the City became the lead entity in the Cumberland County HOME Consortium (CCHC). The Consortium is a partnership of the communities in Cumberland County that administers HOME Program funds in Cumberland County. The creation of the consortium expanded the financial resources for affordable housing activities in the region. The City retains independent operation of its HOME program. Because the City serves as the “Lead Entity” and City staff administers the County portion of the funding, all administrative funds are retained by the City. The County’s Municipal Oversight Committee controls the allocation of the County’s portion of the HOME funds.

When the Consortium was formed in 2009, it included a “hold harmless” clause to ensure that the City, as an existing HOME grantee, would continue to receive funding equal to its allocation prior to the formation of the consortium. The “hold harmless” formula was based on a comparison ratio to the HOME funding for the Lewiston/Auburn (L/A) Consortium. The formula identified Portland’s “hold harmless” amount at 118% of the HOME allocation for the L/A Consortium. The Cumberland County HOME Agreement did allow for adjustments to be made if the current level of funding to the L/A HOME Consortium varied from historic levels. Over the years the L/A allocation has decreased which has resulted in the Portland “hold harmless” amount to decrease. As a result, by agreement with the other members of the CCHC, the annual allocation is divided with 57% of the allocation, after the administrative set-aside, to the City and 43% of the allocation to the County.

As a point of reference, if the City were a stand-alone grantee, the estimated HOME allocation for Portland (using a HUD HOME Allocation estimated calculation) would be approximately \$528,440. Of that amount 10% would be set aside for administrative costs (\$52,844) leaving \$475,596 for program funding. Under the current consortium agreement, the city receives the administrative set-aside (\$83,992) along with approximately \$430,881 in program funds. These amounts are based on the HUD allocation only and do not include any program income. Participation in the HOME consortium benefits Portland as well as the county as a whole.

HUD has not announced the allocation amount for FY 2025-2026. Since we do not have the final allocation amounts, we are estimating the HUD HOME allocation at the same level as the 2024-2025 year (\$839,923). \$325,050 is reserved for County projects. The budget proposal was developed after a historical review of HOME funding allocations, previous year's budget allocations, program expenditures and program income (loan repayments) received. Currently, the City's HOME Program is divided into three funding categories:

1. Administration
2. Tenant Based Rental Assistance (TBRA)
3. Affordable Housing Development [including the required Community Housing Development Organization (CHDO) set-aside mandated by HUD]

HOME Program Budget	FY 2024-2025 Budgeted (entitlement + program income)	FY 2025-2026 Budget proposal (entitlement + program income)
Administration	\$87,288	\$91,886
Tenant Based Rental Assistance	\$136,392	\$136,392
Affordable Housing Development includes CHDO requirement	\$294,489	\$294,489

LEAD SAFE HOUSING (Program Income): Lead Safe Housing Program Income is generated through repayment of loans given under prior Lead Safe Housing Grants. These funds can only be used for lead safe housing eligible activities. The City recently received a Lead Hazard Reduction Grant of \$2,619,960 (over 48 months 2/1/2025-2/1/2029) in funding for lead paint remediation and \$748,000 in funding to assist with code and life safety improvements

Lead Safe Housing Program Income	FY 2024-2025 Budgeted	FY 2025-2026 Budget Proposal
	\$18,825	\$22,744

JILL C. DUSON HOUSING TRUST FUND: Revenue for the Jill C. Duson Housing Trust Fund is primarily generated from fees triggered by the City's Housing Preservation and Replacement Ordinance, fee-in-lieu contributions from the Inclusionary Zoning Ordinance and Hotel Inclusionary Zoning fee. Including the current balance of the Housing Trust Fund in the Housing Program Budget gives budget authority for the use of the funds. The amount budgeted is the maximum that might be expended in FY26. It has been the City policy to maintain a minimum balance in the Housing Trust Fund, which means the *effective budget would be \$363,558* (\$863,558.69 less \$500,000.) If additional funds are allocated to the Trust based on current discussions, this number might be adjusted based on the outcome.

Jill C. Duson Housing Trust Fund (HTF) Budget	FY 2024-2025	FY 2025-2026 Budget
	Budgeted	Proposal
	\$2,065,297	\$863,559

FISCAL IMPACT

The annual housing program budget does not include general fund revenue. The sources included in the annual housing program budget include estimated Federal HOME Investment Partnership Program funding, including program income, current funding available in the Jill C. Duson Housing Trust Fund and Lead Safe Housing program income.

CONCLUSIONS

The proposed Housing Program Budget will be adjusted when HUD announces the fiscal year allocation for the HOME Program. The budget is brought forward at this time to facilitate the release of the City's Affordable Housing Development and TIF Application and incorporation in the HUD Annual Action Plan. The budget was reviewed by the Housing and Economic Development Committee on February 25, 2025. The Committee voted 3-0 (Phillips absent) to forward the proposed budget to the City Council with a recommendation for approval. The City Council will consider the item during two Public Hearings (scheduled for April 28, 2025 and May 5, 2025), as part of the overall HCD budget and the HUD Annual Action Plan. The final budget allocations and Annual Action Plan are submitted to HUD 45 days in advance of the start of the fiscal year (May 15 for the fiscal year beginning July 1, 2025).

Staff is requesting City Council approval of the FY 25/26 Housing Program Budget as outlined above and summarized in the attached spreadsheet. If the HUD allocation amount is different from the estimate used in this budget, program budgets will be adjusted accordingly.

PREPARED BY

Mary Davis
Division Director
Housing and Community Development Division

Draft 2025-2026 Budget for ESG

Emergency Solutions Grant 2022-2026

rev. 03.03.2025

ALLOWABLE PROGRAM
COMPONENT*

- 2. Emergency Shelter
- 3. Homeless Prevention
- 3. Homeless Prevention
- 4. Rapid Re-Housing
- 5.Admin/HMIS

Program	ESG Budgeted Funding Amount by Fiscal Year				
	FY 22-23 (Y1)	FY 23-24 (Y2)	FY 24-25 (Y3)	FY25-26 (Y4)	FY26-27 (Y5)
Operations: Homeless Health	\$0	\$0	\$0	\$0	
Emergency Shelter: Family Shelter	\$82,216	\$81,427	\$81,184	\$81,184	
Homeless Prevention: Family Shelter	\$0	\$0	\$0	\$0	
Homeless Prevention: Homeless Service Center	\$16,102	\$15,948	\$15,948	\$15,948	
Rapid Rehousing: Homeless Service Center	\$54,803	\$54,277	\$54,277	\$54,277	
Administration and HMIS	\$10,692	\$10,589	\$10,589	\$10,589	
	<i>Total (Actual)</i>	\$163,813	\$162,241	\$161,998	\$161,998
	<i>Admin/HMIS cap</i>	\$12,286	\$12,168	\$12,150	\$12,150

Explanation (City FY26/FFY25)

- *1. Street Outreach not utilized

Operations: Homeless Health	This program is no longer administered by the City of Portland
Emergency shelter: Family Shelter	Funds pay for staff who provides housing assistance by seeking affordable units, applying for eligible subsidies and accessing transitional housing opportunities and follow-up case management services by assisting with life skills training, budgets, tenant/ landlord negotiations, and connecting to area resources. There is a need in Portland to expand the essential services with the high number of families arriving. The budget is adjusted to cover 1.25 FTE, this will allow the case manager to work with 5-10 families (17-34 individuals).
Homeless Prevention: Homeless Service Center	Homeless Service Center: Funds pay for staff who assist in preventing individuals from becoming homeless and providing necessary case management and referrals.
Rapid Rehousing: Homeless Service Center	Funds pay for staff who assist persons who have become homeless by quickly moving them into permanent housing and providing the necessary case management and referrals to address individual needs.
Administration and HMIS	Funding goes to pay administration and HMIS expenses
Budget Notes	2.27.2025 HUD has not yet released ESG allocations for federal fiscal year 2025 (City fiscal year 2026). Once the final allocation is announced, any necessary adjustments will be proportionately to increase or decrease the budget to match the final allocation amount.

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions to combine the planning and applications for the Community Development Block Grant (CDBG), the HOME Investment Partnership Program, and the Emergency Solutions Grant (ESG) into a single submission known as the Consolidated Plan. This Consolidated Plan provides a basis and strategy for the use of federal funds granted to the City of Portland's CDBG and ESG programs as well as the Cumberland County HOME Consortium's programs. The City of Portland's Department of Housing and Economic Development, Housing and Community Development (HCD) Division, is the lead entity for managing and distributing the HOME Consortium funding. The Consolidated Plan covers the period beginning July 1, 2022 through June 30, 2027, which includes five program years.

In addition to the Consolidated Plan, HUD requires jurisdictions to submit an Annual Action Plan which will describe how the funds for a program year will be distributed to address the needs, goals, and priorities identified in the Consolidated Plan. The programs and activities described in the Annual Action Plans are primarily intended to benefit low- and moderate-income residents of the City of Portland and, through the HOME Consortium, Cumberland County. This Annual Action Plan describes the use of fund allocations for 2025-2026, Year 4 of the five-year plan.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The objectives and outcomes identified in this Consolidated Plan are based on a combination of HUD-provided data, independent research, community outreach, consultation with various agencies and service providers, and the established goals and priorities of the City of Portland and the Cumberland County HOME Consortium. Based on the information collected, the following goals will be used to allocate funding for 2022-2026, including Year 4 of the Plan, 2025-2026. All programs and activities funded through the CDBG, HOME, and ESG programs will help to fulfill one of these four goals:

1. Neighborhood Investment & Infrastructure- Create strong, safe, accessible, and vibrant neighborhoods.

2. Housing Availability- Increase housing availability and affordability.
3. Economic Opportunity – Create economic opportunities to transition people out of poverty.
4. Address the Needs of the Growing Homeless Population- Prevent and reduce homelessness.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Limited financial resources are the City's biggest constraint to meeting the needs and goals of our community. Year after year, the request for funding far exceeds the amount of funds available through the City's CDBG, HOME, and ESG programs. However, the use of the HUD funds allows for an increase in leveraged funds through many of the programs' subrecipients. In order to maximize the effectiveness of the HUD funds distributed within our community, each subrecipient's application goes through an extensive evaluation process.

The needs, goals, and priorities identified in this Annual Action Plan represent a continuing evaluation and evolution of the City's CDBG, HOME, and ESG programs. As community needs emerge, HCD staff works with City officials to make sure that program goals align with the direction, goals, and needs of the City. Through the continued evaluation process, HCD staff is able to make sure that evolving needs are addressed in every funding cycle.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City holds multiple public meetings each year, including a service providers meeting, to make sure the needs of the community are heard. Per HUD requirement, two public hearings are held each year to allow the public to give input directly to the City Council on how HUD-program funding should be allocated. In addition to the public hearings and meetings, HCD staff welcomes meetings with concerned citizens, neighborhood organizations, and other community groups. HCD staff also serve on several committees and are active members of organizations related to improving the quality of life for low- and moderate-income Portland residents.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

See appendix for summary of all public comments received.

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments were accepted.

7. Summary

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
Lead Agency		PORTLAND	
CDBG Administrator	PORTLAND	Housing and Economic Dev Dept, HCD Division	
HOPWA Administrator	PORTLAND	Frannie Peabody Center, ME	
HOME Administrator	PORTLAND	Housing and Economic Dev Dept, HCD Division	
ESG Administrator	PORTLAND	Health and Human Services Department, SS Division	
HOPWA-C Administrator			

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

Mary Davis, Housing and Community Development Division Director

389 Congress St Portland ME 04101

mpd@portlandmaine.gov

(207) 874-8711

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Portland Housing and Community Development Division works with multiple City divisions and departments, regional coalitions, state programs, and county partners to achieve its goals. The HUD Citizen Participation Plan (CPP) ensures that the City undertakes an effective public process that encourages input and participation from residents, non-profit organizations, and other stakeholders; guarantees access to meetings, information, and public hearings on CDBG-, HOME-, and ESG-funded activities, goals, and priorities; and provides procedures for reducing barriers to those who may need accommodations to participate. Technical assistance is provided upon request to organizations that would like to develop proposals for funding under the City's Housing and Community Development programs.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City of Portland utilizes 33% of CDBG funds for social service supports, including housing programs, homeless services, crisis management services, childcare, family support services, substance use disorder services, youth and adolescent support services, senior services, and neighborhood-based programs and projects. City staff meets with agencies throughout the year to provide technical assistance and ensure they are serving the needs of target populations while meeting HUD guidelines and regulations.

There are four public housing authorities within Cumberland County: Portland Housing Authority, Brunswick Housing Authority, South Portland Housing Authority, and Westbrook Housing Authority. The City of Portland collaborates extensively with these housing authorities in several areas including development of affordable housing, recreational activities for at-risk youth, self-sufficiency programs, and vouchers for families, unhoused individuals, and disabled persons. City of Portland staff participates in the Maine Affordable Housing Coalition which is a collaborative group of developers, Community Action agencies, public housing authorities, investors, housing and service providers, advocates, and others working to increase the supply of quality, affordable housing throughout Maine.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Maine Continuum of Care is a group of service providers who work together in a collaborative planning process to develop programs that address homelessness. Continuums can apply to the U.S. Department of Housing and Urban Development (HUD) for McKinney-Vento funding to support these

programs. Local agencies wishing to access these funds must do so through their Continuum's annual CoC NOFA application process. Cumberland County Community Development Division staff members regularly attend Maine Continuum of Care meetings and provide input on plans for regional service provision. City of Portland Staff from the Health and Human Services Department and Housing and Community Development Division coordinate with members of the Emergency Shelter Assessment and Response Team (ESART) and the United Way of Greater Portland to support the Continuum of Care and monitor shelter bed usage for single adults, adolescents, and families. ESART members include shelter providers for singles, adolescents, individuals with mental illness, women, families with children, victims of domestic violence, supportive housing providers, mental health services providers, and general services. ESART also produces monthly and quarterly statistics on shelter usage and provides a forum to discuss new programs, resource availability, and emerging trends.

In the past, ESG funds were allocated through consultation with the Emergency Shelter Assessment Committee (ESAC), and performance standards and project outcomes were evaluated by City staff in collaboration with ESAC. This committee has recently evolved into the Emergency Shelter Assessment and Response Team (ESART), who will continue evaluating use and outcomes of ESG funds.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Maine HMIS is a collaborative effort between MaineHousing, the dedicated lead agency, and the Maine Continuum of Care, of which the City of Portland and Cumberland County are members. The Maine Continuum of Care (MCOC) covers the entire State of Maine and supports projects throughout the region. The MCOC's mission is to plan and coordinate an inclusive system that helps Maine people avoid or exit quickly from homelessness, and to address the underlying causes of homelessness. Organizations that receive CoC or ESG (Emergency Solutions Grant) funding are expected to be members in good standing of their local Continuum of Care in order to continue to be eligible for funding.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CITY OF PORTLAND
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-homeless Services-Health Service-Fair Housing Health Agency Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Other government - Local Planning organization Civic Leaders Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy Sustainability and Climate Change

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Portland includes several departments integral to the formation and execution of this plan. The Planning and Urban Development Department is responsible for zoning and other ordinances which affect development of housing. The Health and Human Services Department is responsible for homeless needs for families with children, single adults, and chronically homeless individuals. The Public Works and Recreation Departments engage in infrastructure projects which improve the health and well-being of Portland residents. The Executive Department, including the City Manager, provides policy guidance and an interdepartmental vision and budget for the City. The Housing and Economic Development Department is responsible for housing and community development needs, lead-based paint remediation, and strategies to reduce both poverty and barriers to affordable housing. The Office of Sustainability works to manage and mitigate the results of climate change on the City's water resources, vulnerable low-income residents, and environmental assets. The City of Portland is age-friendly and has an AARP steering committee with members from various organizations that provide services to elderly individuals and families including Alpha One, Opportunity Alliance, ITN, and more.
2	Agency/Group/Organization	CUMBERLAND COUNTY
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Portland and Cumberland County are partners in the HOME consortium. The two entities work collaboratively to distribute resources and address affordable housing needs for residents of Portland and Cumberland County.

3	Agency/Group/Organization	Portland Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Portland Housing Authority was consulted to provide information regarding housing and public housing needs.
4	Agency/Group/Organization	South Portland Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	South Portland Housing Authority was consulted to provide information regarding housing and public housing needs.
5	Agency/Group/Organization	Brunswick Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Brunswick Housing Authority was consulted to provide information regarding housing and public housing needs.

6	Agency/Group/Organization	Westbrook Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Westbrook Housing Authority was consulted to provide information regarding housing and public housing needs.
7	Agency/Group/Organization	Quality Housing Coalition
	Agency/Group/Organization Type	Services - Housing Services-homeless Services-Education Services-Employment Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Quality Housing Coalition provides supportive housing for households at or below the poverty level.

8	Agency/Group/Organization	Wayside Food Programs
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Wayside's Direct Service Program increases the consumption of nutritious foods by sharing grocery items and prepared meals at sites across Greater Portland.
9	Agency/Group/Organization	Hope Acts
	Agency/Group/Organization Type	Services-homeless Services-Education
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Hope Acts provides housing and supportive services to asylum seekers.
10	Agency/Group/Organization	Greater Portland Family Promise
	Agency/Group/Organization Type	Services - Housing Services-homeless

	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Greater Portland Family Promise works to prevent homelessness through a community-based response.
11	Agency/Group/Organization	Milestone Foundation
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Milestone provides health and basic needs outreach to the most vulnerable populations including people with substance use disorder, people experiencing mental illness, and people with developmental, physical, and intellectual disabilities. Milestone coordinates with HCD staff, the Portland Police Department, and other social service and health providers in the city.
12	Agency/Group/Organization	Preble Street: Joe Kreisler Shelter
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Preble Street is an integral partner in addressing shelter and basic needs of the City's most vulnerable populations. They are consulted on a regular basis due to their teen shelter, women's shelter, and food program.

13	Agency/Group/Organization	Maine Needs
	Agency/Group/Organization Type	Services-Elderly Persons Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Maine Needs works with the most vulnerable populations across Portland to provide basic essentials.
14	Agency/Group/Organization	MaineHealth
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The MaineHealth Food Pantry Portland's (MHFPP) beneficiaries include the traditionally unhoused, immigrants(asylum seekers who are homeless or housing insecure, refugees, undocumented, and long-term community members), older adults, disabled adults and other low-income individuals and families.
15	Agency/Group/Organization	YOUTH AND FAMILY OUTREACH
	Agency/Group/Organization Type	Services-Children

	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Youth and Family Outreach creates opportunities that support learning and enhance the quality of life for children, youth, and families in Greater Portland.

Identify any Agency Types not consulted and provide rationale for not consulting

All agencies pertaining to public services and infrastructure available in the City of Portland and housing services available in Cumberland County and the City of Portland were consulted. See appendix for a complete list.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Maine Continuum of Care	The Maine Continuum of Care, which merged with the Portland COC in 2017, has a goal of ending homelessness.
Portland's Plan 2030	City of Portland	This is the comprehensive plan of the City of Portland which outlines goals and policies of the City for housing, sustainability, and the economy.
Analysis of Impediments to Fair Housing	City of Portland Housing and Community Development Division and Cumberland County Comm Dev	City of Portland Housing and Community Development Division and Cumberland County Community Development Division. This plan identifies barriers to Fair Housing within the jurisdiction through robust public outreach and will guide the strategy for mitigating those barriers. This plan was accepted by the City Council on June 5, 2023 as order 238-22/23.

Table 3 – Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of Portland CDBG Priority Task Force is a group of residents appointed by the City Council through an application process to review goals, needs, and priorities of the CDBG program for the five-year Consolidated Plan. Although the City had planned numerous in-person outreach events to gather data, these events were unable to proceed due to the Covid-19 pandemic through 2020. The Task Force met 12 times between March and September 2020 in public meetings held mostly virtually due to Covid-19. The task force used data from 477 respondents of targeted surveys for the general public, business owners, social service providers, and past applicants and subrecipients of CDBG funding to update priorities and goals which are used for each subsequent Annual Action Plan within the five-year plan.

Each fall, the City of Portland hosts a meeting in each of Portland's five council districts. HCD staff attends these meetings and presents about how funding has been used in each district. Staff also takes questions and provides information on how interested parties can stay informed about HCD activities, including CDBG-funded community development activities.

HCD staff makes every effort to encourage public comment and participation. For CDBG, a mandatory meeting about the application process and requirements was held for all potential CDBG applicants. The CDBG Allocation Committee met eight times. Each meeting was advertised on the City calendar and website. The committee reviewed and discussed CDBG applications at these meetings. HOME funds were reviewed and discussed by the Housing and Economic Development Committee. Priorities and funding allocations were reviewed and approved at these meetings, which are open to the public and noticed on the City's website. Public comment, if any, was taken at the HEDC meeting. The Emergency Solutions Grant was presented and discussed at Emergency Shelter Assessment and Response Team (ESART) meetings, which are open to the public and noticed on the City's website. The funding allocations and action plan were advertised in the paper. The Action Plan budgets for CDBG, HOME and ESG were presented to the City Council at the April 28 and May 5 Council Meetings.

Public hearings for the Annual Action Plan were held on April 28, 2025 and May 5, 2025. These hearings were noticed in the Portland Press Herald on April 4, 2025. This information was also posted to the City's website and social media accounts. The draft Annual Action Plan was published for review on 4/6/25 on the City of Portland's website. A notice of public comment was published in the Portland Press Herald on 4/4/25, outlining the 30-day public comment period from April 6, 2025 to May 5, 2025. The notice included information on access for individuals who require accommodation, including interpretation as necessary. The public comment period and public hearing dates were also posted on the City's social media accounts. Portland City Council meetings are held in person and are live-streamed. The public can comment in-person at the meeting or provide written comment in advance of the meeting.

Technical assistance is provided to groups seeking funding assistance prior to application, after award, and as requested. This includes, but is not limited to, assistance with determining eligibility of activity, completing application questions, and submitting quarterly reports.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
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1	Public Meeting	Minorities Non-English Speaking - Specify other language: French, Arabic, Spanish, Somali, Portuguese Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Each year, the City of Portland holds five district meetings across the City to engage City residents. The Housing and Community Development Department presents information about department programs, including CDBG and HOME, at each meeting. Individuals can	HCD Staff was available at the meeting to answer any questions or comments and provided contact information so residents could reach out to City staff with any questions.	All comments and questions were accepted.	https://www.portlandmaine.gov/730/Annual-District-Meetings
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
			sign up for a mailing list to be updated when relevant events are happening.			

2	Public Meeting	Minorities Non-English Speaking - Specify other language: French, Arabic, Spanish, Somali, Portuguese Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	All CDBG Allocation Committee Meetings are public and posted on the City website and City calendar. Meetings are held virtually.	No comments were received.	No comments were received.	https://www.portlandmaine.gov/693/CD-BG-Annual-Allocation-Committee
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3	Newspaper Ad	Minorities Non-English Speaking - Specify other language: French, Arabic, Spanish, Somali, Portuguese Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	The ad informed the public about two public hearings held on April 28, 2025 and May 5, 2025 along with the 30-day public comment period held from April 6, 2025 to May 5, 2025.	Comments were taken at both hearings and during the comment period. A summary of all comments from the public hearings and comment period can be found in the appendix to this document.	All comments were accepted	https://newspaper.pressherald.com/html5/reader/production/default.aspx?pubname=&edid=638f5fa4-4564-4584-906c-2ad4bf8bde1a
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4	Public Hearing	Minorities Non-English Speaking - Specify other language: French, Arabic, Spanish, Somali, Portuguese Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Two public hearings were held on April 28, 2025 and May 5, 2025 during City Council meetings.	Comments were taken at both hearings and during the comment period. A summary of all comments from the public hearings and comment period can be found in the appendix to this document.	All comments were accepted.	https://www.portlandmaine.gov/602/Agendas-Minutes
5	Internet	Minorities	A news item on	Comments	All comments	https://www.portlandmaine.gov/1482/News?contentId=32b10a35-6e6f-460e-

	Outreach	Non-English Speaking - Specify other language: French, Arabic, Spanish, Somali, Portuguese Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	the City's website informed the public about two public hearings held on April 28, 2025 and May 5, 2025 along with the 30-day public comment period held from April 6, 2025 to May 5, 2025.	were taken at both hearings and during the comment period. A summary of all comments from the public hearings and comment period can be found in the appendix to this document.	ts were accepted	9275-d8c53d2d88ad&seeMoreWidgetId=36db18fc-5cd8-4cdb-a414-f52bf1190359&mode=dialog
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Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

For the Year 4 Annual Action Plan, the anticipated resources include federal CDBG, HOME, and ESG. The amount of each of these resources is dependent on federal allocation, which can be unpredictable; any estimates below assume level funding for the next three years. The federal allocation may not be approved until this plan is approved, in which case the following actions may be taken:

(a). If estimated allocations decrease, activities under the CDBG, HOME and ESG Programs will be proportionately decreased from the estimated funding levels to match the actual allocation amounts.

(b). If estimated allocations increase, activities under the HOME and ESG Programs will be proportionately increased to match the actual allocation amounts.

(c). If the estimated CDBG allocation increases, any partially funded projects will be proportionately increased until fully funded. Once all recommended projects are fully funded, any remaining balance will be allocated to fully funding unfunded projects from greatest score to least, unless another funding source can be identified for the next eligible project.

IDIS will show the HOME allocation reflected below with only the round dollar amount; however, the full amount as \$839,923.23.

Lead Safe Housing funding is program income from past grants. Payments are typically made when owners who received past grants sell or refinance their homes. The local Jill C. Duson Housing Trust Fund is funded in part by the City's Inclusionary Zoning ordinance. In 2017, the City sold a parking garage at Cotton St that was originally purchased with UDAG funds; the proceeds were a one-time payment from which \$20,000 will be used for a CDBG eligible public service activity each year. Tax-Increment Finance revenue up to \$120,000 per year may be used for CDBG-eligible administration and public infrastructure activities. HOME-ARP funding is one-time funding made available through the American Rescue

Plan Act of 2021.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,833,541.00	74,924.00	142,545.03	2,051,010.03	1,908,465.00	Up to 33% of funds will be used for public services, 20% for planning and administration, and the remainder for economic development, housing, and public improvement activities. Prior Year Resources are CDBG Contingency. The Expected Amount Available Remainder of Con Plan is the total of the annual allocation and program income (not prior year resources), multiplied by the number of years remaining in the Plan. The Expected Amount Available is the total of annual allocation, program income, and prior year resources.

Annual Action Plan
2025

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	839,923.00	131,660.00	0.00	971,583.00	971,583.00	Program income is generated by repayment of HOME program loans. The Expected Amount Available Remainder of Con Plan is the total of the annual allocation and program income (not prior year resources), multiplied by the number of years remaining in the Plan.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	161,998.00	0.00	0.00	161,998.00	161,998.00	The Emergency Solutions Grant goes to fund both serving those in need of emergency shelter and assistance, and also to prevent homelessness and rapidly rehouse those who are homeless. The Expected Amount Available Remainder of Con Plan is the annual allocation multiplied by the number of years remaining in the Plan.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - local	Acquisition Multifamily rental new construction Multifamily rental rehab New construction for ownership	863,559.00	0.00	0.00	863,559.00	2,211,004.00	The Jill C Duson Local Housing Trust Fund is allocated under an annual plan that is approved by the City Council. Amount available for remainder of plan is based on the average of the previous 3 years multiplied by the number of years remaining in the Plan.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Admin and Planning Conversion and rehab for transitional housing Housing Multifamily rental new construction Multifamily rental rehab Services TBRA	3,594,143.00	0.00	0.00	3,594,143.00	0.00	HOME-ARP funds were received as part of the American Rescue Plan and will be used by Cumberland County and City of Portland for eligible activities as outlined in HOME-ARP Plan.
Other	public - federal	Multifamily rental rehab	22,744.00	0.00	0.00	22,744.00	0.00	Program Income from prior HUD Healthy Home/Lead Safe Housing Grants. Wherever possible, the City will utilize rehab program funds in combination with lead program income funds to complete additional lead-safe units.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Acquisition Admin and Planning Conversion and rehab for transitional housing Economic Development Public Improvements Transitional housing	120,000.00	0.00	0.00	120,000.00	120,000.00	Funding from TIF to support CDBG-eligible activities
Other	public - local	Public Services	20,000.00	0.00	0.00	20,000.00	20,000.00	Funding from sale of Cotton St property to support CDBG eligible activities.

Table 2 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funds are leveraged considerably for their investment. Year 4 of the Consolidated Plan is expected to leverage at least \$35,822,311. The CDBG application process discourages applicants from using CDBG funds as the sole source of project funding and encourages use of other resources as leveraged funding. The City will continue to make this a focus of the program.

The HOME Program leverages considerable funds, primarily through the Affordable Housing Development Program. This program encourages use of funding from several sources including state and federal Low-Income Housing Tax Credits, state and federal Historic Tax Credits, state funds from the Maine State Housing Authority, and local Housing Trust funds. The City of Portland meets its match requirement through the expenditure of local General Assistance funds providing tenant based rental assistance to low- and very low-income households and will continue this assistance.

The ESG Program is expected to provide matching funds equal to the amount of ESG funds allocated through the City's General Assistance fund.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

In 2012, the City Council adopted a Housing Investment Policy which directed the Housing & Economic Development Committee (HEDC) to complete an annual review of program priorities that includes the type and location of housing and an analysis of tax acquired or City-owned property that may be included as a development resource. From 2019 to 2021, several city-owned and tax-acquired properties were identified as potential development sites. These will become income-generating properties for the City's tax rolls that will provide one single-family home with two accessory dwelling units, sixteen (16) condominiums, 101 apartments, and 130-140 units of cooperative housing, for a total of over 250 housing units for a diverse socio-economic population. Two projects located at the former West School Site off Douglass Street are currently underway. The City recently released a Request for Proposals to create affordable, supportive housing at the Barron Center, a city-owned, skilled nursing and rehabilitation facility. The Housing and Economic Development Committee will continue to analyze whether there are any additional city-owned sites that may be suitable for housing development.

Discussion

The City Council has been committed to utilizing all available resources to assist with meeting the City's housing needs. In addition to the federal resources mentioned in Table 2, and making city-owned land available for housing development, the City has utilized the State's Affordable Housing Tax Increment Financing Program to support 23 affordable housing developments since 2008.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Neighborhood Investment and Infrastructure	2022	2026	Non-Housing Community Development	PORTLAND, MAINE Eligible Census Tracts CDBG Target Neighborhoods	Neighborhood Investment and Infrastructure	CDBG: \$533,000.00 TIF: \$90,000.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7030 Persons Assisted
2	Housing Availability	2022	2026	Affordable Housing Public Housing	PORTLAND, MAINE Cumberland County CDBG Target Neighborhoods	Housing Availability	HOME: \$743,305.00 Housing Trust Fund: \$863,559.00 Lead-Safe PI: \$22,744.00	Rental units constructed: 6 Household Housing Unit Rental units rehabilitated: 2 Household Housing Unit Tenant-based rental assistance / Rapid Rehousing: 96 Households Assisted
3	Economic Opportunity	2022	2026	Non-Housing Community Development Economic Development	PORTLAND, MAINE Eligible Census Tracts CDBG Target Neighborhoods	Economic Opportunity	CDBG: \$455,000.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 150 Persons Assisted Jobs created/retained: 20 Jobs

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Addressing Needs of Growing Homeless Population	2022	2026	Homeless	PORTLAND, MAINE	Address Needs of the Growing Homeless Population	CDBG: \$681,317.03 ESG: \$151,373.00 Cotton St: \$20,000.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15488 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted Homeless Person Overnight Shelter: 250 Persons Assisted Homelessness Prevention: 225 Persons Assisted

Table 3 – Goals Summary

Goal Descriptions

1	Goal Name	Neighborhood Investment and Infrastructure
	Goal Description	Invest in infrastructure to improve neighborhood assets and build strong, safe, accessible and vibrant neighborhoods. Improve accessibility and livability through age-friendly designs and ADA compliance. Build sidewalks and trails to improve connectivity, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrate with the fabric of the neighborhood. Support programs that increase safety in neighborhoods for residents and visitors. Invest in programs and services that address the specific needs of members of the community. Encourage programs that build a sense of inclusiveness, safety, and security within individual neighborhoods.

2	Goal Name	Housing Availability
	Goal Description	Increase housing availability and affordability to all Portland residents regardless of income, race, ethnicity, and family size. Encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce and age-friendly housing in significant development projects.
3	Goal Name	Economic Opportunity
	Goal Description	Invest in Portland businesses to enable them to expand to create jobs. Invest in persons wanting to create microenterprises. Engage job seekers in a continuum of services to increase their professional capacity, financial stability, and ability to maintain employment. Focus on barriers to employment for vulnerable populations including homeless, new Americans, and single parent head of households. Combine resources and build partnerships between public and private entities to provide opportunities to transition Portland residents out of poverty to sustainable employment and financial stability.
4	Goal Name	Addressing Needs of Growing Homeless Population
	Goal Description	Prevent individuals and families from becoming homeless and entering into the shelter system. Rapidly rehouse those who enter the shelter system. Provide necessary resources to assist transition out of homelessness for vulnerable populations, including housing opportunities for chronically homeless or long-term stayers at homeless shelters.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City of Portland's Housing and Community Development Program budget currently has the following estimated funding allocations: CDBG which includes \$1,833,541 in direct allocation and \$74,924 in Program Income; \$161,998 in Emergency Solutions Grant funding; and HOME funding as part of the Cumberland County HOME Consortium which includes \$839,923.23 in direct allocation and \$131,660 in Program Income. An additional amount in the local Jill C Duson Housing Trust Fund income is available.

Of the CDBG allocation and program income, \$613,317.03 is available for public services (locally called social services). The City of Portland is allowed to use 33% of CDBG funding for public services.

Annual Allocation (\$1,833,541) X 33% = \$605,068.53

\$605,068.53 + 15% of previous year's PI (\$54,990 X 15% = \$8,248.50) + \$20,000 Cotton St funding = \$633,316.53

The HOME CHDO funding is included in projects City Affordable Housing Development and County HOME Affordable Housing Development. Fifteen percent (15%) of HOME funding is set-aside for CHDO.

City Affordable Housing Development includes \$71,813 in CHDO set-aside funds.

County HOME Affordable Housing Development includes \$54,175 in CHDO set-aside funds.

#	Project Name
1	HCD Grant Administration 25-26
2	Construction Activities NI 25-26
3	Construction Activities EO 25-26
4	Development Activities EO 25-26
5	ANGHP Public Services 25-26
6	HOME Administration 25-26
7	Tenant-Based Rental Assistance 25-26
8	City Affordable Housing Development 25-26
9	County Affordable Housing Development 25-26
10	ESG25 Portland (25-26)

Table 4 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Nearly all of CDBG, HOME, and ESG funding supports underserved needs. The allocation process and

priorities for CDBG, HOME, and ESG are described below. The largest obstacle to addressing the underserved needs is limited funding; the needs of the underserved continue to increase in the City of Portland, but the funding resources remain limited.

Community Development Block Grant: CDBG funds are allocated through a competitive application process. To apply, organizations must attend a mandatory application meeting. Applications are available through Neighborly, which can be accessed through the City's website. Applications are reviewed by a volunteer citizen committee appointed by the City Council. The Allocation Committee sends its recommendations to the City Manager, who makes additional recommendations then forwards the funding recommendations to the City Council. The City Council conducts two public hearings before deciding on the final funding recommendations. Funds not serving low- to moderate-income persons are used for administration and planning.

HOME: The HOME Program budget is formulated by staff and endorsed by the City Council's Housing and Economic Development Committee and Cumberland County's Municipal Oversight Committee. The City Council conducts two public hearings before deciding on the final HOME Program budget. Program guidelines and applications are available through Neighborly, which can be accessed through the City's website.

Emergency Solutions Grant: The Emergency Solutions Grant budget is drafted by staff and presented to the Continuum of Care and the City's Emergency Shelter Assessment and Response Team. The funding supports shelter operations, homeless prevention, rapid rehousing, and HMIS. Funds not used to serve low-income individuals are used for administration and HMIS.

AP-38 Project Summary
Project Summary Information

1	Project Name	HCD Grant Administration 25-26
	Target Area	PORTLAND, MAINE Eligible Census Tracts Cumberland County CDBG Target Neighborhoods
	Goals Supported	Neighborhood Investment and Infrastructure Housing Availability Economic Opportunity Addressing Needs of Growing Homeless Population
	Needs Addressed	Neighborhood Investment and Infrastructure Housing Availability Economic Opportunity Address Needs of the Growing Homeless Population
	Funding	CDBG: \$381,693.00 TIF: \$30,000.00
	Description	Grant administration and management
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	This funding will not directly benefit families but supports activities that will.
	Location Description	389 Congress St Portland ME
	Planned Activities	Grant administration including compliance, reporting, and subrecipient management
2	Project Name	Construction Activities NI 25-26
	Target Area	CDBG Target Neighborhoods
	Goals Supported	Neighborhood Investment and Infrastructure
	Needs Addressed	Neighborhood Investment and Infrastructure
	Funding	CDBG: \$533,000.00 TIF: \$90,000.00
	Description	This project contains activities involving neighborhood investments and infrastructure improvements.
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	7030 LMI served
	Location Description	West End Neighborhood, Cumberland Ave
	Planned Activities	COP PRF - Tyng Tate Playground and Age-Inclusive Courts (\$248,000 CDBG) COP PW - Cumberland Ave Sidewalk Improvements (\$200,000 CDBG) COP PW - Tate Sidewalk Improvements (\$85000 CDBG, \$90,000 TIF)
3	Project Name	Construction Activities EO 25-26
	Target Area	PORTLAND, MAINE CDBG Target Neighborhoods
	Goals Supported	Economic Opportunity
	Needs Addressed	Economic Opportunity
	Funding	CDBG: \$250,000.00
	Description	This project contains construction activities which promote economic opportunity for low- to moderate-income individuals.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	150 served, 100 LMI
	Location Description	Cumberland Ave
4	Planned Activities	Youth and Family Outreach Resource Hub (\$250,000 CDBG)
	Project Name	Development Activities EO 25-26
	Target Area	PORTLAND, MAINE
	Goals Supported	Economic Opportunity
	Needs Addressed	Economic Opportunity
	Funding	CDBG: \$205,000.00
	Description	This project contains non-construction activities which promote economic opportunity for low- to moderate-income individuals.
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	20 jobs created for LMI individuals
	Location Description	Various businesses in Portland
	Planned Activities	COP HEDD - Business Assistance for Job Creation
5	Project Name	ANGHP Public Services 25-26
	Target Area	PORTLAND, MAINE
	Goals Supported	Addressing Needs of Growing Homeless Population
	Needs Addressed	Address Needs of the Growing Homeless Population
	Funding	CDBG: \$681,317.03 Cotton St: \$20,000.00
	Description	Activities will address the needs of the growing homeless population including food, shelter, and homeless prevention services.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	15,368 Served, 12,347 LMI
	Location Description	Various Places in Portland
	Planned Activities	Quality Housing Coalition - Housing for Systems-Involved Youth and Families (\$150,000 CDBG) Wayside Food Programs - Direct Services Program (\$40,000 CDBG) Hope Acts - Asylum Seeker Assistance (\$150,000 CDBG) COP Fire Dept - Mobile Medical Outreach (\$50,000 CDBG) Greater Portland Family Promise - Homeless Prevention and Housing Stabilization (\$100,653.62 CDBG) Maine Needs - Maine Needs (\$119,641.50 CDBG) MaineHealth - Food Pantry (\$3021.91 CDBG, \$20,000 Cotton St) Milestone - HOME Team (\$51,000 CDBG) Preble St - Joe Kreisler Teen Shelter (\$17,000 CDBG)
	Project Name	HOME Administration 25-26

6	Target Area	PORTLAND, MAINE Cumberland County
	Goals Supported	Neighborhood Investment and Infrastructure Housing Availability Economic Opportunity Addressing Needs of Growing Homeless Population
	Needs Addressed	Neighborhood Investment and Infrastructure Housing Availability Economic Opportunity Address Needs of the Growing Homeless Population
	Funding	HOME: \$91,886.00
	Description	These funds will be used to administer the HOME program.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	No families will directly benefit from administration funds, but families will benefit from the activities the administration funds support.
	Location Description	389 Congress St Portland
	Planned Activities	Activities related to administering HOME funds including applications, monitoring, and oversight.
7	Project Name	Tenant-Based Rental Assistance 25-26
	Target Area	PORTLAND, MAINE Cumberland County
	Goals Supported	Housing Availability
	Needs Addressed	Housing Availability
	Funding	HOME: \$136,392.00
	Description	These funds will support individuals and families in need of rental assistance.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	96 individuals and families will benefit from TBRA.
	Location Description	Various locations within the jurisdiction.

	Planned Activities	Rental assistance for individuals and families at risk of homelessness
8	Project Name	City Affordable Housing Development 25-26
	Target Area	PORTLAND, MAINE
	Goals Supported	Housing Availability
	Needs Addressed	Housing Availability
	Funding	HOME: \$294,489.00 Housing Trust Fund: \$863,559.00 HOME-ARP: \$3,594,143.00 Lead-Safe PI: \$22,744.00
	Description	Activities which support the creation of safe, sanitary, affordable housing units.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Over 100 safe and sanitary units will be created. Up to 6 families will have safe, sanitary, affordable housing through HOME-assisted units.
	Location Description	Various locations within Portland
	Planned Activities	New construction and rehabilitation of affordable housing units.
9	Project Name	County Affordable Housing Development 25-26
	Target Area	Cumberland County
	Goals Supported	Housing Availability
	Needs Addressed	Housing Availability
	Funding	HOME: \$448,816.00
	Description	Creation of affordable housing units in Cumberland County.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Over 100 safe and sanitary units will be created. Up to 3 families will have safe, sanitary, affordable housing through HOME-assisted units.
	Location Description	Various locations throughout Cumberland County
	Planned Activities	New construction and rehabilitation of affordable housing units.
10	Project Name	ESG25 Portland (25-26)
	Target Area	PORTLAND, MAINE

	Goals Supported	Addressing Needs of Growing Homeless Population
	Needs Addressed	Address Needs of the Growing Homeless Population
	Funding	ESG: \$161,998.00
	Description	Funding will be used to address the needs of the homeless population in Portland. \$12,150, or 7.5% of the allocation, is available for administration and HMIS. The total amount for shelter activities is \$81,184, which is less than 60% of the allocation. There will be no street outreach funded in the 25-26 program year.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	425 individuals
	Location Description	Shelters in various Portland locations, and hotels
	Planned Activities	overnight shelter, rapid rehousing

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Portland allocates resources in the areas of the jurisdiction that are in the most need. To determine this, the City considered which areas of the City have the highest combination of poverty, minorities, single parents, oldest housing stock, and housing problems. These are located in Census Tracts 5, 6 and 10, which represents East Bayside, Bayside, and Parkside neighborhoods respectively.

On a larger scale, the City will focus federal resources into areas of the City with the highest percentage of LMI residents, which are located primarily on the peninsula in districts 1, 2 and portions of district 3. Street, sidewalk, infrastructure, parks, playgrounds, and other area benefit projects will be located in the target neighborhoods and other eligible census tracts to benefit the low- and moderate-income individuals and families that live there. Due to the amenities and proximity to services, many HOME funded affordable housing projects are also located in the target neighborhoods.

New construction is supported through HOME funds and benefits individual persons or households who are low- to moderate-income throughout the City and County, which are the next geographic area priorities.

The percentages listed in the below table include program income but do not include program administration. The program administration funds are not tied to a target area of the City or County.

Geographic Distribution

Target Area	Percentage of Funds
PORTLAND, MAINE	63
Eligible Census Tracts	0
Cumberland County	19
CDBG Target Neighborhoods	18

Table 5 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City's goal is to allocate funds to individuals and families with the highest need. As shown in the above table, the majority of the funds allocated are in the City of Portland. Many of the CDBG social service activities and economic development activities serve residents of Portland but are not located in a specific neighborhood. HOME funding is spent throughout Cumberland County and Portland, while 100% of CDBG public infrastructure projects benefit Target neighborhoods and/or eligible census tracts

within Portland.

Discussion

Despite significant gains throughout the previous and current plans, challenges remain including high concentrations of poverty, old housing stock, homelessness, and housing problems. Additional investment will build on the gains made and continue to improve the lives of residents.

Affordable Housing

AP-55 Affordable Housing - 91.420, 91.220(g)

Introduction

In the City of Portland, the tight housing market reflects the need to build more affordable housing in the greater Portland area. The City of Portland and the Cumberland County HOME Consortium strive to increase the amount of decent, safe, and affordable housing available throughout Cumberland County. The City uses ESG and CDBG funds in addition to HOME funds to fulfill this goal.

As part of the City's 10 year plan to end homelessness, the City has opted to use a portion of its HOME allocation to serve homeless families via the tenant-based rental assistance (TBRA) program. The City's affordable housing providers work with social service providers to move individuals out of homeless and into affordable housing. Providers report that even with vouchers and assistance, units are difficult to obtain; therefore, increasing the number of units is critical.

One Year Goals for the Number of Households to be Supported	
Homeless	96
Non-Homeless	8
Special-Needs	0
Total	104

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	96
The Production of New Units	8
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	104

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

The goals above reflect only the households to be supported with HUD HOME funding. The City of Portland/Cumberland County HOME Consortium will continue to allocate a significant portion of future HOME entitlement towards the development and rehabilitation of affordable rental housing. The City has a number of additional resources and policies to support rental housing, and the number of units created will be significantly greater than those listed in the tables above.

In 2016, the City of Portland implemented a policy requiring any new rental housing development receiving assistance through Tax Increment Financing and/or HOME or CDBG subsidy from the City to

set aside 10% of the rental units in the development for individuals or families currently living in a City of Portland shelter. The City is responsible for providing referrals and providing or coordinating supportive services to eligible homeless populations who become tenants of the housing, including ensuring tenants qualify for the housing as well as providing or locating financial resources such as Section 8, General Assistance, or other resources to assist with monthly rent payments. Individual services reflect the situations of the individual tenants, address their needs and goals, and are subject to eligibility at the City. All tenants referred meet income guidelines, homelessness criteria, and other requirements so as to qualify for the housing. City staff works to provide a variety of support services to assist homeless individuals, enhance their self-esteem, secure housing, and work towards a self-sufficiency plan. Long term support services are provided through collaboration with other area service providers.

In 2017, the city adopted an inclusionary zoning policy that requires development projects of 10 or more units of housing to provide a certain percentage of affordable units or pay a fee-in-lieu into the City's Jill C. Dusen Housing Trust Fund. A 2020 citizen-initiated referendum, approved by the voters, revised the inclusionary percentage and lowered the income affordability threshold. The ordinance now requires developers of 10 or more units to provide 25% of those units as affordable to households earning 80% of the area median income.

AP-60 Public Housing - 91.420, 91.220(h)

Introduction

Through the HOME Consortium, the City of Portland and Cumberland County work with Portland Housing Authority, The Housing Authority of the City of Westbrook, South Portland Housing Authority, and Brunswick Housing Authority to assure quality, affordable housing opportunities to LMI residents in Cumberland County.

Actions planned during the next year to address the needs to public housing

The Portland Housing Authority will be closing on the removal of Riverton Park from Public Housing and injecting over \$55 million in much needed updates and additional units at the property. In addition, PHA continues to invest in the East Bayside neighborhood with \$1.5 million in critical repairs. PHA also received a competitive \$2.4 million hazards grant for East Bayside, Kennedy Park and Bayside Terrace to address building envelope and ventilation needs. PHA will also be removing Franklin Towers from public housing in the Fall 2025 and Franklin Towers in Spring 2026.

Brunswick Housing Authority provides critical housing to over 600 LMI households through its Housing Choice Voucher program and units owned and managed by BHA. We are working on developing additional affordable housing in the area including homeownership and rental opportunities. Brunswick and Topsham Housing Authority are completing a new rental project to open in May, 2025 with 38 low income housing tax credit units in Topsham. BHA continues to own/manage over 350 affordable rental units. We are also planning a new office to expand staffing to allow for continued development and growth of additional affordable housing units.

South Portland Housing Authority has completed the process of converting 346 Public Housing units into Section 8 programs. This conversion has increased revenue allowing for capital improvements.

The Housing Authority of the City of Westbrook (WHA) provides quality, affordable housing opportunities to LMI households in Westbrook and the shared jurisdiction that extends 10 miles beyond Westbrook per Maine Title 30-A. WHA partners with the City of Westbrook, Preble Street Shelters Inc. and the Continuum of Care, clients, and community organizations to enhance the quality of life in the community. WHA has converted its Public Housing through RAD to maintain affordable housing with Project Based Vouchers for households targeted at 30%, 50%, 60% AMI. In the past five years WHA has constructed 5 developments with 167 affordable housing units for very low to moderate income households. WHA has in predevelopment, with Planning Board approval & funding approval with a potential 2025 construction start: 58 units of family housing. And for 2026 & 2027 & 2028 211 units of elderly housing pending LIHTC funding awards. Additionally, the agency continues to take steps to help address the housing needs identified in its 2025-2029 5-Year Plan. WHA has completed its renovation of its older stock of housing with the completion of capital improvements to current ADA and INSPRE

standards.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

In addition to the 45 homeownership vouchers, PHA (through its development corporation) is proposing 8 (eight) homeownership units with 6-units at or below 110% area median income. PHA continues to work with the Resident Advisory Board and hold resident meetings as part of the current 5-year goal development and Annual HUD plan.

Brunswick has developed 30 single family homes for first time homebuyers to date. BHA is currently looking at a 15 unit affordable condominium project to target first time home buyers. This is in pre-development; they currently have site control of the land but are looking at various financing models to make these affordable.

The South Portland Housing Authority does not have any Public Housing units or homeownership program.

WHA does not have Public Housing but has an active Housing Choice Voucher Program that facilitates the use of the Housing Choice Voucher to be used for homeownership. WHA also has a Family Self Sufficiency program that also has homeownership as one of its outcomes.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

No PHA is designated as troubled.

Discussion

The four Housing Authorities in Cumberland County provide significant supports for housing.

PHA has 665 units of public housing as of March 2025 and 322-units of converted Public Housing units under RAD and new LIHTC construction, as well as 2056 vouchers currently leased and an Annual Contributions Contract (ACC) for 2,274-units.

BHA presently has authorization for 691 vouchers but due to costs of rental housing has leased up 78% of authorized units. BHA is currently expending authorized funds at a rate of 102% and has a High Performer rating in the Housing Choice Voucher program.

The South Portland Housing Authority is awarded up to 739 Section 8 Vouchers and currently administers 325 Housing Choice Vouchers and 370 Project-Based Vouchers. Including the Project Based Voucher units noted above, the South Portland Housing Authority has a total of 796 units designated as

Multi-Family, Low-Income Housing Tax Credit and Market Rate.

WHA has 1026 Housing Choice Vouchers and maintains a utilization rate of 98-100%. WHA has an inventory of 760 affordable housing units for older adults and families. WHA no longer has inventory of Section 9 Public Housing and is a High Performer Voucher only Housing Authority.

Portland and Cumberland County's vitality depends on the availability of a diverse array of housing options, particularly apartments, which are often the first and often the only choice for working professionals, immigrants, and families. All Cumberland County housing authorities work closely with their local governments and surrounding communities to address emerging needs affecting their residents and the availability of adequate housing.

AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)

Introduction

Portland and Cumberland County work closely with Maine Continuum of Care to identify causes of homelessness within the jurisdiction and seek resources for mitigating this pervasive issue.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Maine State Housing Authority coordinates the efforts of homeless shelters, outreach groups, and volunteers who participate in an annual Point in Time Survey of sheltered and unsheltered homeless populations in the State of Maine and City of Portland. The annual census is required of all states on one night in January by the U.S. Department of Housing and Urban Development, and the count provides a snapshot of the number of individuals and families in shelters and on the streets on a given night. For Maine, a count performed in January will represent chronic and truly desperate homelessness because of extreme weather conditions including typical temperatures well below freezing, regular snow accumulation, and minimal daylight hours.

The Emergency Shelter Assessment and Response Team (ESART) meets monthly to review homeless data and identify trends, issues, and areas that need improvement. The ESART groups has an additional focus on advocacy efforts.

The Emergency Shelter Client Support & Services Plan Policy guides needs assessments. The policy requires clients to work with their navigator on a plan to secure permanent housing and clients who chose not to participate may be asked to leave the shelter, unless circumstances warrant an exception. The Homeless Services Center housing placement team focuses on housing long-term stayers. The City has also added additional full-time housing navigators to work with newly arriving families experiencing homelessness, resulting in locating permanent housing placements with follow up case management and tenant education services. Preble Street Support Services receives funding from the Veterans Administration to prevent and end homelessness among veterans.

The Homeless Outreach and Mobile Engagement (HOME) Team is a collaboration between the City of Portland, the Portland Downtown District and Milestone to provide outreach and community supports to those with chronic health, mental health and substance abuse issues living on the streets of Portland. The HOME team has become part of the emergency service delivery system for businesses and community members.

Commonspace, a Portland-based nonprofit organization, and Portland Downtown (a 501c4) have

created a Peer Outreach Worker program. This program will allow a peer outreach worker to connect with clients that live with mental illness, often co-occurring with substance-use disorders and/or experiencing homelessness. The outreach worker will then collaborate with the Milestone Foundation, the City's shelters, local hospitals, and Portland Downtown businesses to get the client the services they need.

Addressing the emergency shelter and transitional housing needs of homeless persons

Emergency Shelter: The City of Portland has a connected network of homeless shelters, yet the number of individuals seeking shelter outnumber the available beds. Upon opening the Homeless Services Center, replacing the Oxford Street Shelter, and 166 Riverside Street, the City partnered with various organizations to ensure that all individuals had an opportunity for shelter.

Transitional Housing: While we are often trying to connect individuals with housing plans, we recognize that there is also a need for short-term transitional housing. We often make referrals to our rapid rehousing programs, Tenant Based Rental Assistance Program, and General Assistance.

Regional Approach: The City has partnered with Maine State Housing Authority to provide funding for a Resettlement Coordinator and team to assist with the influx of asylum-seeking families. Additionally that partnership has also funded the Housing Opportunities for Persons in Encampments (HOPE). This is a partnership that brought together a housing navigator from Preble Street, Commonsplace and Milestone under supervision of a Coordinator at the City.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Frequent Users System Engagement (FUSE) is focused on a by-name list effort to house and keep housed the longest stayers in homelessness in Portland. FUSE grew from the Long Term Stayers (LTS) initiative in April of 2015 when the City collaborated with local housing services providers to target their efforts with a by-name list of the most vulnerable and difficult to house individuals staying at the former Oxford Street Shelter. At the time, the shelter had 44% of the state's long term stayers, defined in Portland as people staying over 180 cumulative days in shelters or outdoors within a 365-day period. This definition was created because HUD's Chronic Homelessness definition did not capture single adults who tend to bounce from shelter to shelter whose lengths of stay in any one shelter do not meet the HUD definition of chronically homeless. From April 2015 through January 2025, this initiative targeted 898 people identified as people who met the criteria for LTS, now FUSE. The lists target people who are chronically homeless, people who are unsheltered, people who are frequent users of emergency

systems, and people who are in need of permanent supportive housing interventions. The group of 20 organizations has been at this for almost 10 years and has housed 519 people. According to HMIS data, this group collectively had more than 660 years of homelessness and more than 225,000 bed nights. Throughout the course of this initiative there has been an 88% - 96% success rate in scattered site apartments due to the combination of rental subsidies and support services.

In 2025, the initiative updated its name and scope to better reflect who the group supports. Housing Follow up Services for FUSE help individuals who have been placed into housing from returning to homelessness.

Additionally, the goals of the City of Portland's Emergency Solutions Grant program are to provide rapid rehousing services to individuals staying at the shelter and prevention services to individuals facing homelessness in the community. The Homeless Services Center is projected to serve 40 people who are homeless and 5 people at risk of homelessness. The Family Shelter utilizes \$81,184 for Essential Services, which will focus on Life Skills such as cooking, food storage, cleaning etc. with a goal to serve 75% of our shelter populations, 97% who are migrants. The City's Tenant Based Rental Assistance program (TBRA) was implemented on April 1, 2014 with HOME funds. There is a centralized intake located at the Homeless Services Center and Family Shelter and utilization of a rapid re-housing approach with a focus on reducing recidivism. Follow-up services have a strong emphasis on connecting clients to other mainstream resources to ensure long term housing success. The ESHAP Program, which is funded by Maine Housing for the Homeless Services Center and Family Shelter, is modeled after a rapid re-housing approach that provides housing stability services to persons who are experiencing homelessness and assists homeless clients seeking permanent housing with education, services, and support to meet their health, housing, and employment needs in order to overcome barriers to obtaining and maintaining permanent, stable housing. Participants are assigned a Navigator who has experience in working with people who are experiencing homelessness. Navigators conduct assessments to determine the best course of action and customize a plan that best suits each individual's housing needs. The combination of the City's FUSE Initiative, the Emergency Solutions Grant, Tenant Based Rental Assistance, and ESHAP program help to prevent homelessness and rapidly rehouse individuals who become homeless in Portland.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City's After-Hours Program ensures access of emergency services to low-income 'at-risk' individuals and families, including help with placement in appropriate shelters/warming centers and basic needs such as medication, food, baby formula, diapers, and heating. The program offers a hotline service 365

days a year, 24 hours a day. The Greater Portland Addiction Collaborative has brought together local hospitals, City Programs, Police, community detox centers, SUDs treatment providers, crisis providers, housing and employment providers, recovery community, and the peer recovery center to provide high quality treatment and fill gaps to ensure that individuals receive the care they need upon discharge. City of Portland Shelter Staff has implemented a diversion program that has staff complete shelter intakes and connect with individuals before they enter emergency shelter and homelessness. Staff has the ability to seek alternate resources, connect with landlords to mediate evictions, and enroll individuals in prevention case management services.

Families with Children: There are two shelters that serve families with children. The City of Portland Family Shelter provides temporary housing to families with children in the form of apartments. While staying at the shelter families learn important life skills, participate in house meetings to discuss issues and assistance, and have access to various household items, laundry, and transportation services to appointments. Staff also assists with housing placement and follows up case management. Support services on site include assistance with housing placement; training sessions on tenant education (Rent Smart Curriculum); crisis intervention and management, including follow-up services after housing is located; and assistance with public transportation for appointments and self-sufficiency. Through These Doors operates an Emergency Shelter for women and children who are experiencing domestic violence. They provide 16 beds, and families can access basic necessities like food, clothing, and personal care items. Residents are offered in house education programs, individual advocacy, case management, and safety planning.

Unaccompanied Youth: The Preble Street Joe Kreisler Teen Shelter provides 16-24 beds for unaccompanied youth ages 12-20. The shelter provides safe, clean overnight accommodations in a secure building; showers, bathrooms, laundry facilities, towels, and personal hygiene products; community living areas; light breakfast and snacks. Additionally, staff responds to the crises that lead to homelessness, provides referrals, and links youth to necessary services including substance use treatment, counseling, and medical facilities.

Chronically homeless- Chronically homeless men and women stay at the Homeless Services Center, a low-barrier shelter which provides safe, temporary shelter for homeless adults. The Shelter offers a variety of support services including: shower facilities and training on hygiene skills; housing placement assistance; health assistance to Veterans; clinical and outreach services for individuals with mental health concerns; and interpreting services. Portland and Cumberland County are fortunate to have several community organizations which assist special needs populations. These include, but are not limited to, Frannie Peabody Center, Preble Street, Commonsplace, Immigrant Legal Advocacy Project, Maine Equal Justice Partners, Milestone, and The Opportunity Alliance. Together these organizations provide access to care through case management, behavioral health counseling, advocacy, utility

assistance, and housing assistance programs.

Discussion

The Covid-19 pandemic and the national opioid crisis have impacted and increased greatly the need for homelessness and substance use services in Portland. The City's one- and five-year goals are to create a safety net of programs through a combination HOME, ESG, and other federal and local resources.

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City's comprehensive plan places a priority on housing creation, diversity, and affordability within the community. The housing component of the Comprehensive Plan states "[w]hile Portland has welcomed much needed new housing construction in recent years, both the lack of sufficient housing supply and the affordability of that housing for a healthy socio-economic cross-section of the population remain urgent challenges." It goes on to assert that the city must "recognize that [its] vitality rests on the availability of diverse, secure housing options for existing residents, new arrivals, and all stages of life".

Funding available through the Affordable Housing Development Program will go to assist in the creation of affordable housing available to low and very low income persons. Affordable Housing Development funds are allocated through a competitive, rolling application process. To apply, developers must complete an application in Neighborly software. City staff reviews applications, and a consultant hired by the City completes a financial underwriting analysis. City staff presents funding recommendations to the City Council's Housing and Economic Development Committee (HEDC). The HEDC forwards funding recommendations to the City Council. Under City ordinance, the request for appropriation of funds must be read at two City Council meetings. The City Council takes action on the recommendations at the second public meeting.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In response to LD 2003, new language in the Land Use Code now permits up to two units on lawfully conforming lots that do not contain an existing dwelling unit in the island zones, or outside of the designated growth area. The new language would also permit up to four units on lawfully conforming lots that do not contain an existing dwelling unit in mainland zones where residential is a permitted or conditional use, or inside the growth area. New language also adds residential use permission for lawfully conforming lots with one existing dwelling unit by allowing up to two additional units where residential is a permitted or conditional use.

In early 2023, 14 external stakeholders and numerous city officials convened for an intensive six-hour Housing Supply Bootcamp focused on identifying barriers and solutions to expand Portland's housing stock. Regulatory barriers identified include: expanded inclusionary zoning (IZ) requirements under recent referenda; height limits, density limits, step backs, and setbacks; insufficient land zoned for multi-family; limitations on the availability of density bonuses, and building code requirements and stringent application of the standards. Potential solutions identified include; increase the permissible height of buildings and eliminate setback requirements on the Portland Peninsula and along major arterials;

identify “offsets” that would make it easier for developers to meet the heightened IZ requirements; engage employers that own land as partners to make land available for development; prepare an inventory of parking lots owned by individual retailers and other businesses to identify whether some could be developed as housing; study the potential to repurpose some office space as housing; provide regulatory tools to discourage vacant land and vacant buildings, including the potential for financial penalties, thereby encouraging development and redevelopment; and evaluate the possibility of allowing residential uses in industrial areas.

Discussion

The City of Portland is committed to removing barriers to affordable housing.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

The City of Portland consistently strives to identify areas of opportunity for improving quality of life for all of its residents including increased stability, housing options, and economic opportunities for its most vulnerable populations.

Actions planned to address obstacles to meeting underserved needs

In the City of Portland, the vast majority of CDBG, HOME, and ESG allocations go to addressing underserved needs of the City. The proposed CDBG projects will be meeting underserved needs such as food assistance, shelter, safety, and support for those with mental and physical illnesses and substance use disorders, and homeless prevention and housing services. The HOME grant funds help persons gain or maintain housing through the Tenant Based Rental Assistance Program and build affordable housing for low-income families who cannot afford housing otherwise. Additionally, the Emergency Solutions Grant meets the needs of individuals and families by gaining or maintaining housing throughout their homeless prevention or rapid rehousing initiatives, along with maintaining shelter costs for the city's most vulnerable populations.

Actions planned to foster and maintain affordable housing

The affordable housing provisions of LD 2003 require municipalities to extend density bonuses to qualifying affordable housing projects when those projects are located in areas in which multi-family dwellings are allowed and within a designated growth area. The City of Portland already has a structure for density bonuses for affordable housing in many zones, and the code includes other provisions as contemplated by the state. However, some amendments to Articles 18 and 19 of the land use code were necessary to bring the city into full compliance with these components of the law.

The definition of "affordable housing" was changed to incorporate language that enumerates the definition of "other housing expenses" to include "utilities such as electric, heat, water, sewer, and/or trash that the household pays separately from rent". Density bonus language in the Land Use Code was amended such that 2.5x density bonus is triggered when over 50% of units within a project qualify as affordable. Density bonus have been extended to areas "where multi-family is allowed as a permitted or conditional use", and long-term affordability has been defined as deed-restricted to remain affordable for 30 years or the longest term permitted under federal, state, and local laws whichever is longer.

Multiplex, a multi-family-like use currently permitted in the R-4 and R-5 zones, has also been struck from the code. This use, which requires greater minimum lot sizes, densities, and lot widths than otherwise required for residential uses in these zones, and in some cases is subject to unit maximums which bear little relationship to lot size or density, has not been widely constructed in the city. In order to

make dimensional provisions consistent with state law and to simplify implementation, references to multiplex have been eliminated.

Other actions undertaken by the City of Portland include the assessment of fair housing processes in order to identify barriers to fair housing for inclusions in the 2022-2026 Consolidated Plan. The recommendation to address barriers to equalizing access to opportunity, include; advocate for improvements to the county's public transportation system to more effectively connect low income workers with jobs both within Portland and in the broader region; focus on accommodating the needs of persons with disabilities and pairing transportation investments with housing affordability opportunities; and advocate for additional funding in schools that have disproportionate shares of economically disadvantaged students. The recommendation to increase the supply of affordable housing include; invest public funds in affordable housing through gap financing; require affordability contributions of market rate developers through inclusionary zoning; incentivize development of mixed-income housing through density bonuses and fee waivers. And the recommendation to address gaps in homeownership attainment is; explore programs funded by foundations that offer greater down payment assistance to residents who historically faced discrimination and restricted access to homeownership.

Actions planned to reduce lead-based paint hazards

The City of Portland has been committed to eliminating lead poisoning in children since 1995 when it received its first HUD Lead Safe Housing Grant. The mitigation of lead-based paint hazards and creating healthier homes remains a critical focus of the City of Portland's Lead Safe Housing Program. Over the years, over 560 units have been made lead-safe in Cumberland County. This program has successfully addressed lead hazards prevalent in Portland's older housing stock, bridging the critical gap between health and housing.

The HUD Lead Safe Housing Program is designed to benefit low and moderate-income families. Owner-occupied applicants in the City of Portland must prove that their income is less than 80% of the median area income with a child under six years of age residing in the unit. In multi-unit, non-owner-occupied buildings, 50% of the units must qualify at 50% of the area median income. Projects outside the City of Portland need to meet HUD income eligibility limits established for Cumberland County. The program works directly with the Maine CDC and priority is given to households where there is an active abatement order or where young children reside with elevated blood levels.

In 2024, the City completed its 2019 HUD funded Lead Safe Housing Grant. With that grant, the program made an additional 81 units lead safe and healthier with HUD's Healthy Homes Funding. The team will continue its successful work with the next HUD Grant, approved in December of 2024. This new award of \$3.4 million dollars will further the critical work of protecting Cumberland County's most vulnerable families from the dangers of lead hazards. The new grant includes \$748,000 in Healthy Homes funding which helps to address code violations and health and safety hazards along with the lead abatement.

Project management works directly with Code Enforcement and homeowners to document elimination of violations while improving the health, safety, and welfare of residents.

Actions planned to reduce the number of poverty-level families

The City of Portland allocates a significant percentage of its Community Development Block Grant to social service programs and housing activities designed not only to improve the lives of families and individuals in poverty, but also to facilitate their transition out of poverty. Below are just some of the most critical programs and services that the City plans to support with the CDBG, HOME and ESG funds:

Access to food

Homeless outreach and engagement program to assist individuals in crisis to access necessary services.

Provision of basic needs

Case management and community integration services for recently homelessness individuals and those at risk of homelessness

Creation of stable affordable housing units

Tenant based rental assistance to help families to be rapidly rehoused or maintain their current housing, to help build stability.

Homeless prevention services to individuals facing homelessness.

Rapid rehousing

Helping families move out of poverty as opposed to simply serving those in poverty is an important part of the City's Housing and Community Development Program. Total funds available to the City are insufficient to meet the needs of its citizens in poverty; however, targeting funds to activities which support self-sufficiency can make a significant difference in the lives of many people. The City plans to continue to look at requests for funding and existing programs to see how CDBG, ESG and HOME funds can assist individuals and families in moving beyond poverty.

Actions planned to develop institutional structure

The City will continue to carry out its Housing and Community Development Plan in partnership with the other management and delivery entities for housing and community development activities. These organizations include various City Departments, the Portland Housing Authority, and an integrated

network of non-profit housing and social service providers.

The City of Portland Housing and Community Development (HCD) Division is responsible for overseeing the budget and distribution of the City's CDBG, HOME and ESG entitlement funds and development of the Five-Year Consolidated Plan and Annual Action Plan and Consolidated Annual Performance Evaluation Report. Additionally, the HCD Division administers the City's new construction programs and monitors all outstanding loans associated with the former HomePort program. Since the fall of 2019, the HCD Division has staffed a Compliance Officer position, ensuring that all programs comply with local and federal regulations.

City of Portland Social Services Division administers the General Assistance Program, ESG funds, the City's emergency shelters (for single adults and families), transitional housing facilities, housing location services, Family Services Program, job readiness training and employment services and several other support activities in coordination with non-profit housing and social service agencies. Additionally, the Social Services Division administers the HOME funded Tenant Based Rental Assistance Program.

Non-Profit Housing and Social Service Agencies play a large role in directly providing housing and economic development services to low income, homeless, and special needs populations throughout Portland.

Working collaboratively, these entities implement the City's Housing and Community Development Plan. The system's strengths include the collaborative manner in which these diverse groups work together to maximize available resources. Portland is a large enough city to have many institutional resources, yet small enough to be able to effectively communicate and collaborate. Currently there are no gaps in types of housing and services, but there is a lack of adequate amounts of both due to insufficient resources. The City and its partners will continue to seek additional resources to improve the system's ability to meet community needs.

Actions planned to enhance coordination between public and private housing and social service agencies

The City of Portland requires proof of organizational collaboration in the form of a memorandum of agreements, letter of support, or demonstrated outreach for all applications. In the CDBG scoring process, organizations and entities who demonstrate collaboration with other organizations and entities receive higher allotted points.

The City and the Portland Housing Authority have a long history of cooperation in several areas including community policing, development of affordable housing, recreational activities for at-risk youth, the Family Self-Sufficiency Program, Family Investment Center and applications to HUD for Section 8 certificates and vouchers for families, homeless and disabled persons. City staff and PHA staff

communicate regularly and provide each other data for Annual Plans and reports.

City staff from the Health and Human Services Department and Housing and Community Development Division coordinates with other members of the Emergency Shelter Assessment and Response Team (ESART) and the United Way of Greater Portland to monitor shelter bed usage for single adults, adolescents and families. ESART members include shelter providers, supported housing providers, mental health service providers, substance abuse service providers, health service providers and general services including day shelter providers for the homeless population. ESART also produces monthly and quarterly statistics on shelter usage and provides a forum to discuss new programs, resource availability, emerging trends and to resolve problems within the continuum that may arise from time to time. The City's Community Development Program Manager attends ESART. Additionally, HCD staff participates in the Maine Affordable Housing Coalition (MAHC). In the City of Portland, 33% of CDBG funds support social service agency programs. City staff meets with the agencies throughout the year to provide technical assistance and ensure they are meeting HUD guidelines and regulations. Staff also assists in monitoring their progress and makes recommendations for more efficient services.

Discussion

The City of Portland is committed to continuing its robust collaboration with nonprofit social service agencies, developers, and community organizations to improve the lives of residents of Portland, especially those who are low-income.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The City of Portland works to ensure that all federal grants meet the specific program requirements, including Community Development Block Grant, HOME, and Emergency Solutions Grant from the U.S. Department of Housing and Urban Development.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	74,924
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	74,924

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	86.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

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as follows:

Not applicable

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Homebuyer activities of downpayment or closing cost assistance are not part of the 2025-2026 planned activities.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Acquisition of units with HOME funds are not part of the 2025-2026 plan.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds will not be used to refinance existing debt.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

Tenant-Based Rental Assistance is directed toward individuals who are homeless or at-risk of being homeless.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

The City of Portland does not currently have preferences for specific categories of individuals with disabilities.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that

limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

The City of Portland does not have preferences for rental projects. The City does have a local requirement that 10% of total units in a development are set aside for individuals in Portland homeless shelters; however, this does not preclude others from accessing those units.

Emergency Solutions Grant (ESG)

1. Include written standards for providing ESG assistance (may include as attachment)

Please see attachment.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The state-wide Continuum of Care monitors the Homeless Management Information System, where individuals and families are entered at first contact. Additionally, the Maine COC has created a Coordinated Entry System (CES). CES facilitates access for all resources designated for homeless individuals and families, ensuring they are known by name, provided assistance based on their unique needs, and matched to the most appropriate service or strategy. Together, HMIS and CES ensure coordination while avoiding duplication of services and client data.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The Emergency Shelter Assessment and Response Team (ESART) is actively involved in the ESG program, including the development of performance standards and operating procedures as well as evaluation of funding expenditures. The City of Portland utilizes ESG funding for the Family Shelter and the Homeless Services Center and for homeless prevention and rapid rehousing programs. It is not currently the practice of the City of Portland to provide subawards from ESG funds; however, any ESG subawards would be made through the same awarding process as CDBG.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The Emergency Shelter Assessment and Response Team (ESART) is actively involved in the ESG program, including the development of performance standards and operating procedures as well as evaluation of funding expenditures. The City of Portland utilizes ESG funding for the Family Shelter and the Homeless Services Center and for homeless prevention and rapid rehousing programs. It is

not currently the practice of the City of Portland to provide subawards from ESG funds; however, any ESG subawards would be made through the same awarding process as CDBG.

5. Describe performance standards for evaluating ESG.

The performance of the Prevention goal of the Rapid Re-Housing/Prevention Client Navigation Program will be evaluated based on the number of individuals assisted that would have entered the shelter system “but for” the assistance provided by the City of Portland staff. The performance standards for the Prevention goal of the program are ensuring that: 1) services are provided to 20 people per year; 2) 100% of clients are assessed for barriers that threaten housing stability and provided with an overview of mainstream resources; 3) 50% of clients assessed are referred to appropriate mainstream resources; 4) 100% of clients receiving financial assistance receive assistance with housing location and receive follow up services for 3 months.

The City of Portland will continue to ensure that all federal grants meet the specific program requirements, including Community Development Block Grant, HOME, and Emergency Solutions Grant from the U.S. Department of Housing and Urban Development.

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

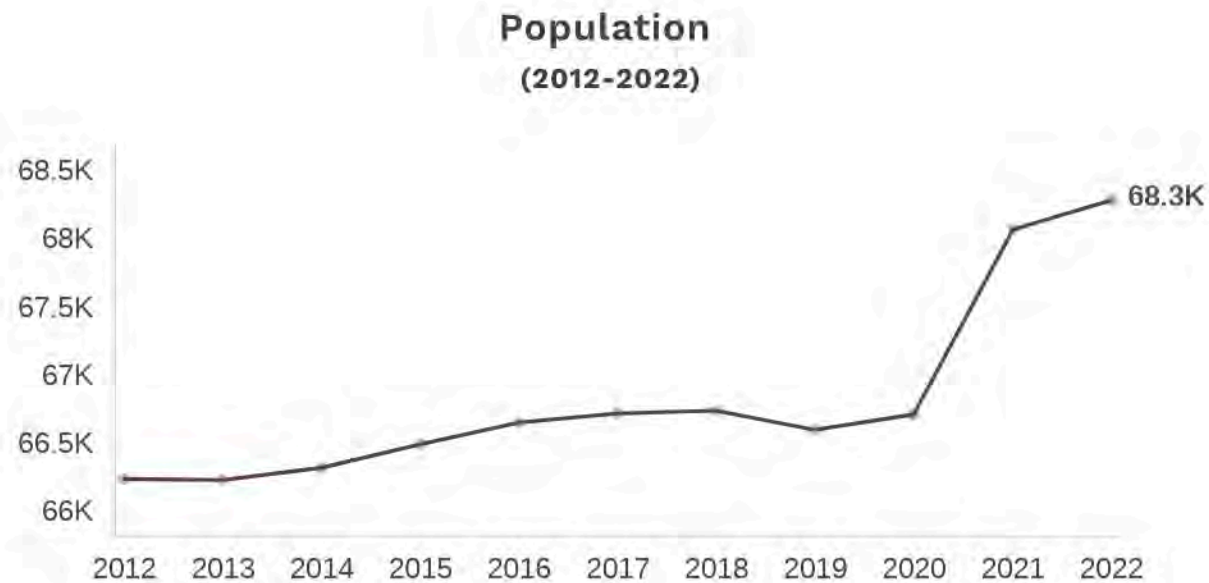
Portland city

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.

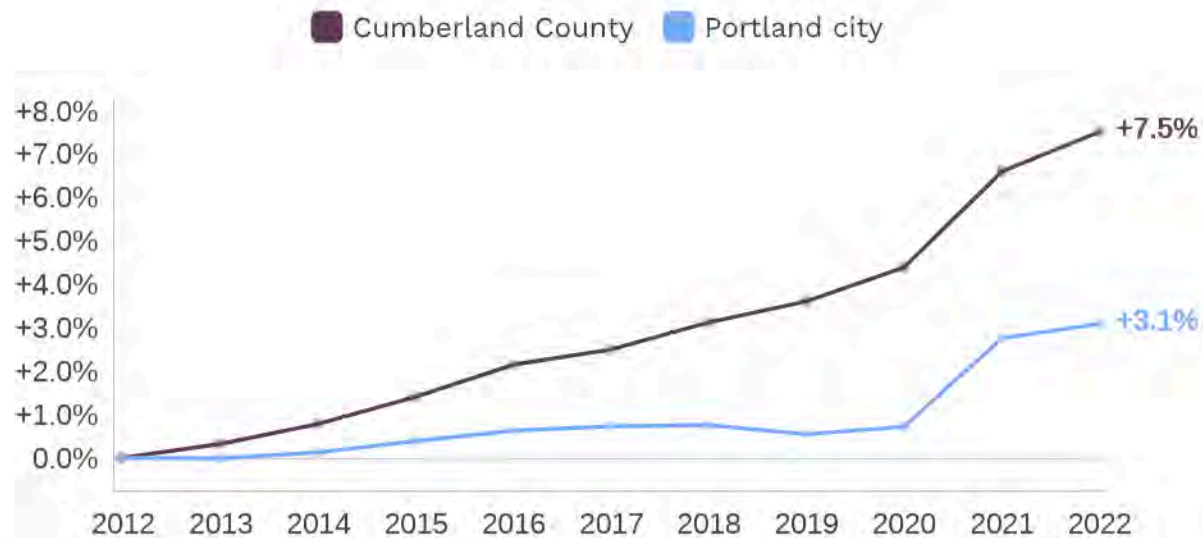
Population

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



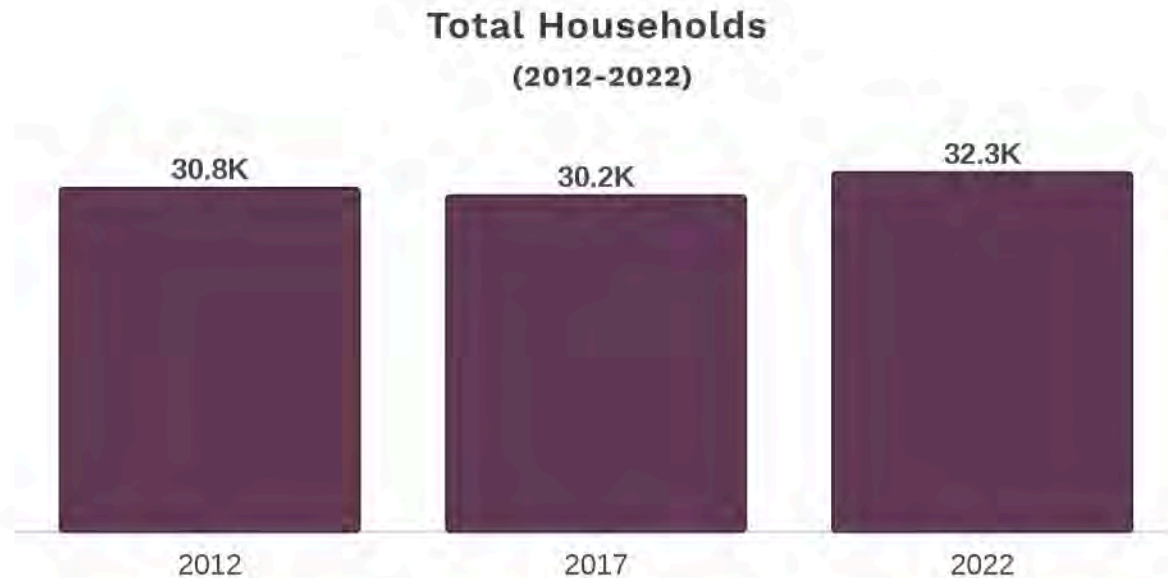
© Mapbox © OpenStreetMap

283 22,645

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

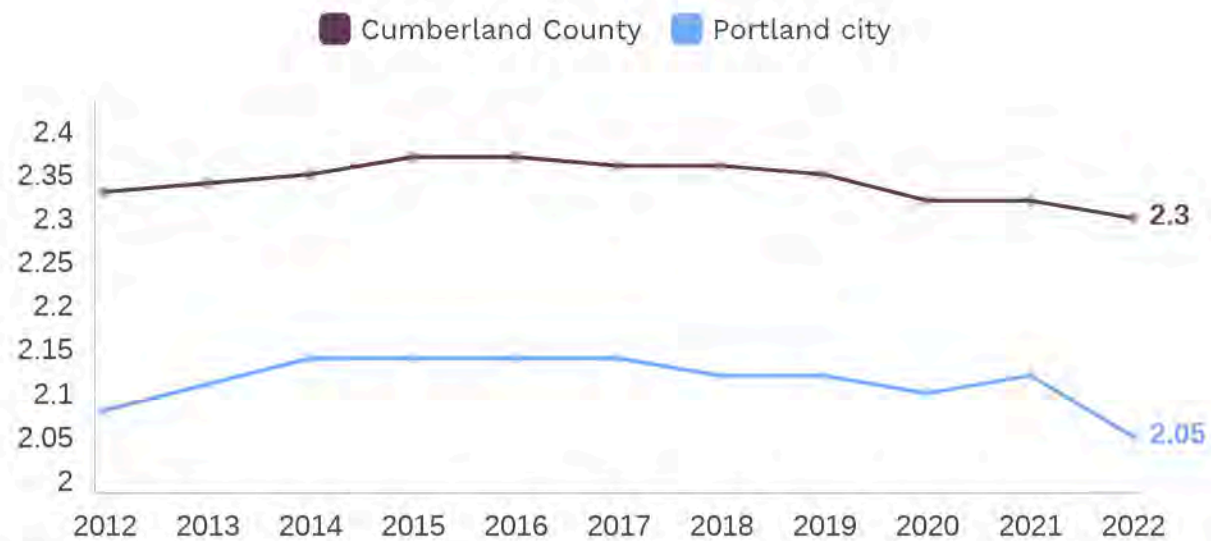
Households and Household Size

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.



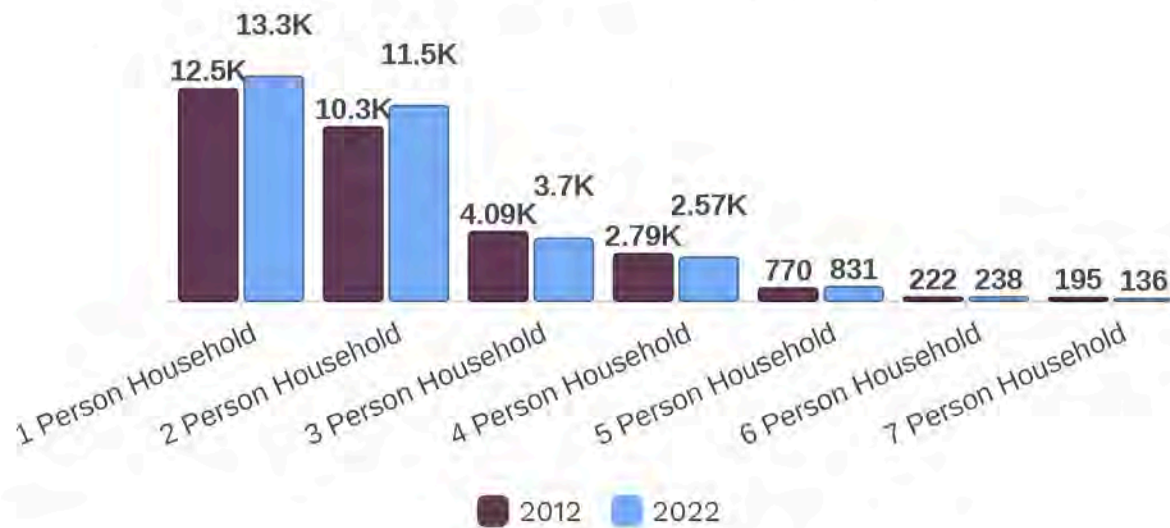
Source: American Community Survey (ACS), US Census Bureau

Average Household Size (2012-2022)



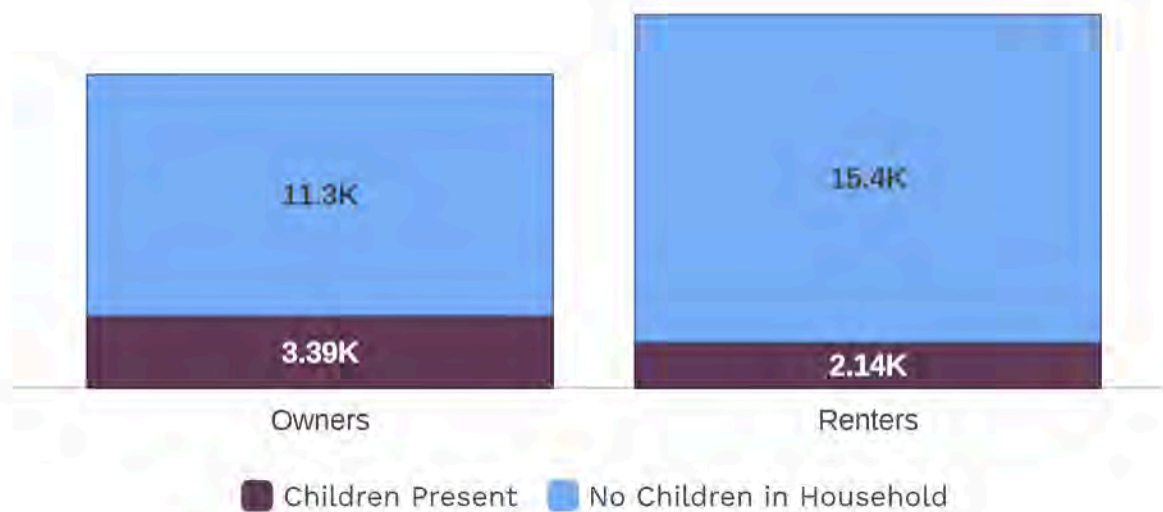
Source: American Community Survey (ACS), US Census Bureau

Distribution of Household Size



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

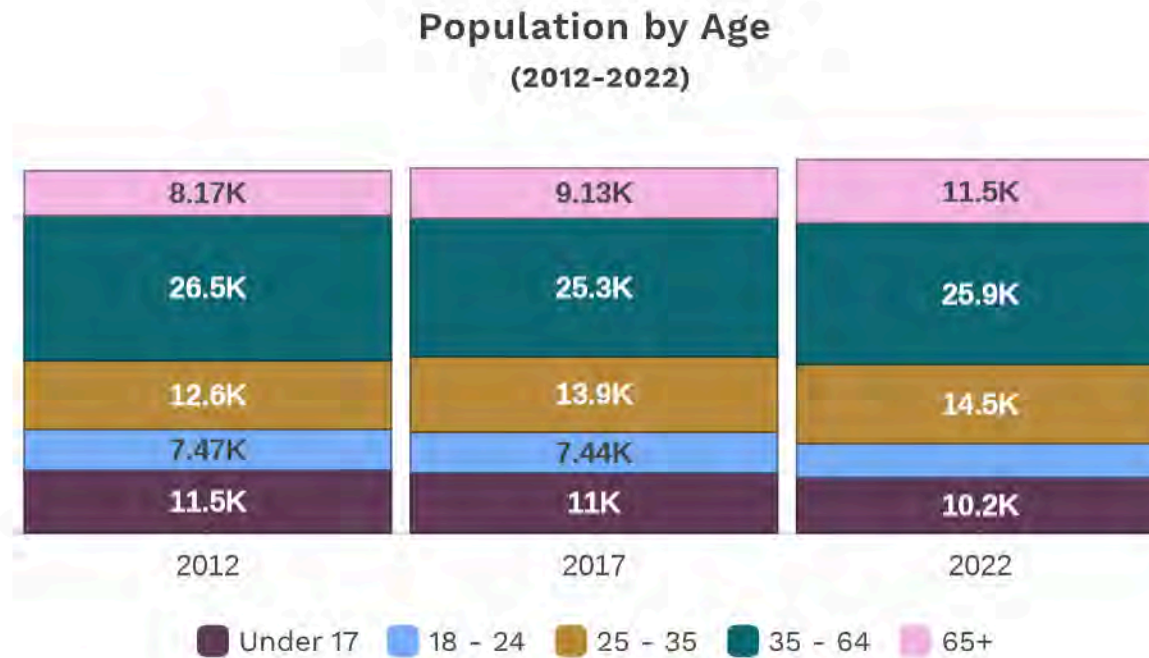
Households by Tenure and Presence of Children (2022)



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

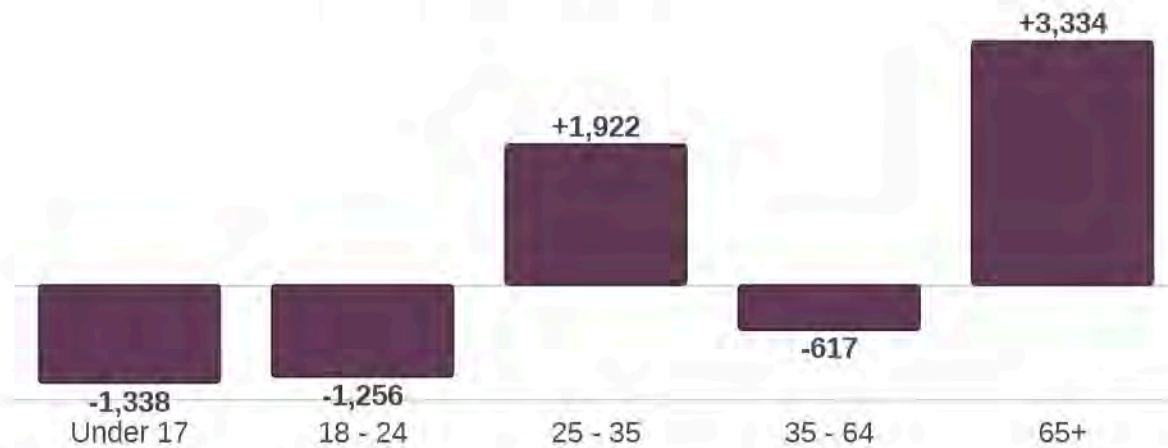
Age

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

Change in Age Distribution (2012-2022)



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%).

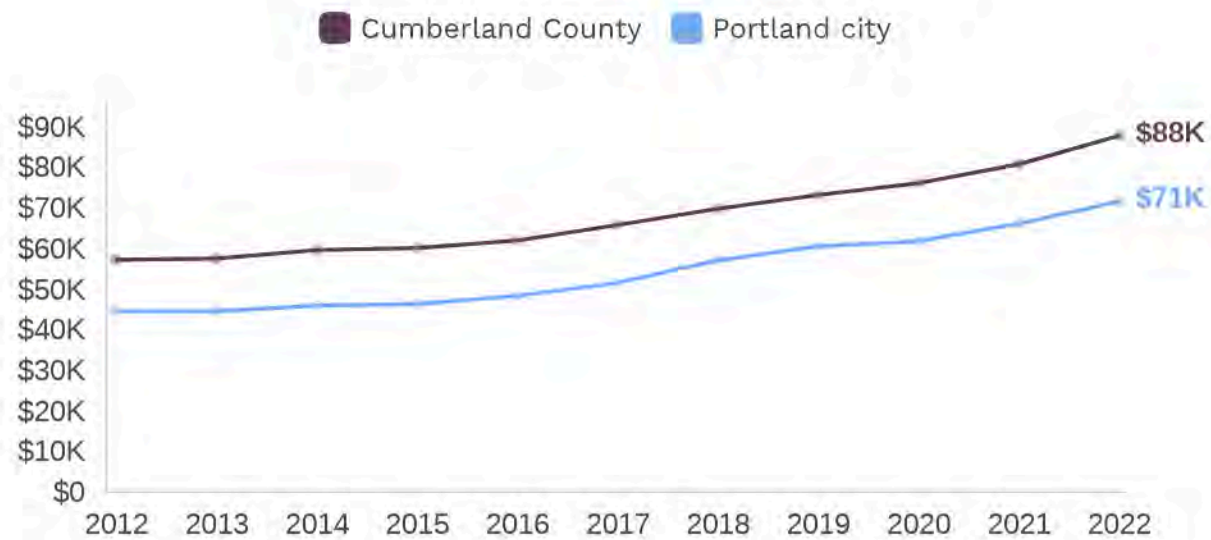
Regional Median Household Income Comparison (2022)



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)

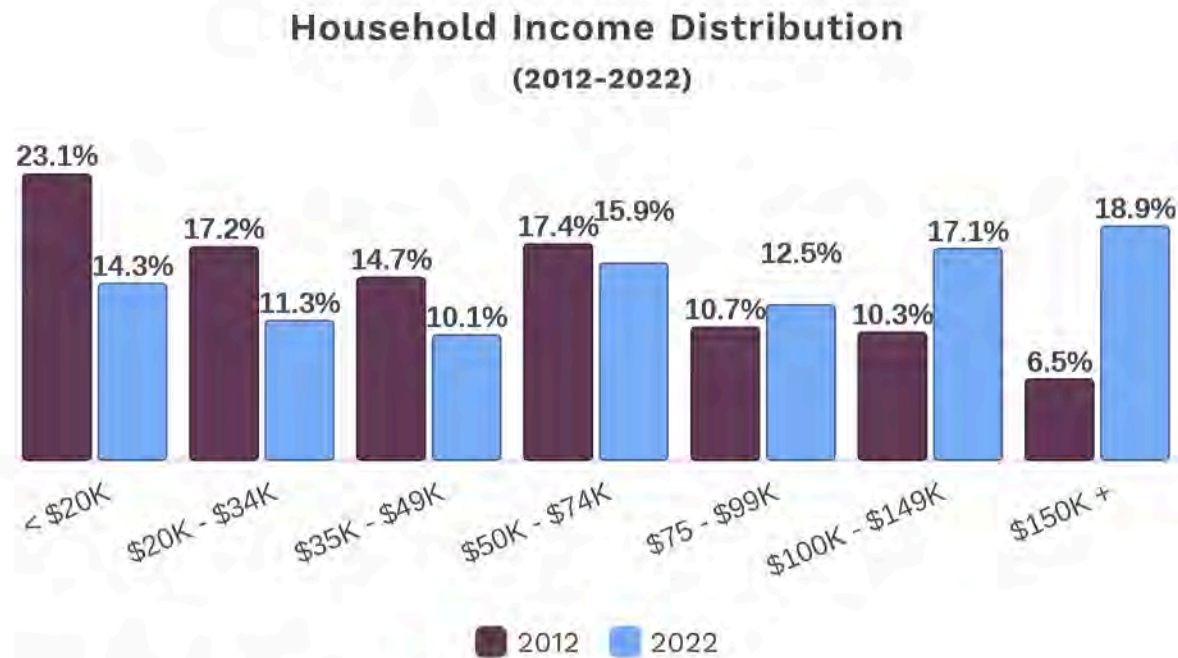


Dollar values are nominal.

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)

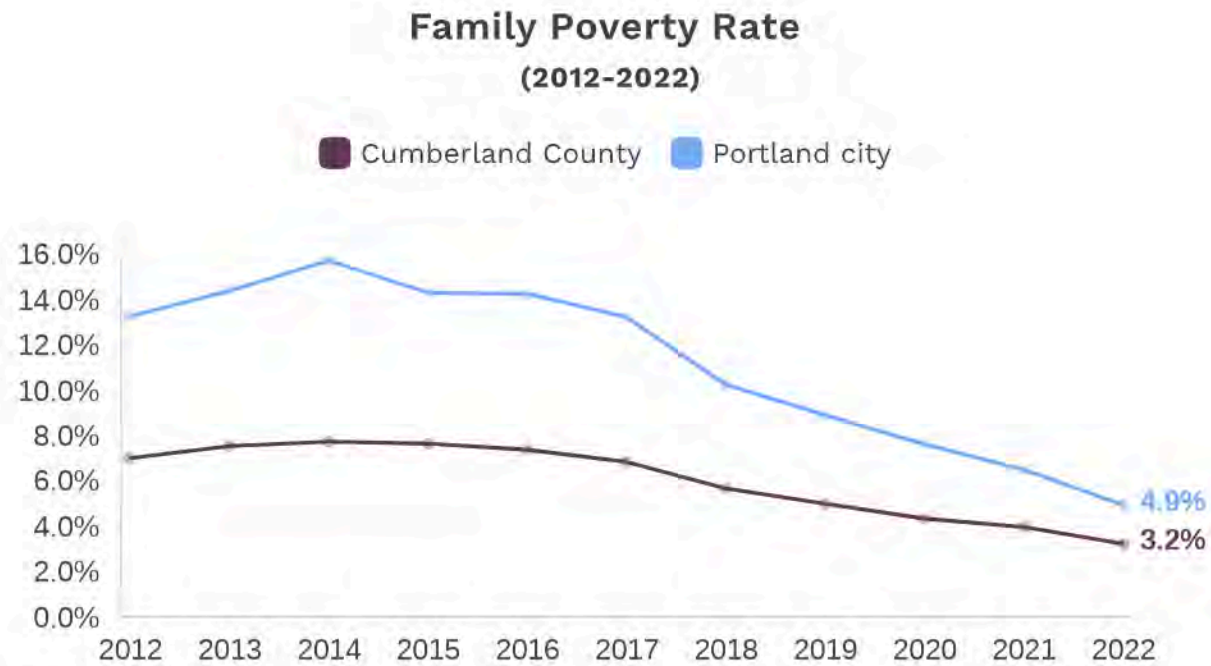


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

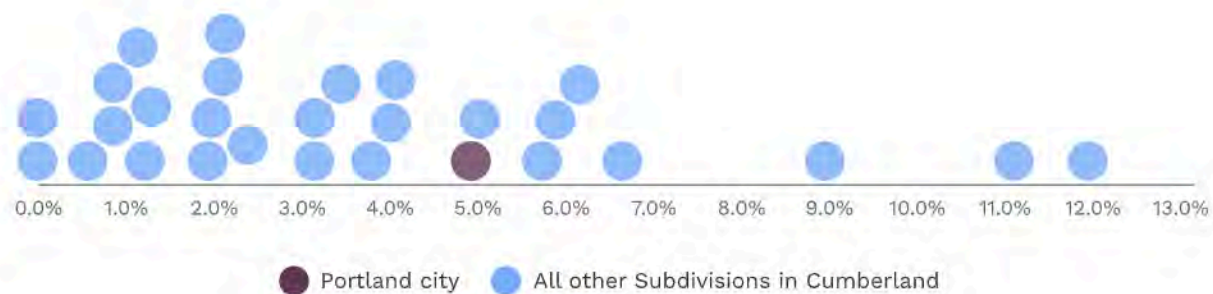
Family Poverty Rate

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)

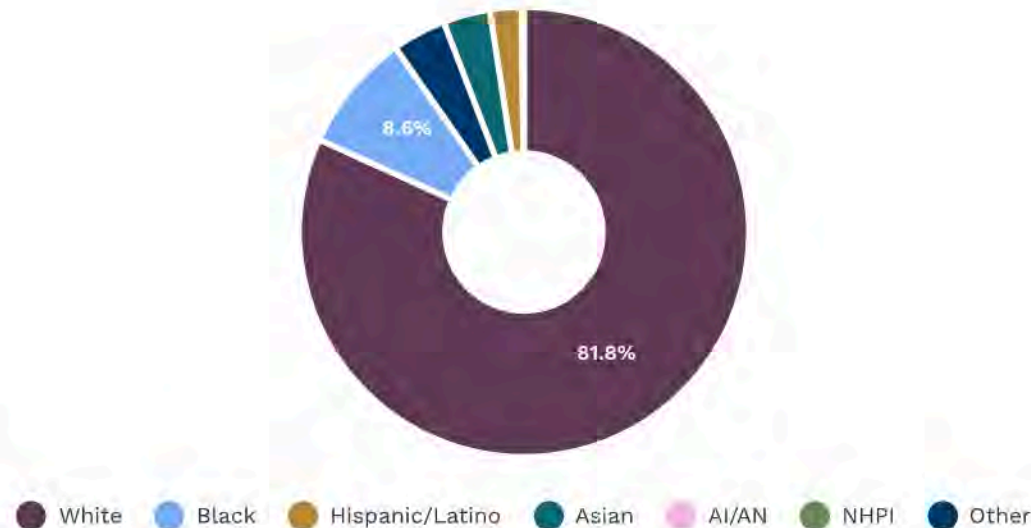


Source: American Community Survey (ACS), US Census Bureau

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.

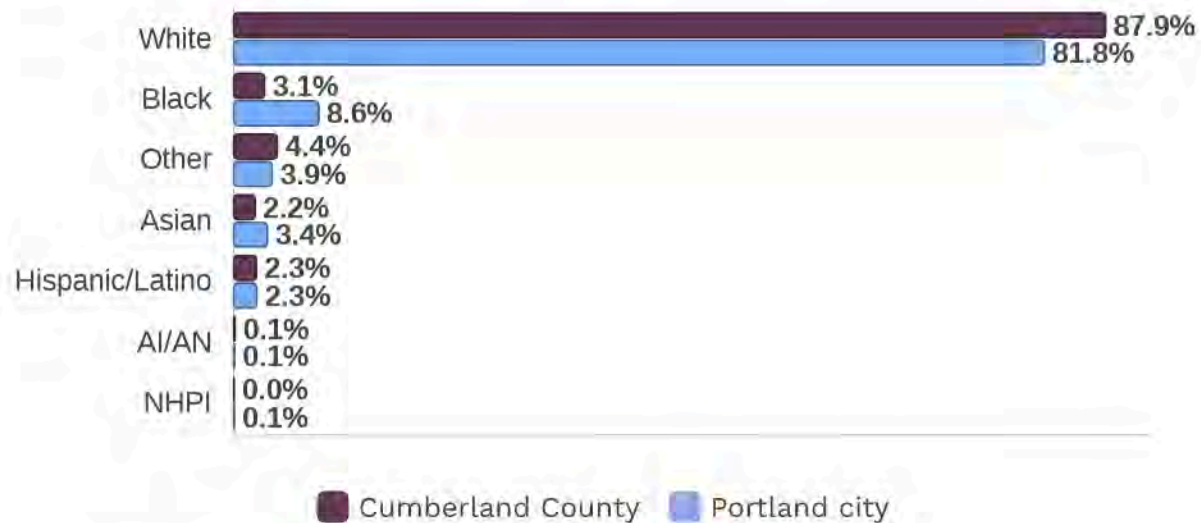
Racial and Ethnic Distribution (Population)
(2022)



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)

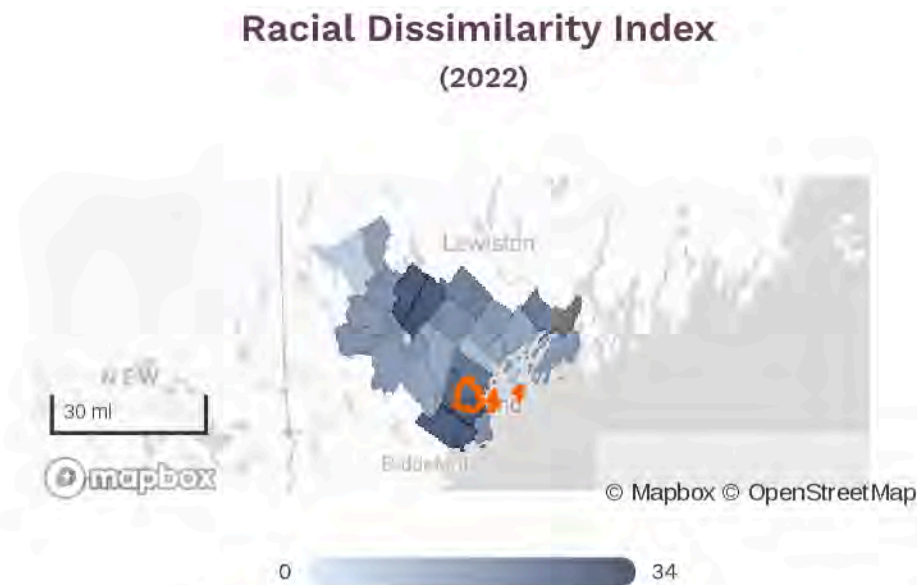


Source: American Community Survey (ACS), US Census Bureau

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)

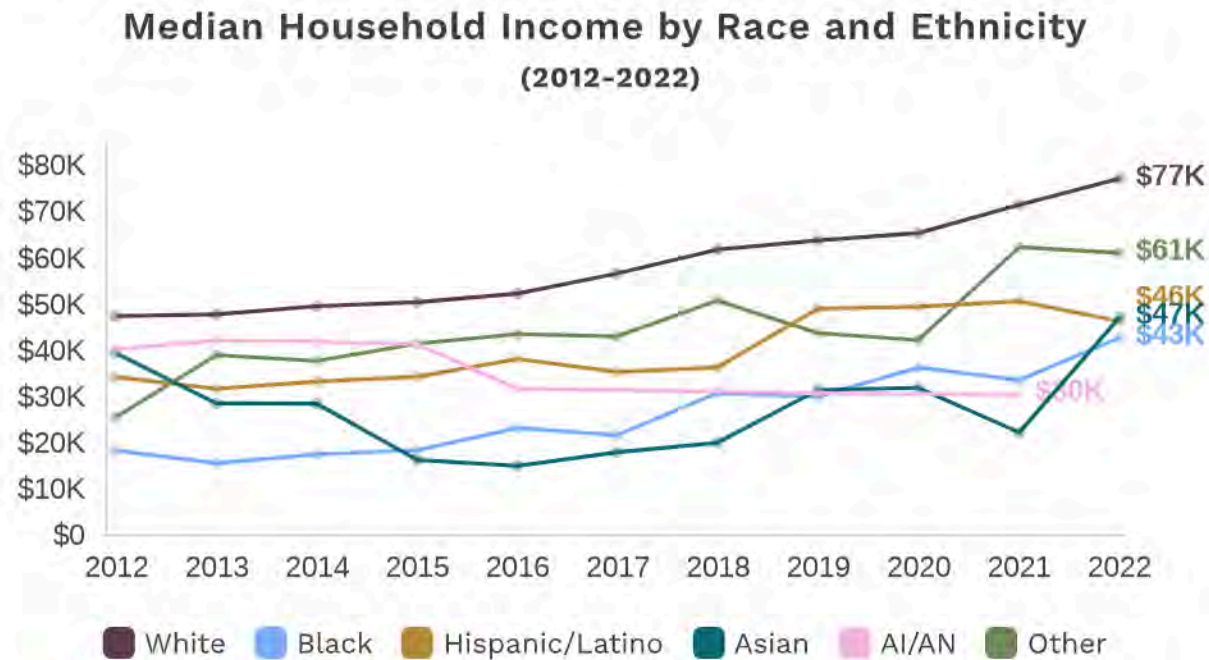
The dissimilarity index demonstrates the degree of racial segregation within specific geographic regions. A dissimilarity index of 0 demonstrates an environment of integration under which groups (in this case racial or ethnic groups) are distributed in the same proportions across all neighborhoods. A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



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

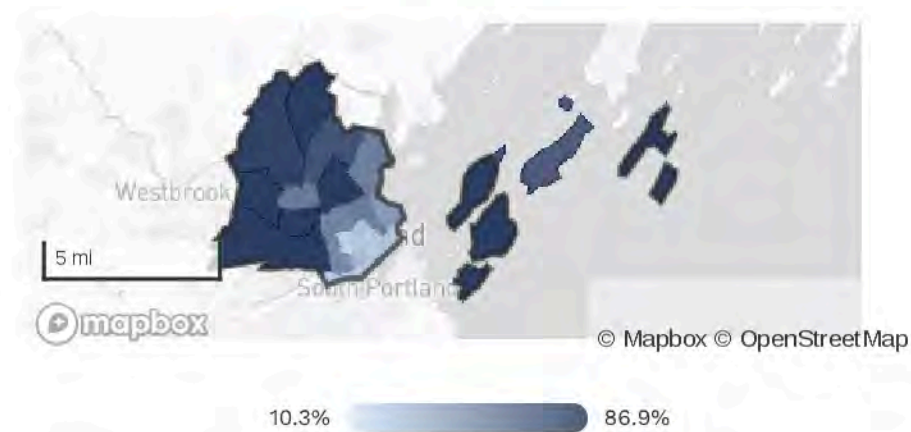
In 2022, 54.4% of households in Portland city were renters, compared with 30.1% in Cumberland County.

Share of Total Households by Tenure
(2022)



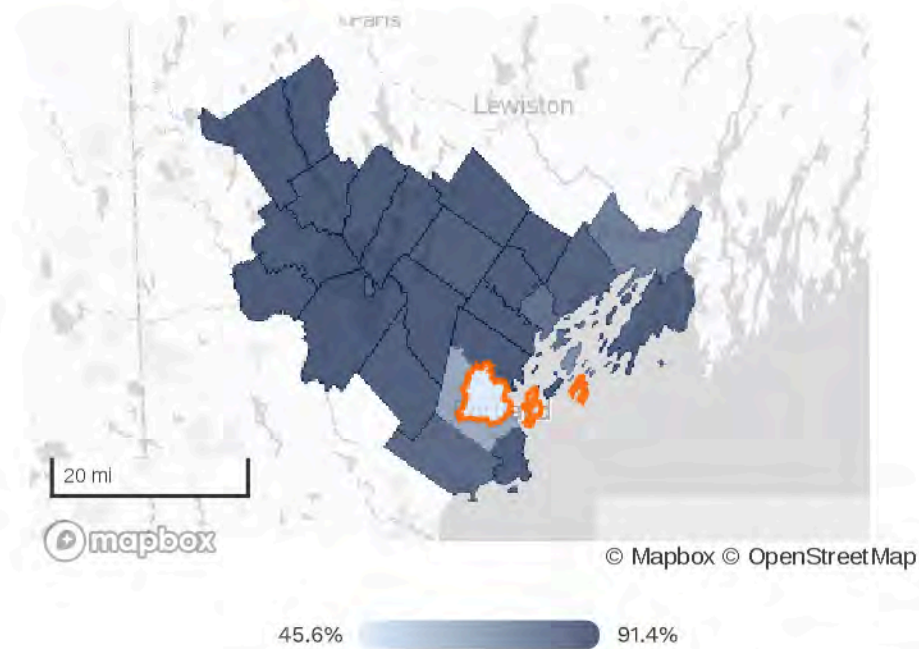
Source: American Community Survey (ACS), US Census Bureau

Homeownership Rate (2022)



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

Homeownership Rates by Peer Regions (2022)

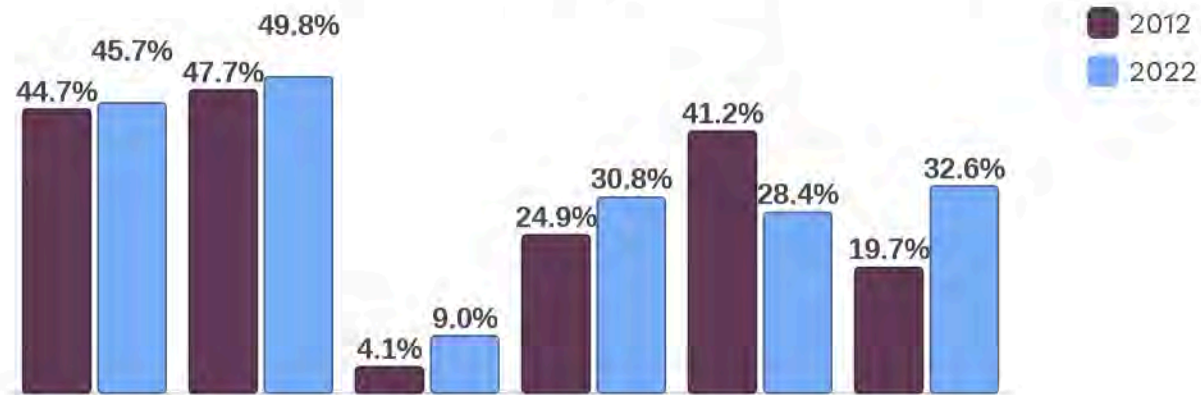


Source: American Community Survey (ACS), US Census Bureau

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.

**Homeownership Rate by Householder Race and Ethnicity
(2012-2022)**

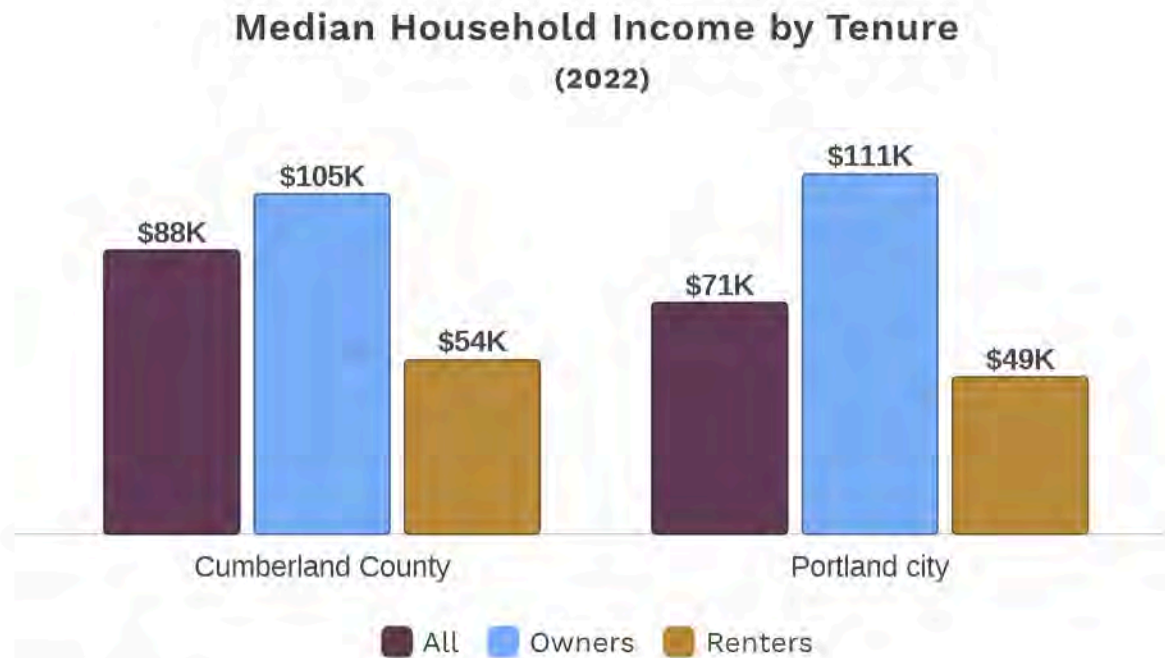


Source: American Community Survey (ACS), US Census Bureau

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

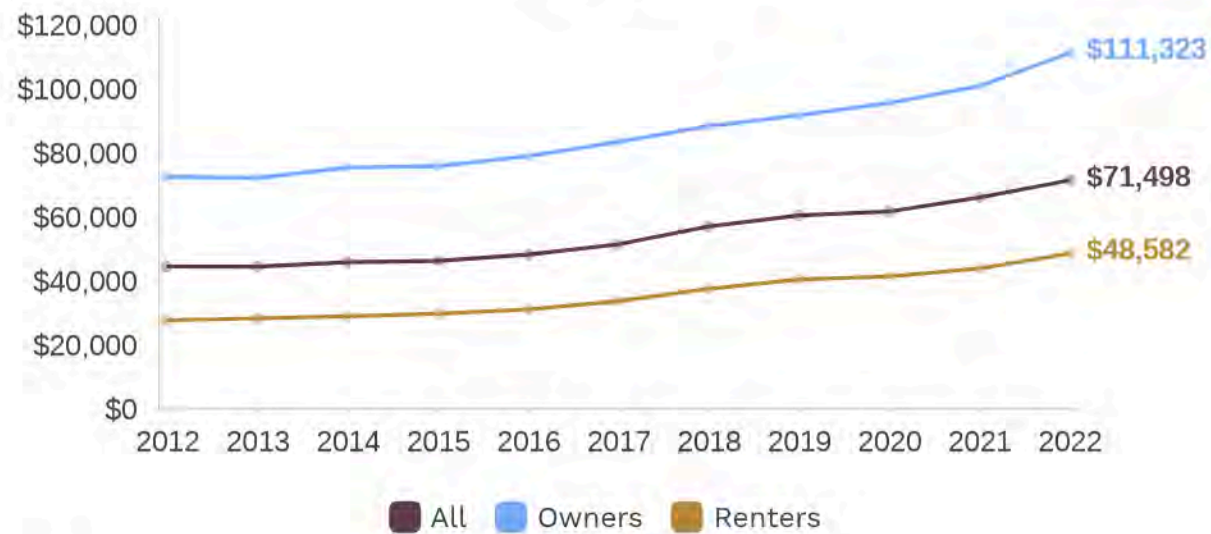
In 2022, median income for owner households was \$62,741 more than renter households in Portland city. For Cumberland County, the difference between owner and renter households was \$51,343.



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

Dollar values are nominal.

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

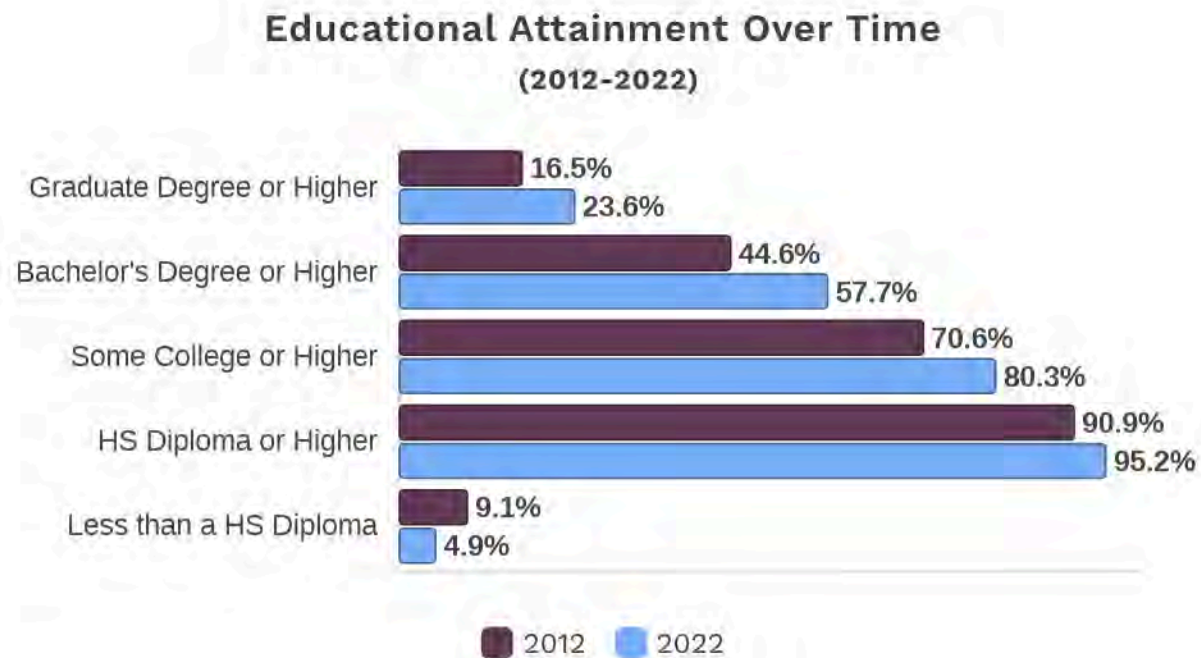


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

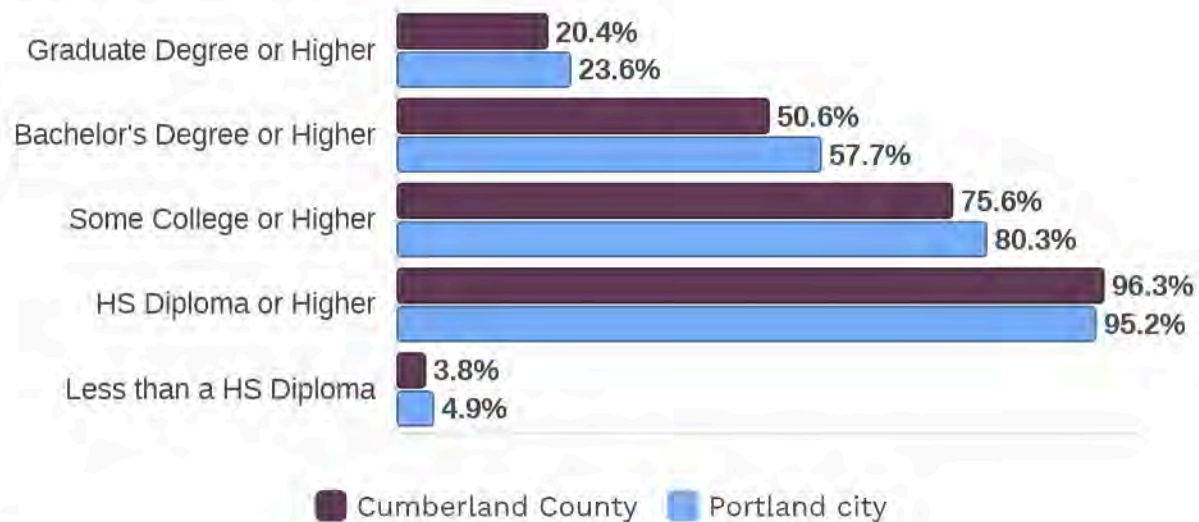
Education

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

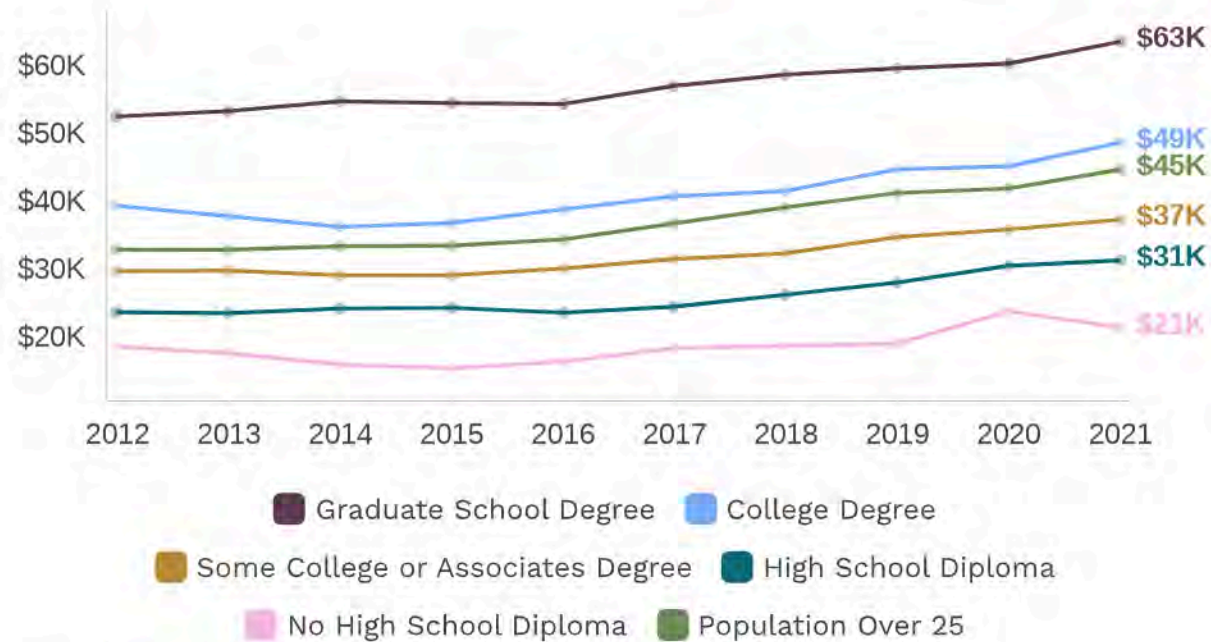
In 2022, residents with a college degree earned on average \$17,115 more than residents with only a high school diploma.

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)



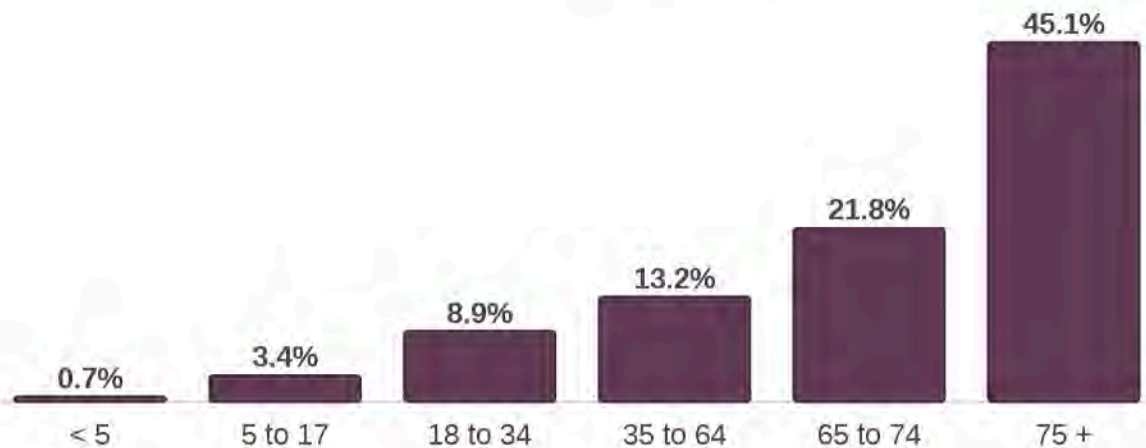
Source: American Community Survey (ACS), US Census Bureau

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.

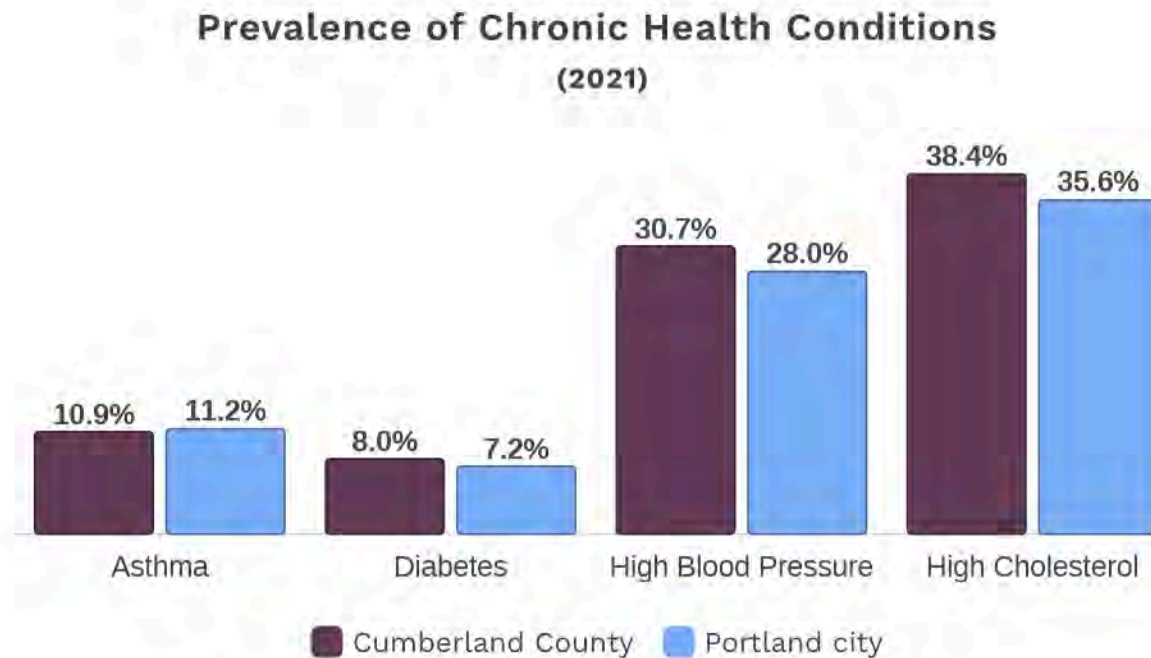
**Disability Status by Age
(2022)**



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

Health Outcomes

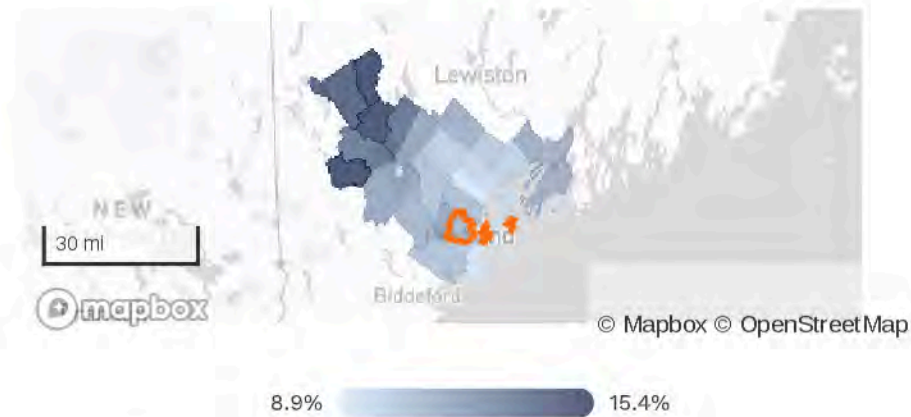
In 2021, 10.8% of the population over 18 years old in Portland city had poor or fair health, as defined by the American Community Survey.



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)



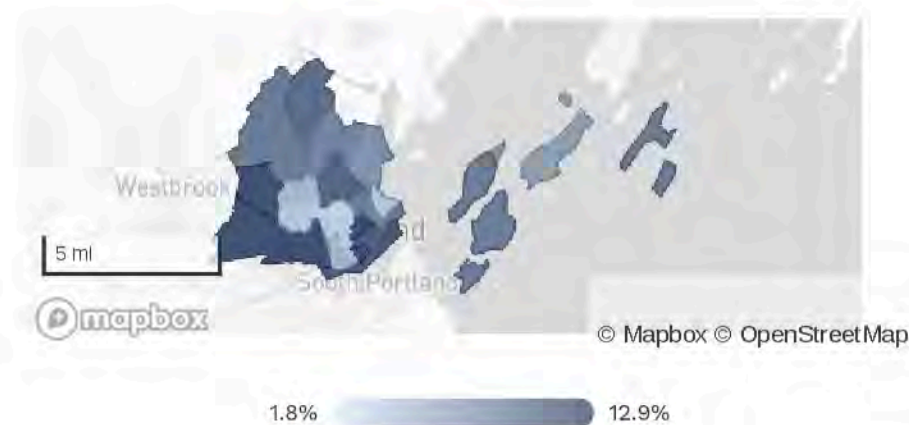
Note: The latest year of this dataset is 2021.

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

Internet Access

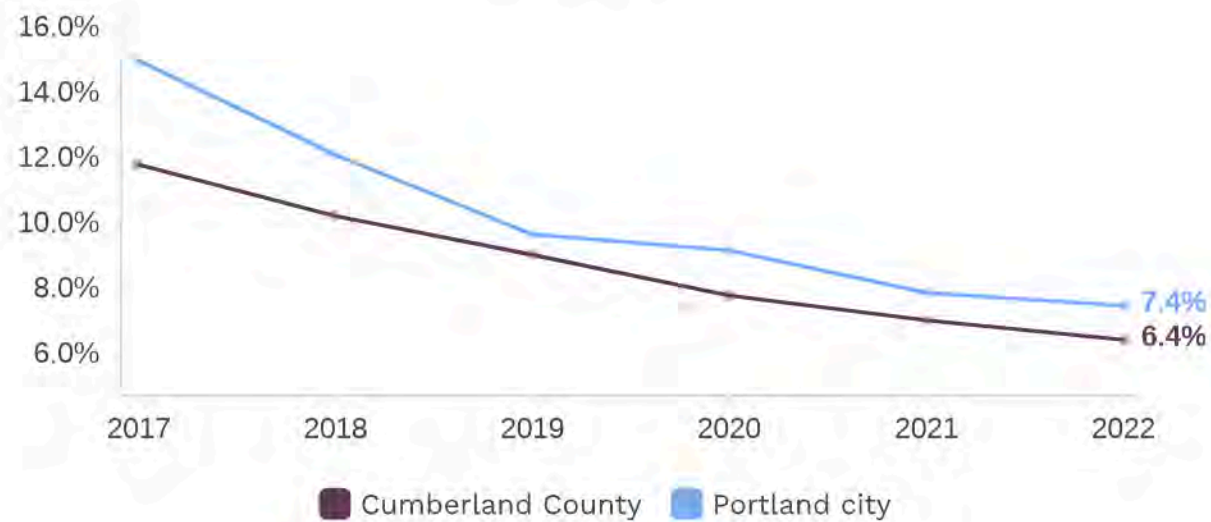
In 2022, 2,399 households in Portland city did not have internet access in their home (7.4% of all households). Internet access refers to whether or not a household uses or connects to the internet, regardless of whether or not they pay for the service to do so.

**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

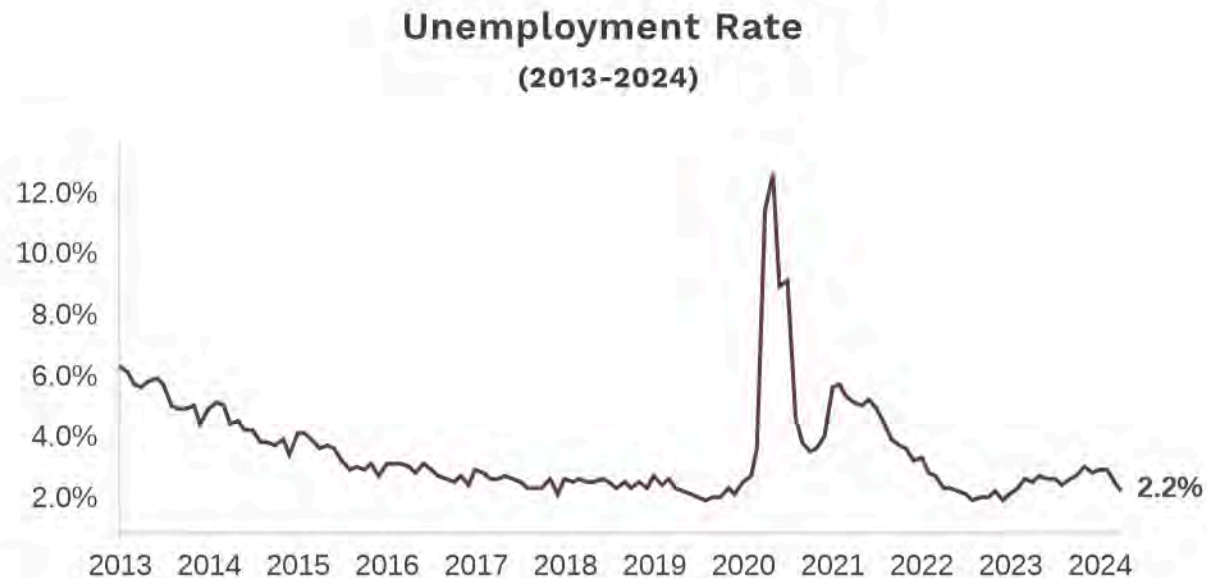
Portland city

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)

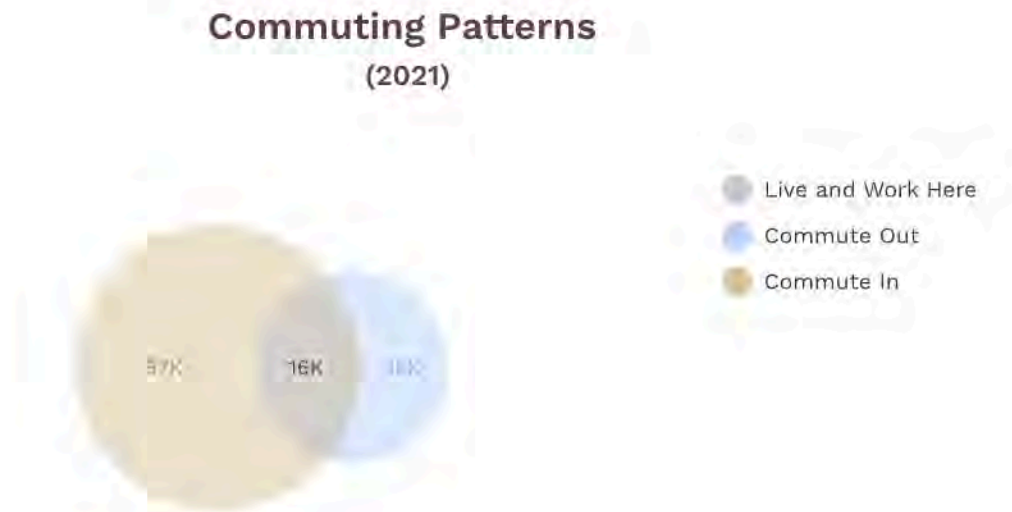


Source: Occupational Employment and Wage Statistics (OEWS, US Bureau of Labor Statistics (BLS))

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.

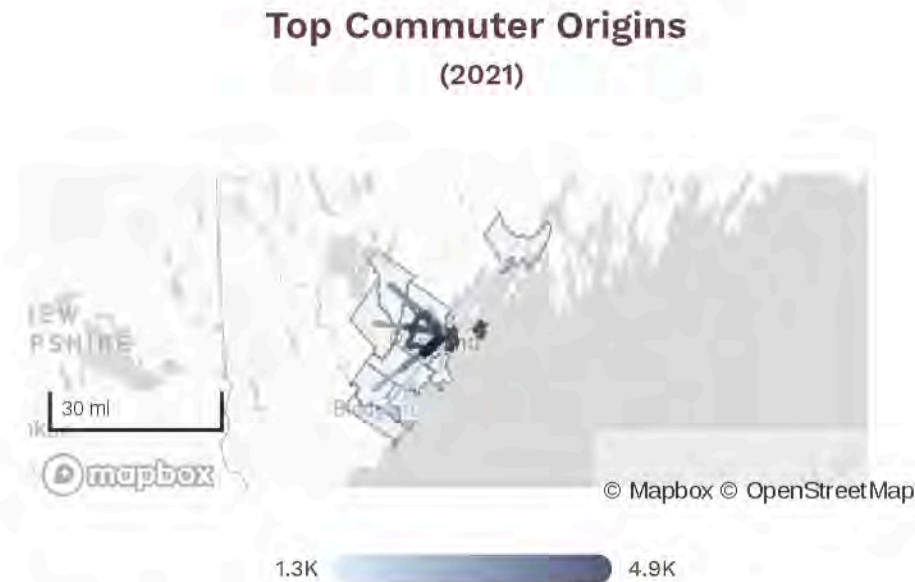


Note: The latest year of this dataset is 2021.

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).



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)



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)**

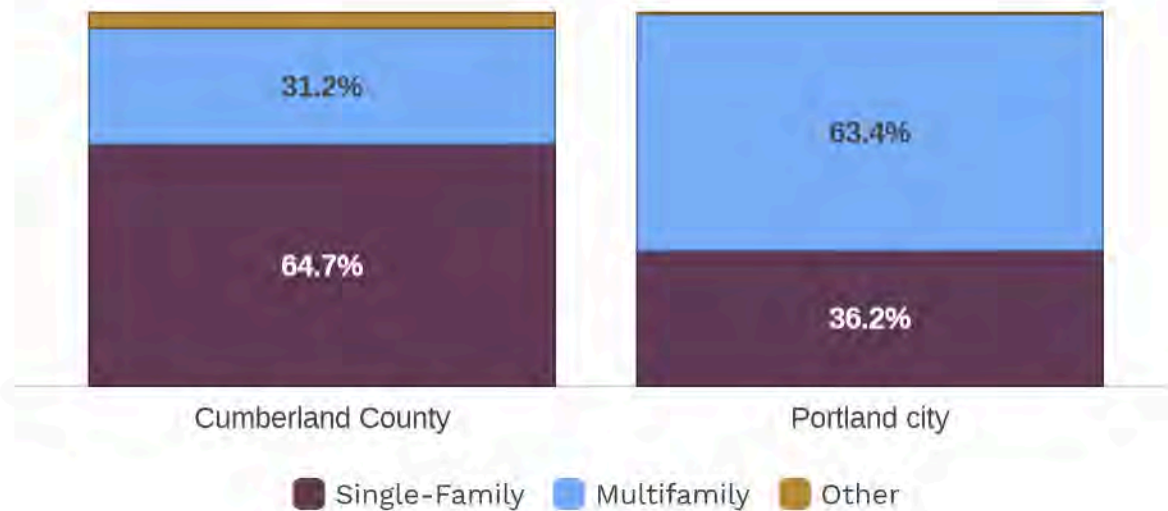


Source: American Community Survey (ACS), US Census Bureau

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.

Share of Homes by Building Typology
(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)



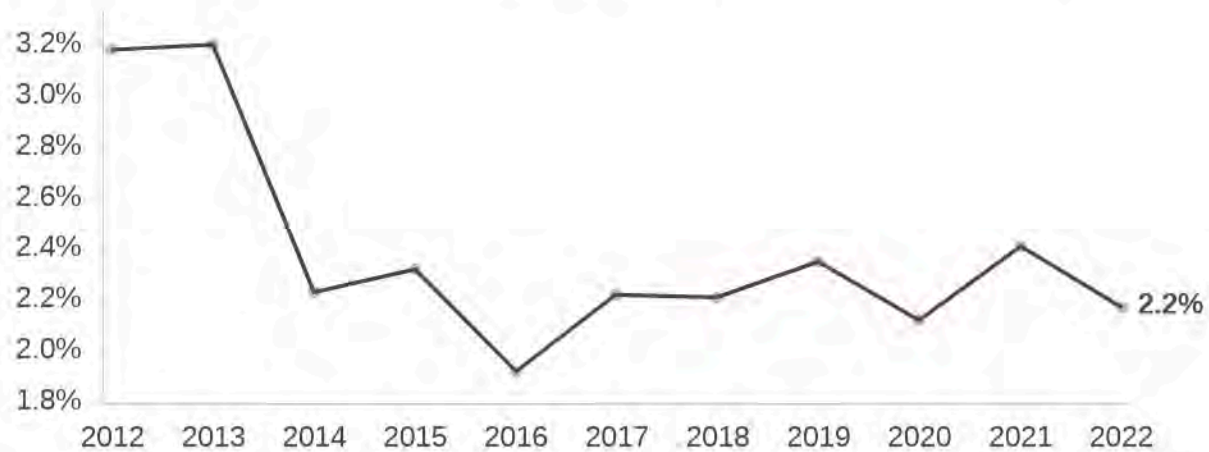
"Other Vacant" may include homes foreclosed on, in need of repair, or if the status is vacant and reason unknown.

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

Vacancy Indicators

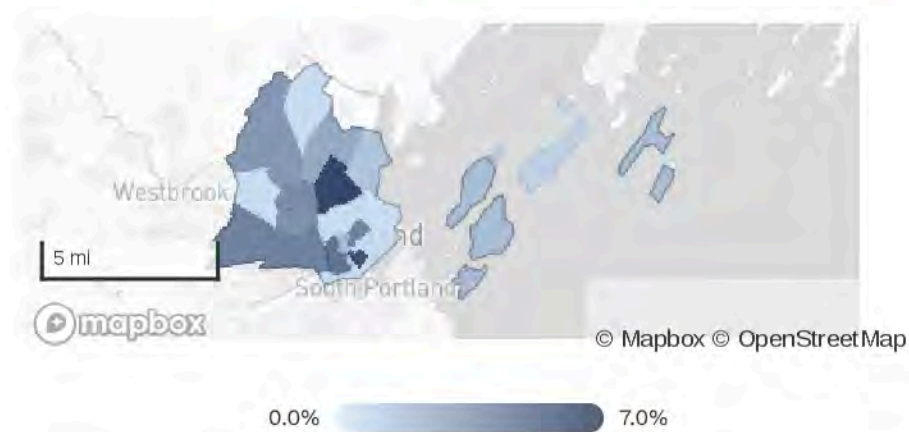
The share of vacant and available homes in Portland city decreased by 1.0%, or by 309 homes, between 2012 to 2022. This indicates that the housing market was more constrained in 2022 compared to 2012.

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



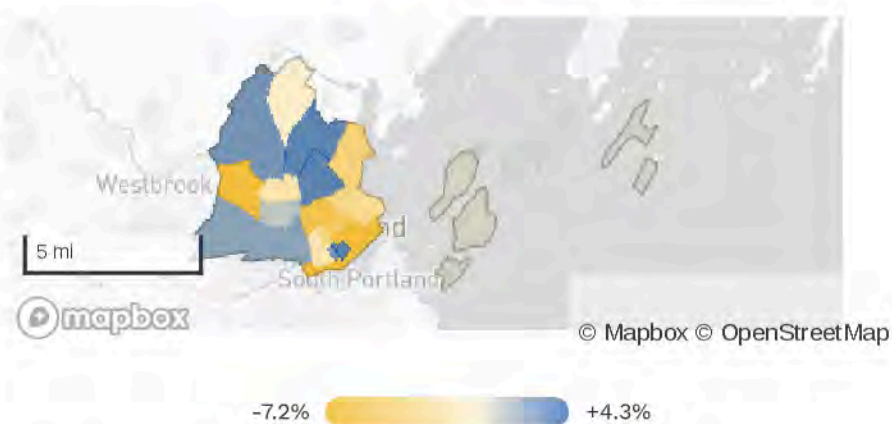
Source: American Community Survey (ACS), US Census Bureau

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)

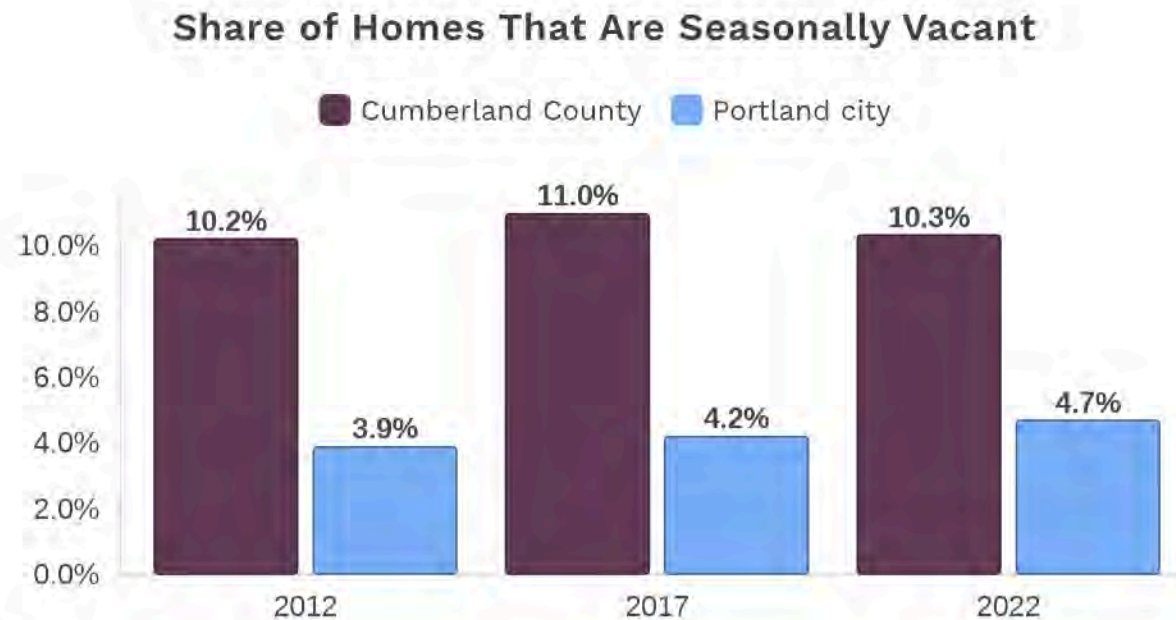


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk.

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."

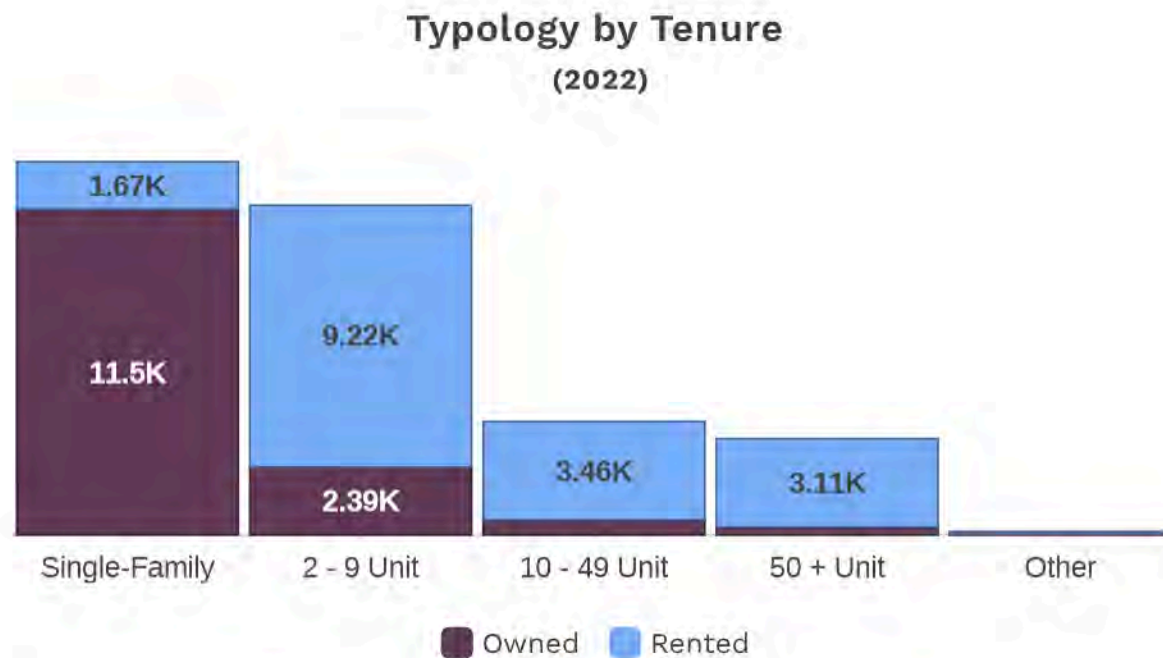
Regional Comparison of the Seasonal Vacancy Rate (2022)



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

Typology by Tenure

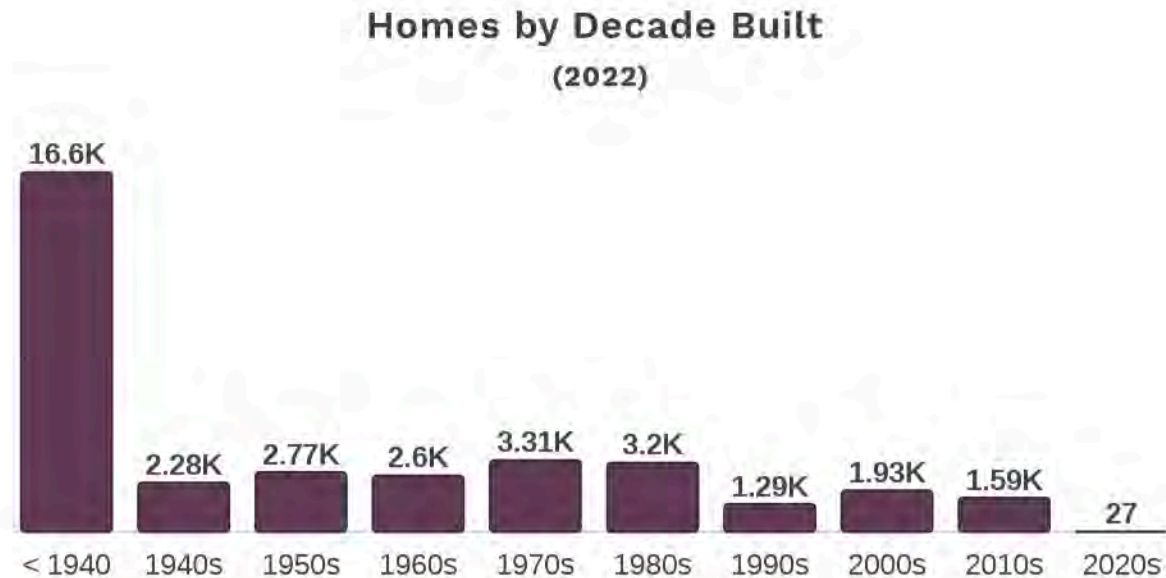
In 2022, 1,667 single family homes in Portland city were occupied by renters. For homes occupied by owners, the majority were single family, with 11,474 homes.



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

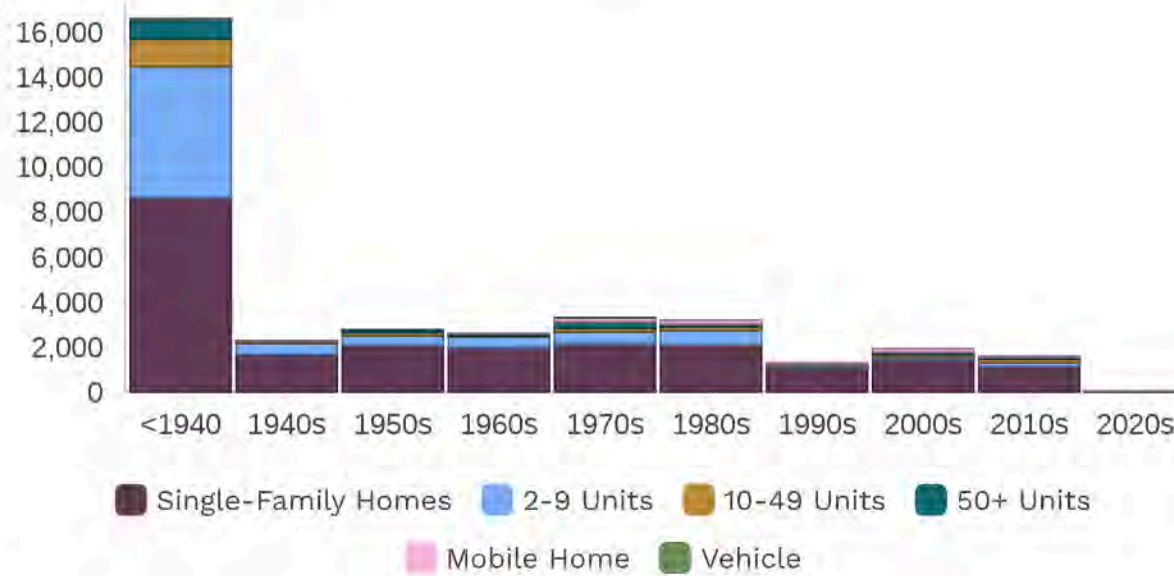
Homes by Decade Built

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)

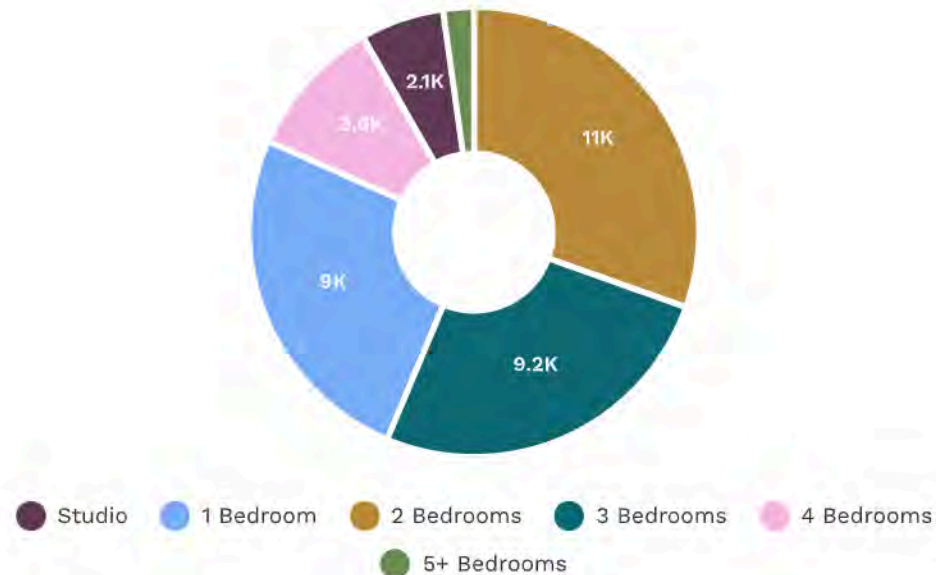


Source: Public Use Microdata Sample (PUMS), US Census Bureau

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

Homes by Number of Bedrooms

Homes by Number of Bedrooms
(2022)

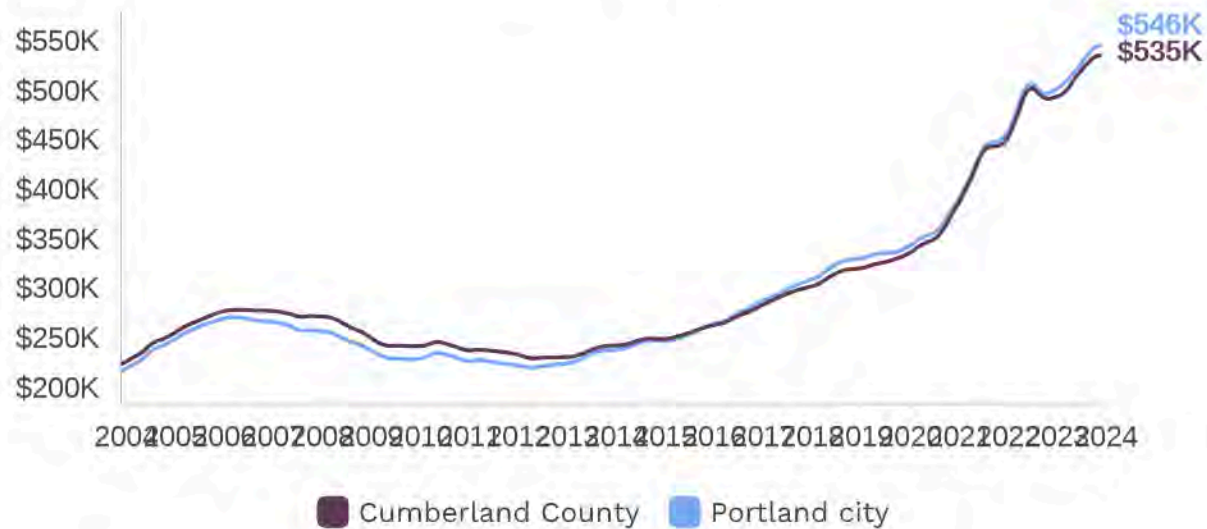


Source: American Community Survey (ACS), US Census Bureau

Home Values

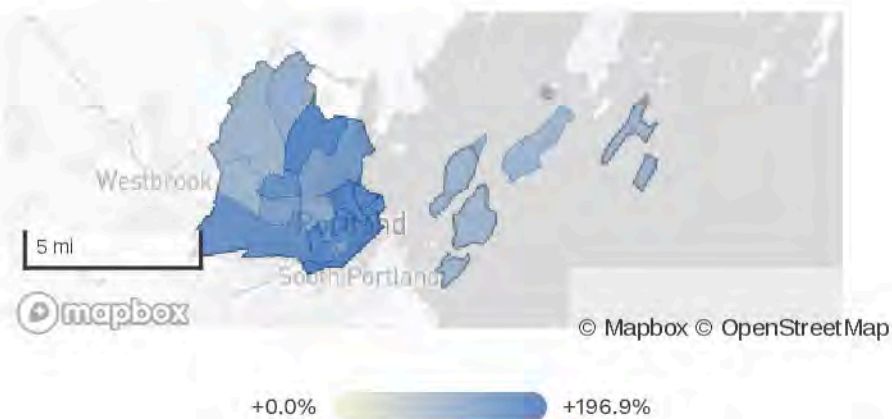
Home values in Portland city increased by 129.9% from 2013 to 2023, compared to home values across Cumberland County, which increased by 121.2%.

Typical Home Values Over Time
(2003-2023)



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

Change in Median Home Values (2012-2022)

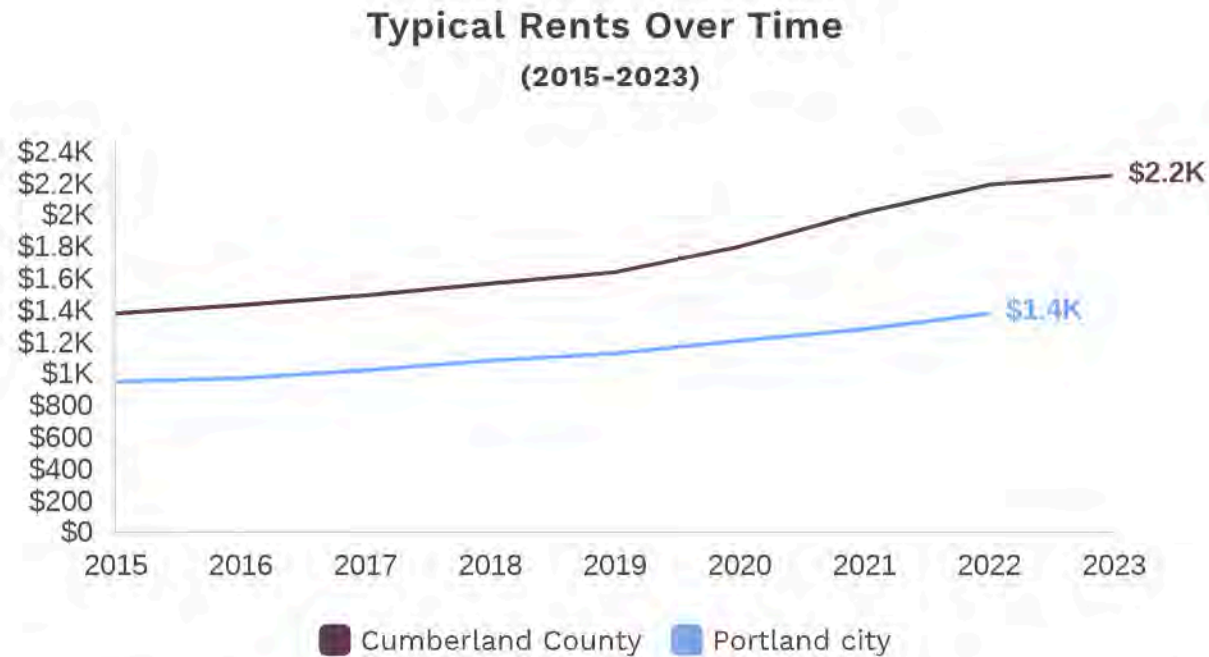


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

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

Rents

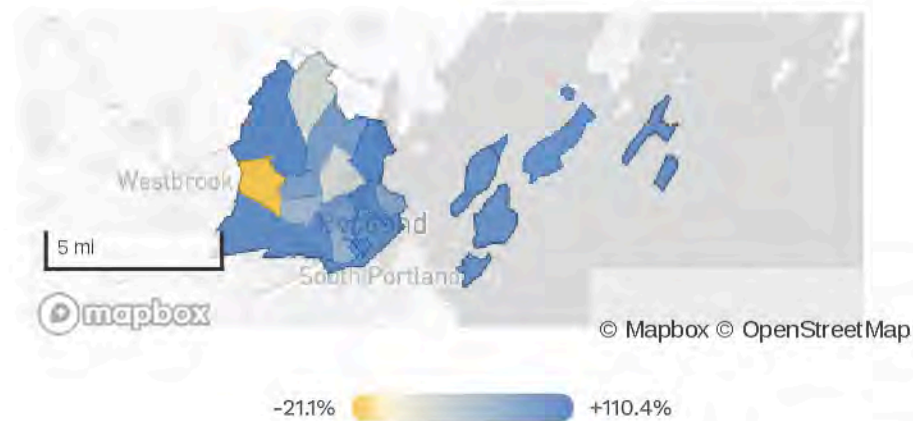
According to the ACS, the median gross rent in Portland city was \$1,377 in 2023. Rent increased by \$431 (45.6%) from 2015 to 2023.



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%.

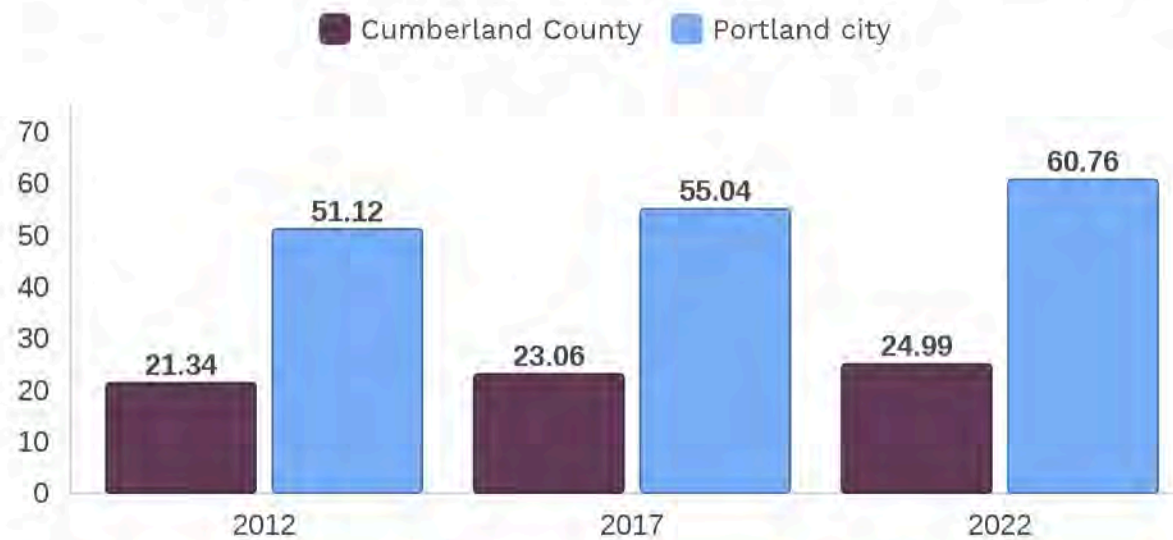
**Total Supply of Deed-Restricted Affordable Homes by Year
(2013-2023)**



Source: National Housing Preservation Database (NHPD)

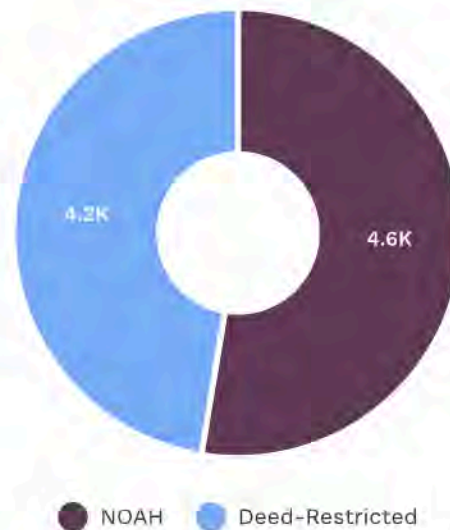
Note: Data reflect the total number of deed-restricted homes in each year with active or inconclusive subsidies based on the earliest start date and latest end date of each property's subsidies.

Deed-Restricted Affordable Homes per 1,000 Population



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

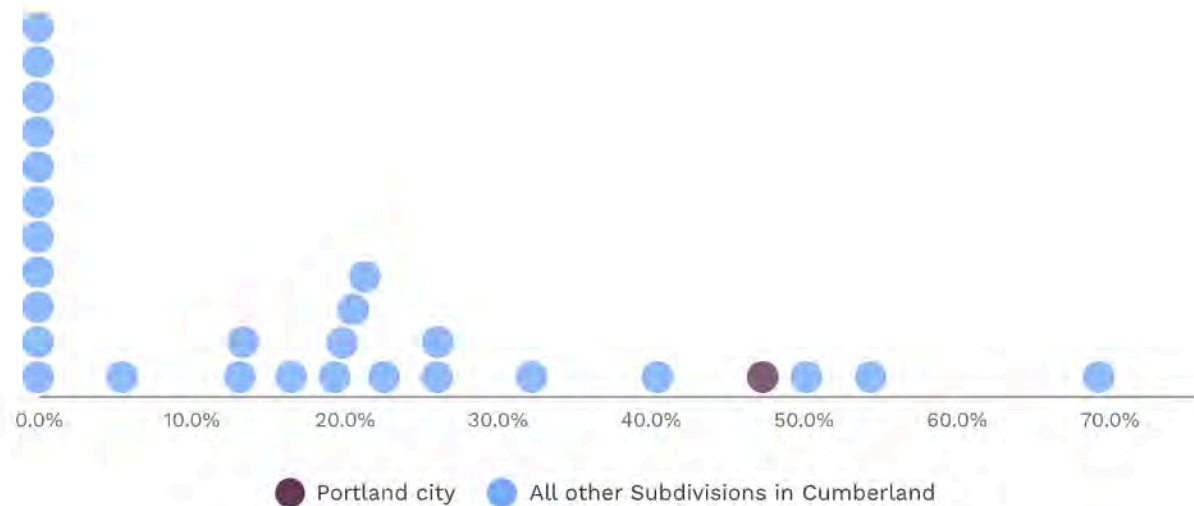
Rental Homes Affordable Under 60% AMI by Deed Restriction Status (2022)



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).

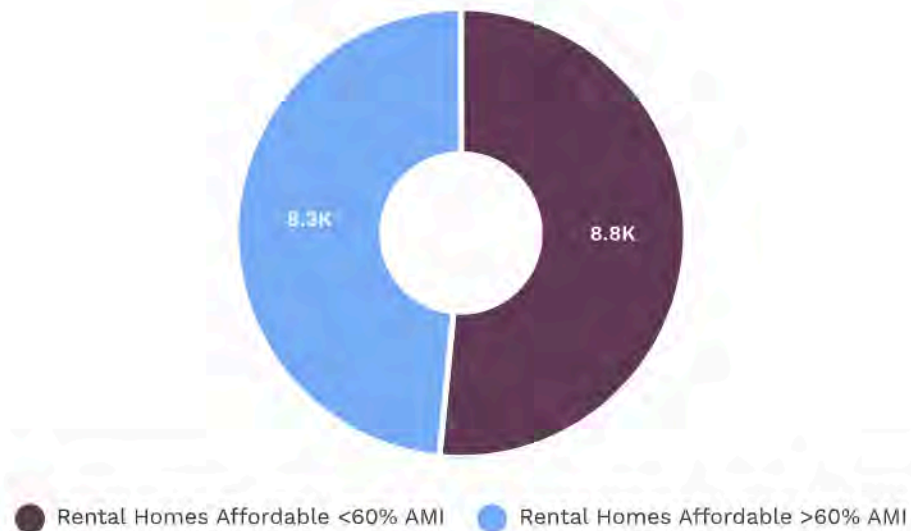
Share of Rental Homes Affordable <60% AMI That Are Deed-Restricted (2022)



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)

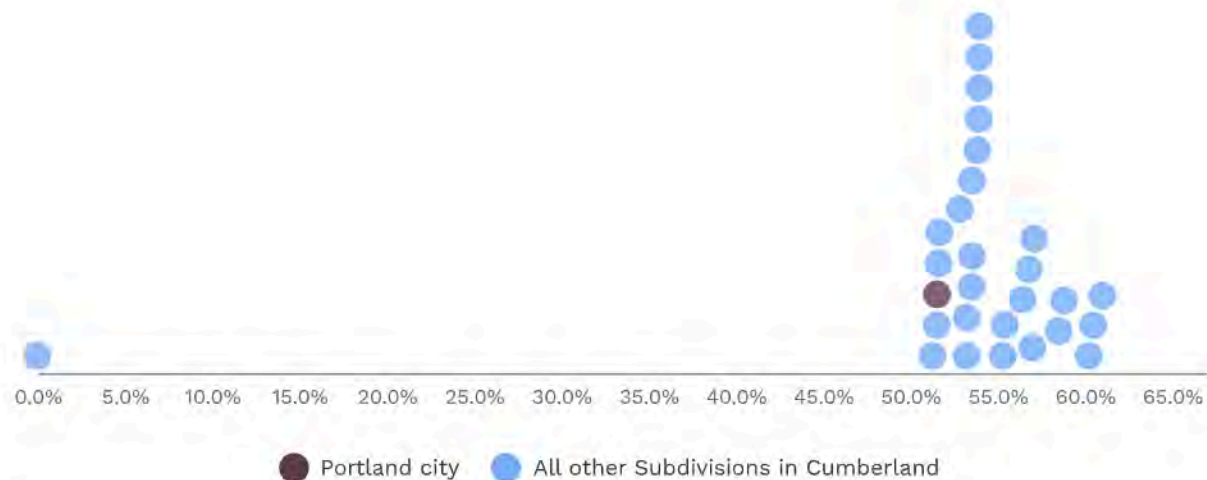


All rental homes includes all deed-restricted and unrestricted rental homes in the market.

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)**

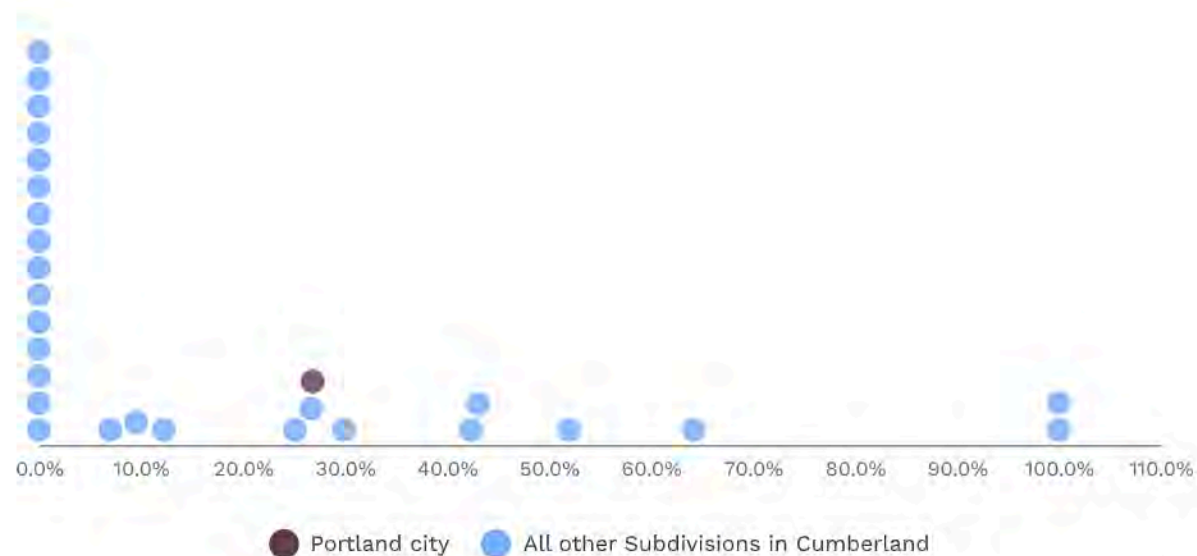


Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

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.

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)

Renter Households by AMI and Income

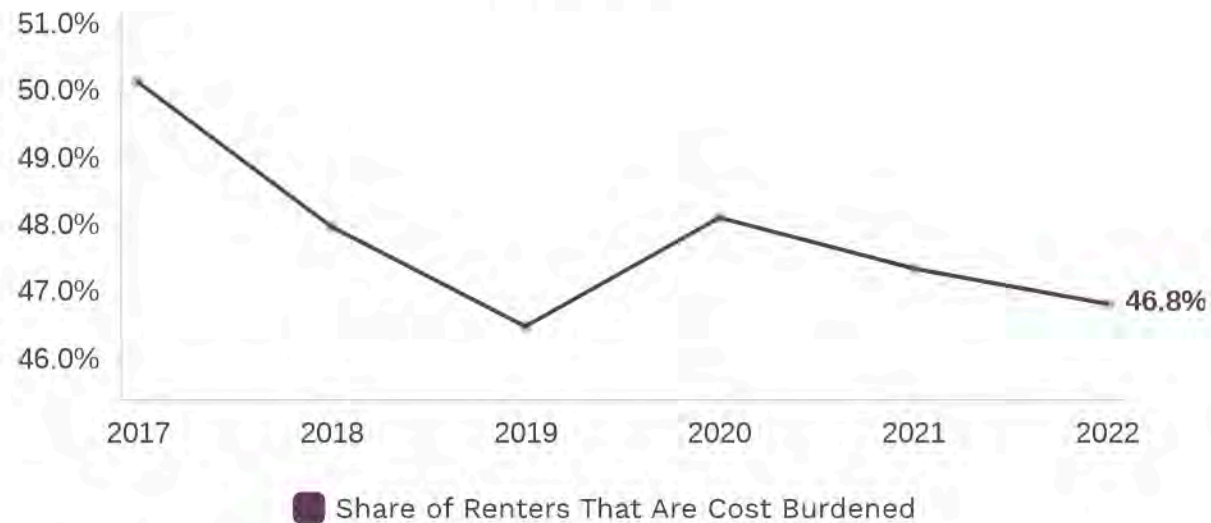


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Renter Cost Burden

**Renter Cost Burden Rate Over Time
(2017-2022)**

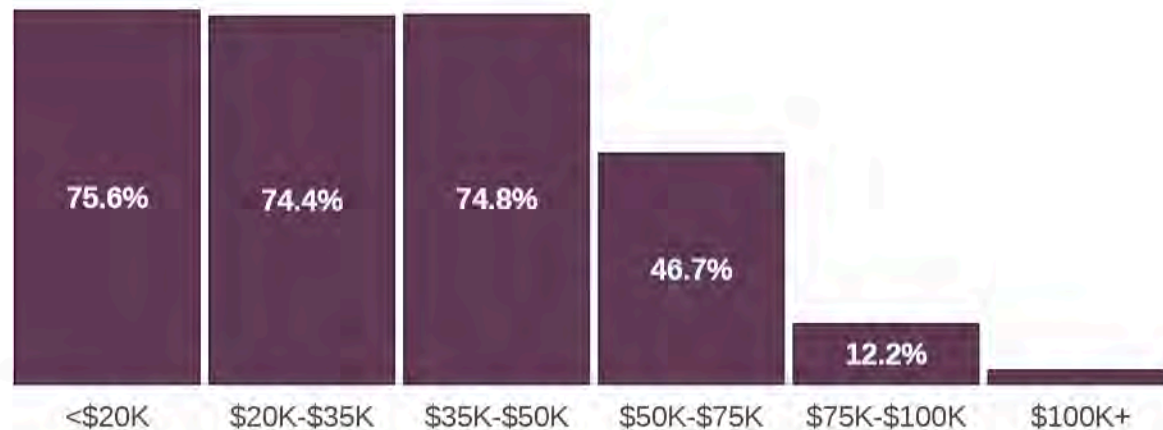


Source: American Community Survey (ACS), US Census Bureau

Renter Cost Burden by Income

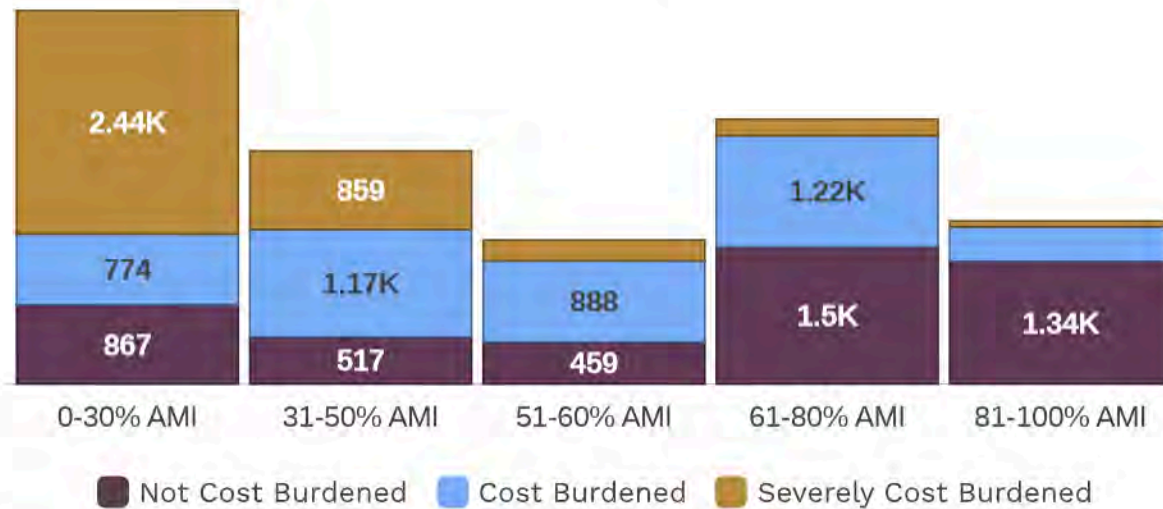
In 2022, 27.4% of renters in Portland city spent 30-50% of their income on housing (cost burdened), while 22.1% of renters spent more than 50% of their income on housing (severely cost burdened), for a total of 49.5% of all renters.

**Renter Cost Burden Rates by Household Income
(2022)**



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)

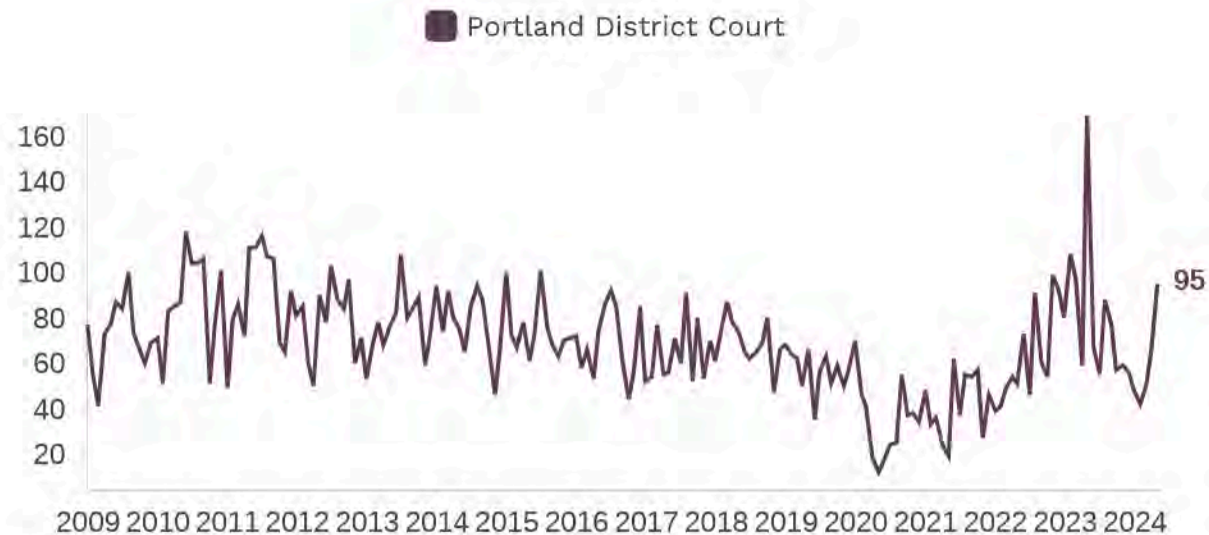
Cohort	Portland city ▲
Households of Other Races	43.4%
Households with Children	46.4%
All Renter Households	46.8%
Hispanic/Latino Households	47.9%
White Households	47.9%
Senior Households	54.7%
Black Households	64.3%
Asian Households	69.0%
Single-Parent Households	71.8%

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.

**Eviction Filings by Month
(2009-2024)**



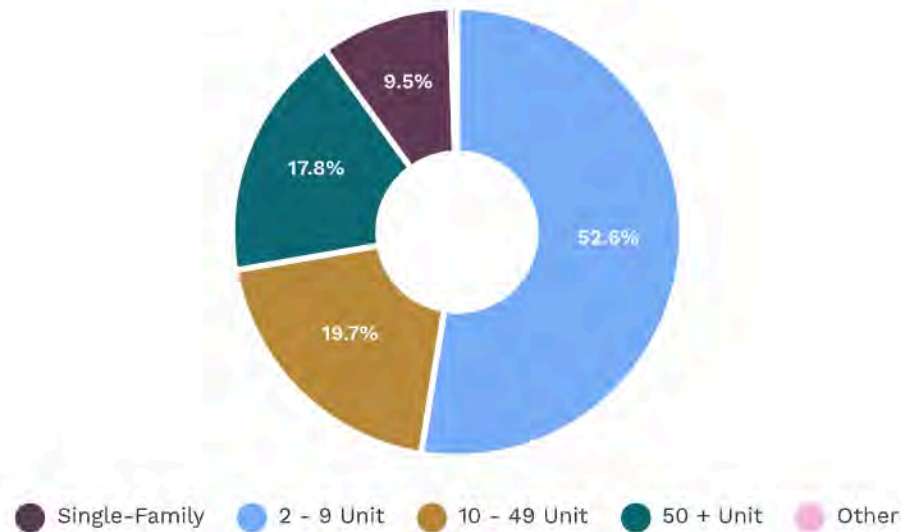
Source: State of Maine Judicial Branch

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.

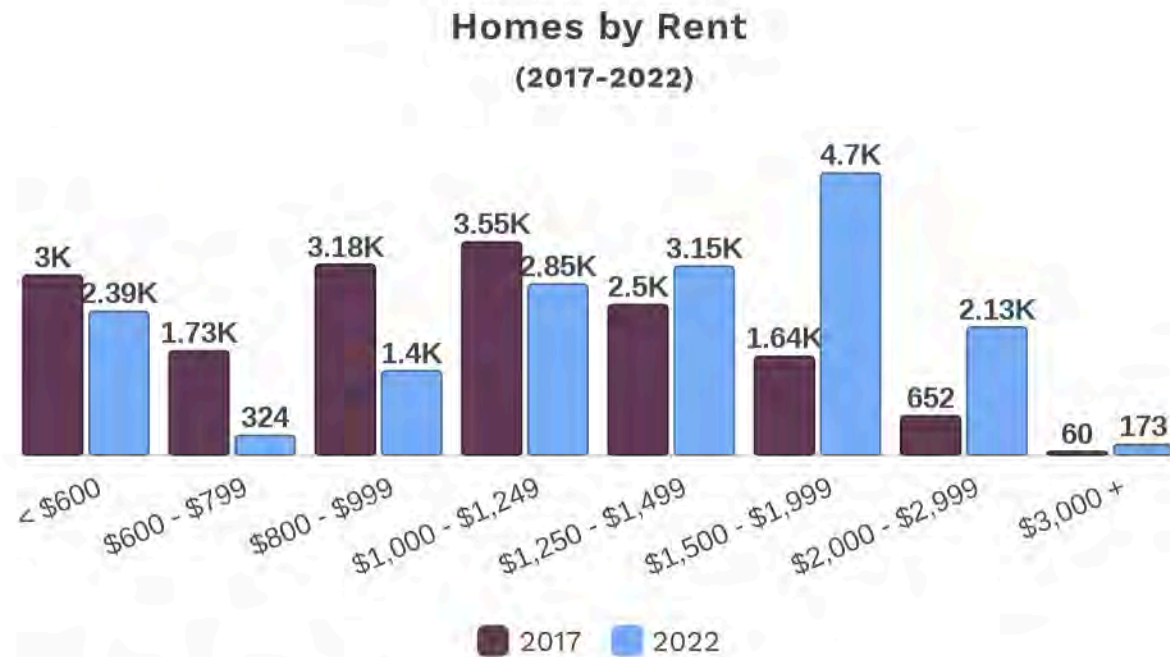
Rented Homes by Building Typology
(2022)



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

Homes by Rent

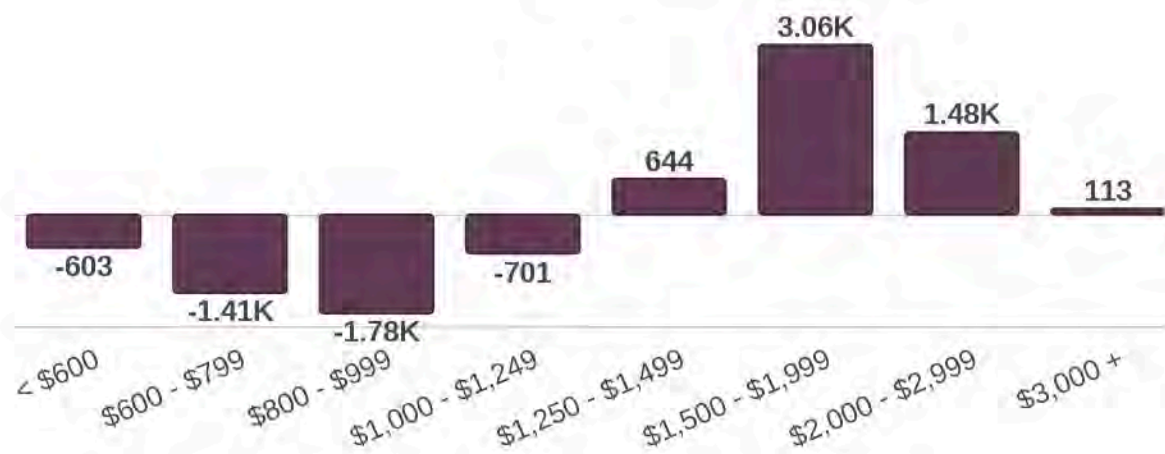
Between 2017 to 2022, the number of homes with rents below \$600 and between \$600-\$799 changed by -20.1% and -81.3% respectively.



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

Dollar values are nominal.

Change in Homes by Rent (2017-2022)

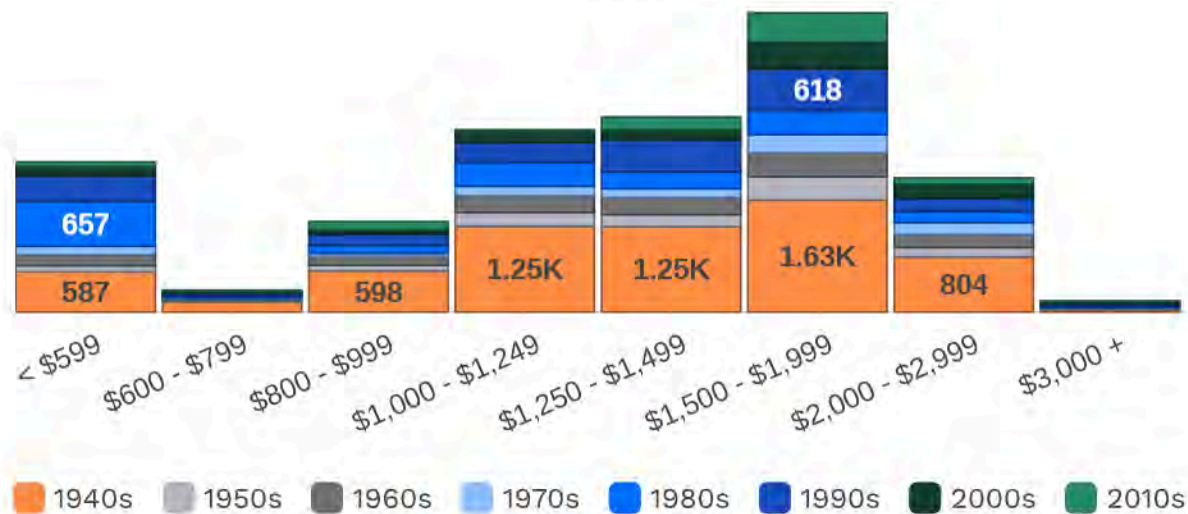


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Homes by Rent and Decade Built

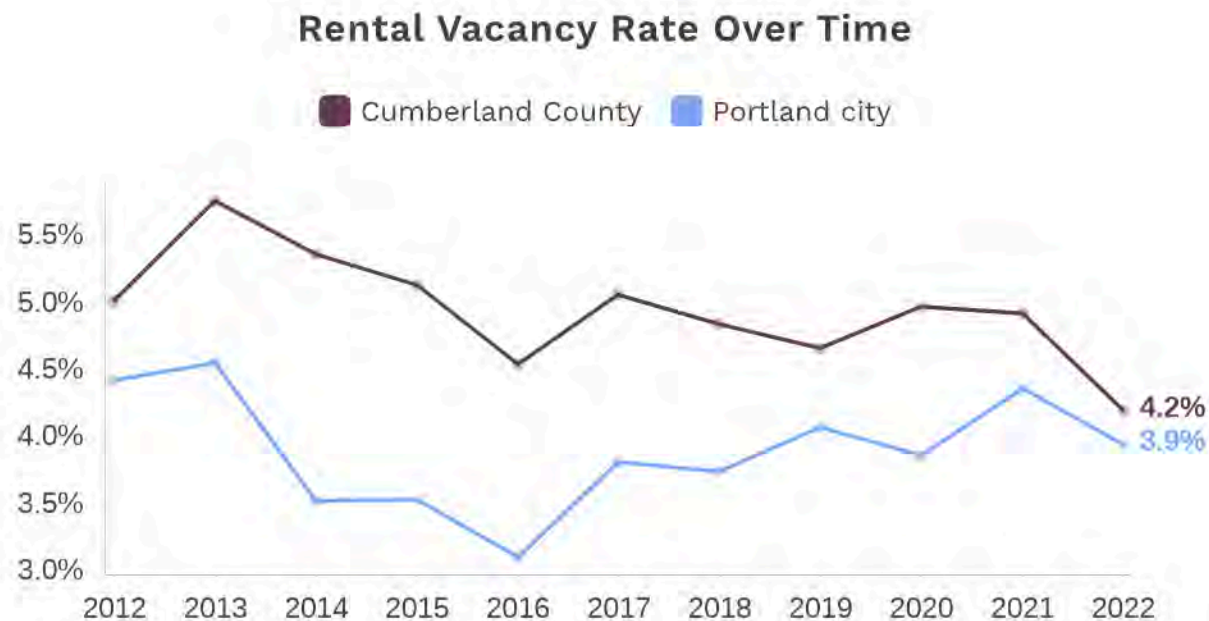
Homes by Rent and Decade Built
(2022)



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

Rental Vacancy Rate

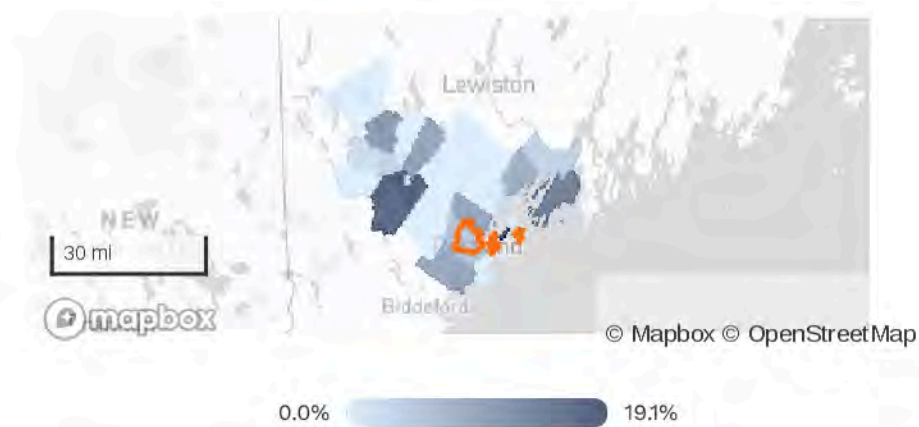
The rental vacancy rate measures the share of all rental housing that is vacant for rent and indicates the availability of rental housing for someone moving homes or moving into the community. In 2022, 3.9% of all rental homes in Portland city were vacant for rent. This reflects a tightening in the rental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

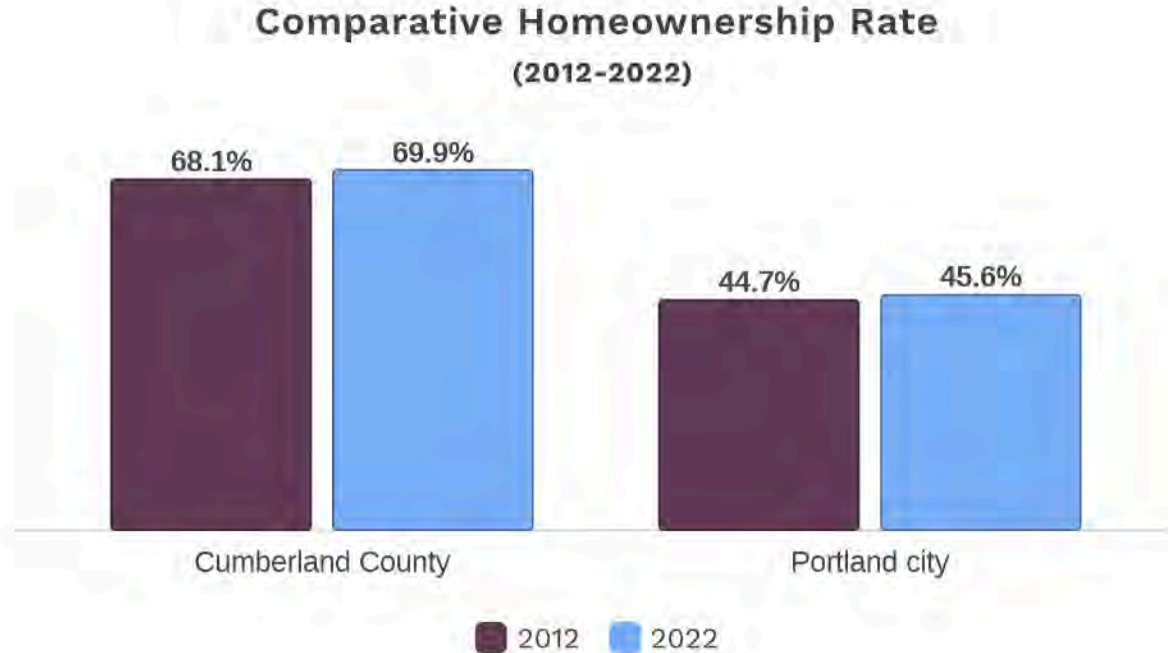
Portland city

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.

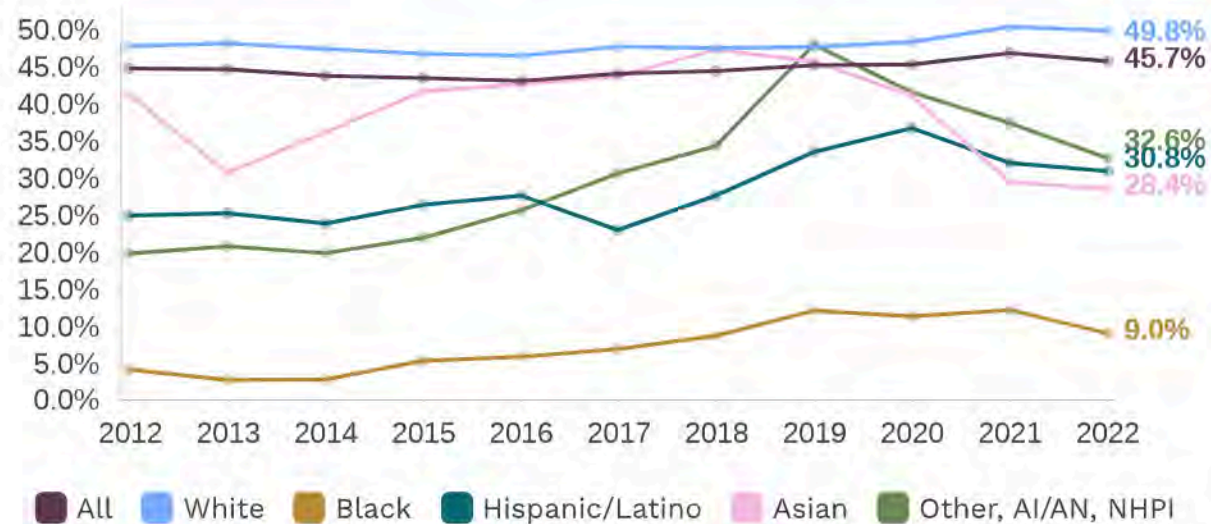
Homeownership Rate

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)

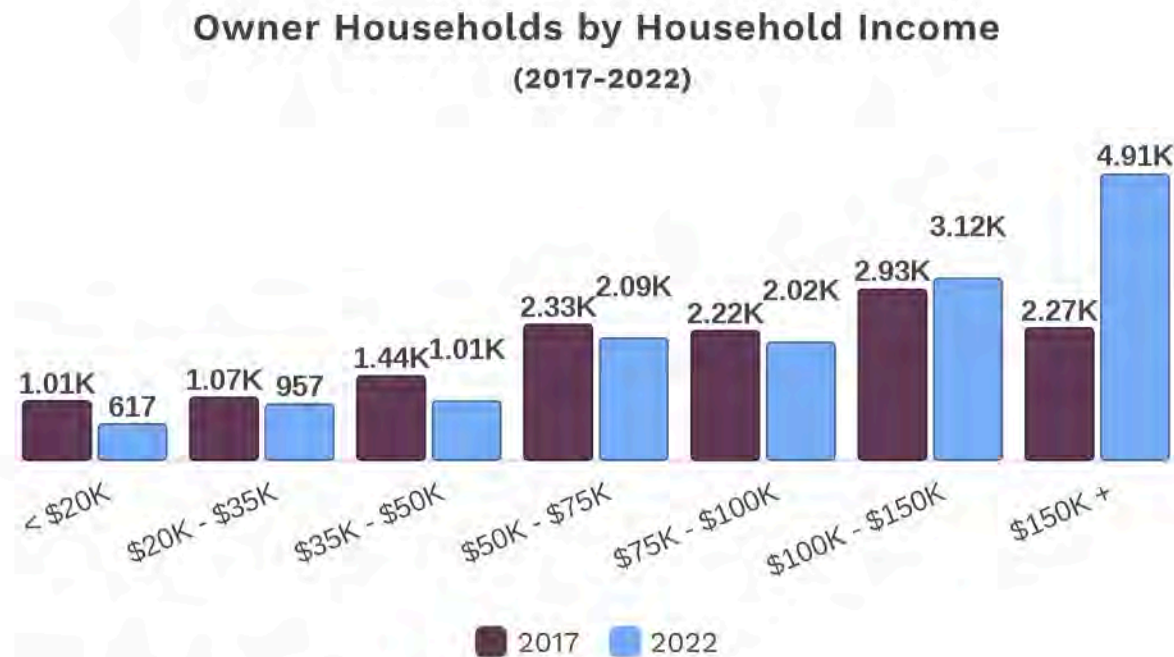


Source: American Community Survey (ACS), US Census Bureau

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

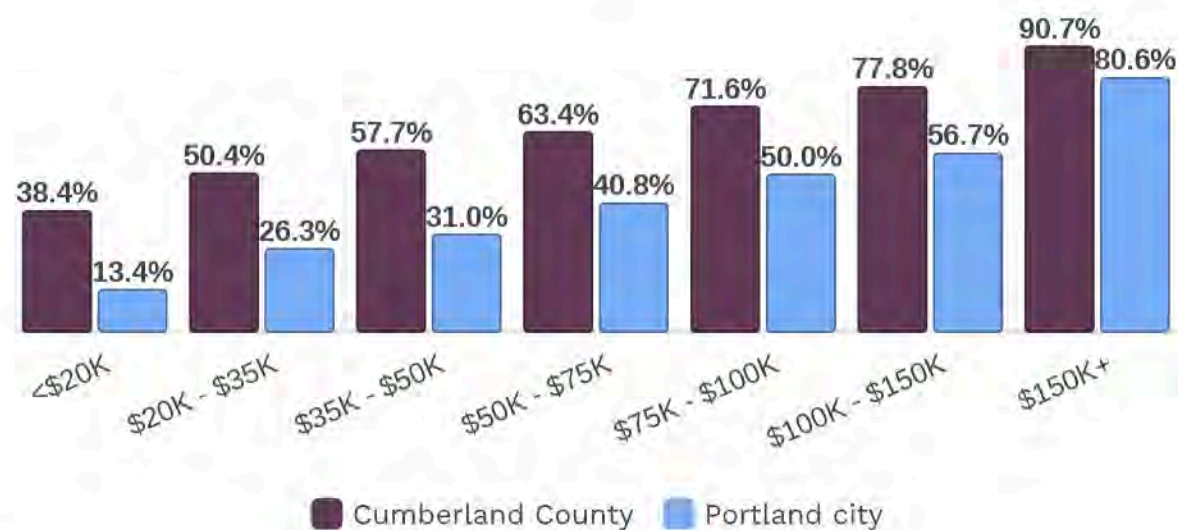
Households making more than \$150K had the highest rates of homeownership in Portland city in 2022 at 33.3%. For households making \$35K - 50K, the homeownership rate was 6.8% and has decreased from 12.6% in 2012.



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

Dollar values are nominal.

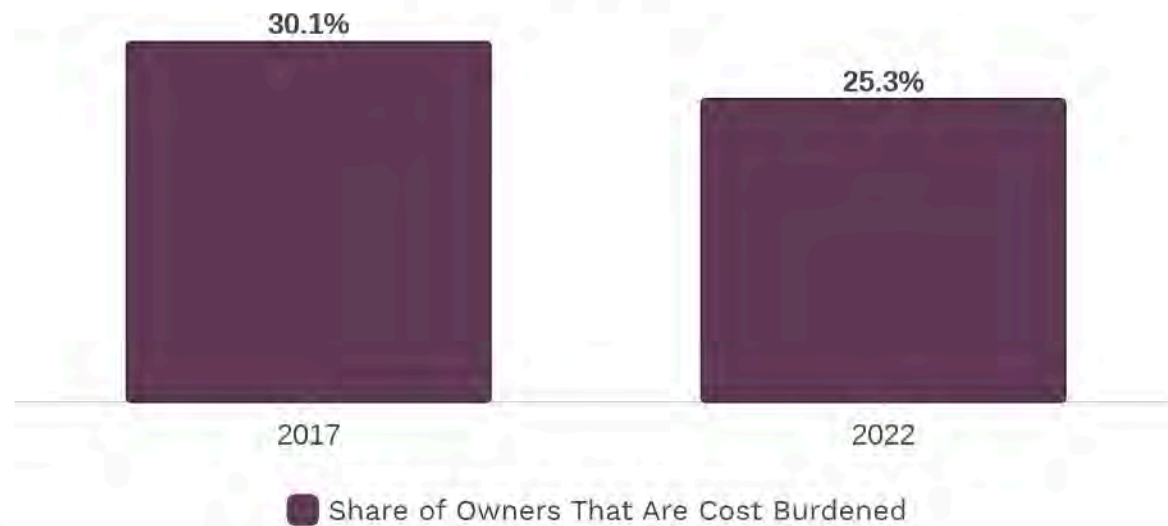
Comparative Homeownership Rate by Household Income (2022)



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

Owner Cost Burden

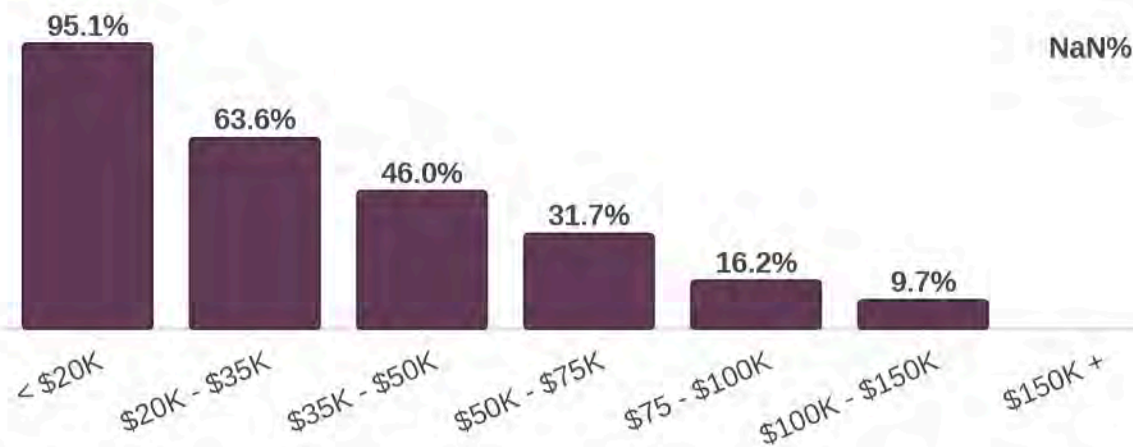
Owner Cost Burden Rate Over Time
(2017-2022)



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

Owner Cost Burden by Income

Owner Cost Burden Rates by Household Income
(2022)



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)

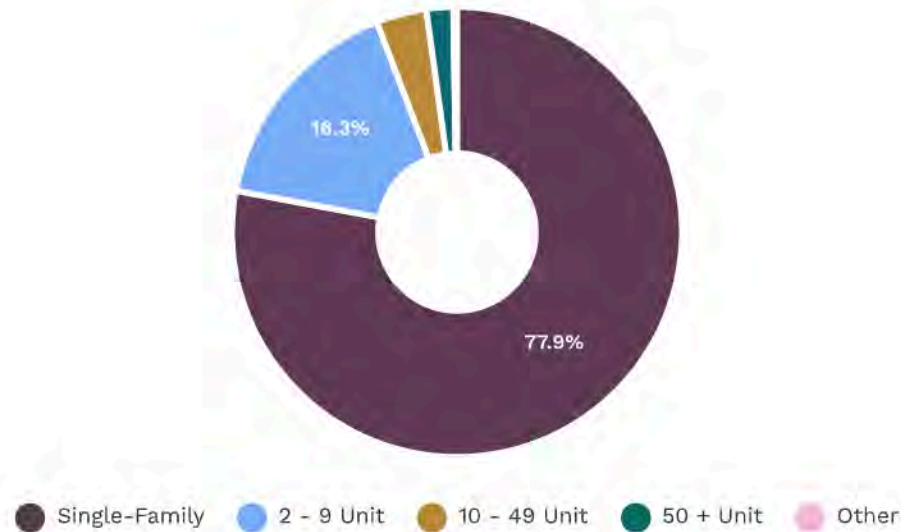
Cohort	Portland city ▲
Households with Children	17.3%
White Households	21.6%
All Owner Households	25.3%
Households of Other Races	26.3%
Hispanic/Latino Households	26.8%
Senior Households	27.8%
Black Households	35.8%
Asian Households	37.3%
Single-Parent Households	56.5%

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.

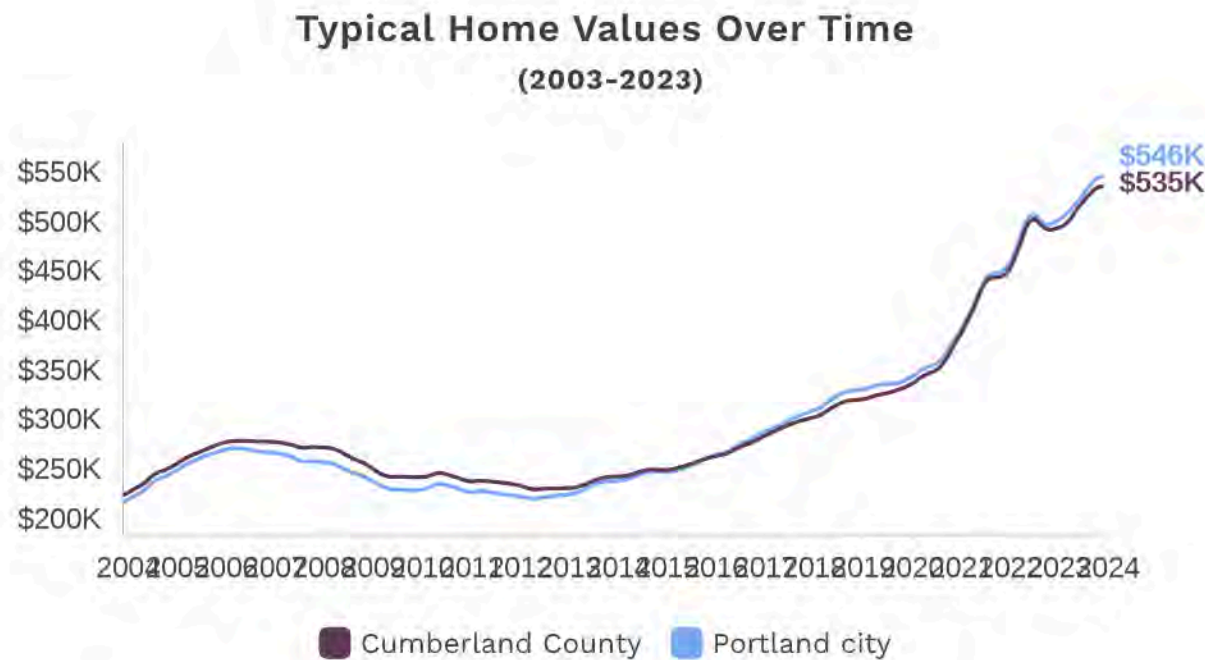
Owned Homes by Building Typology
(2022)



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

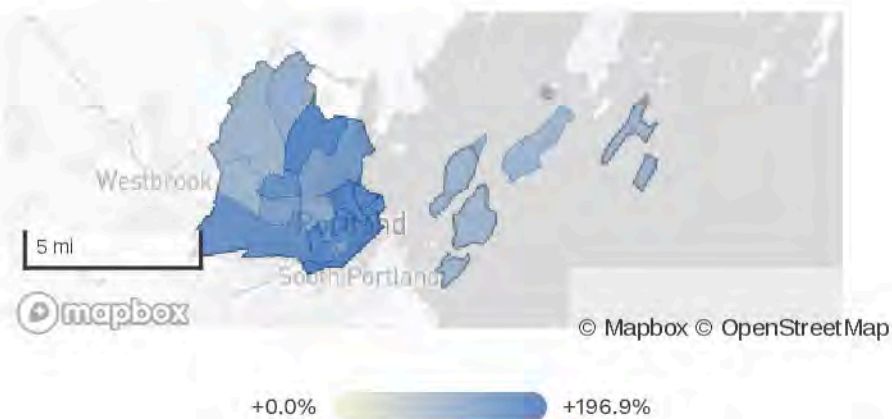
Home Values

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)



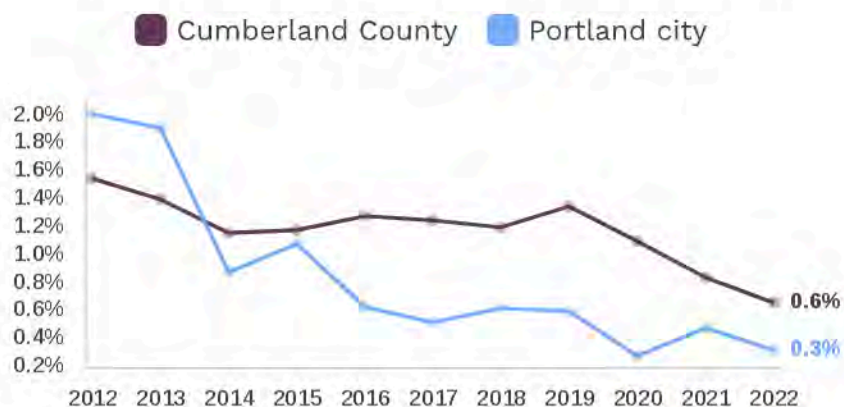
Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

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

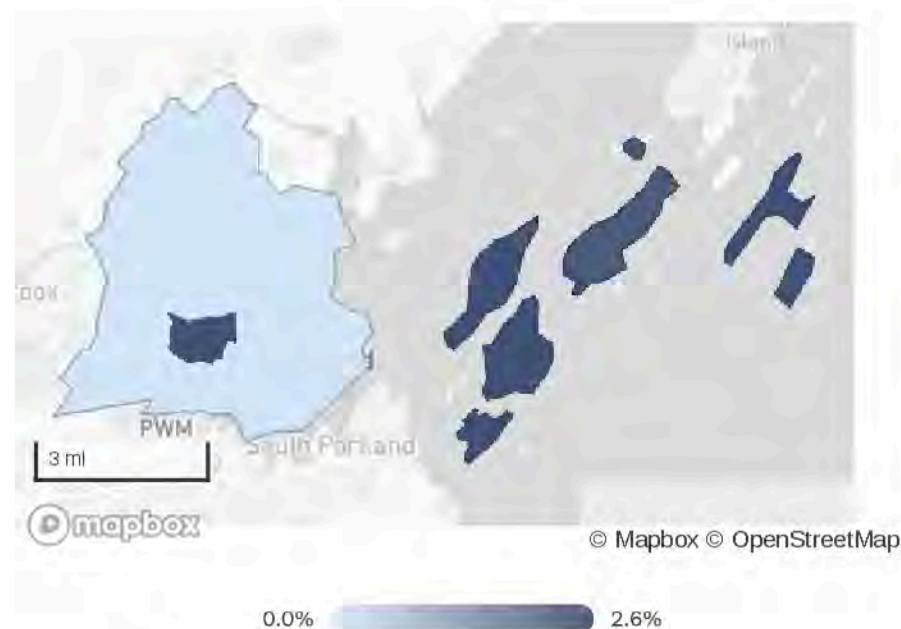


Source: American Community Survey (ACS), US Census Bureau

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.

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

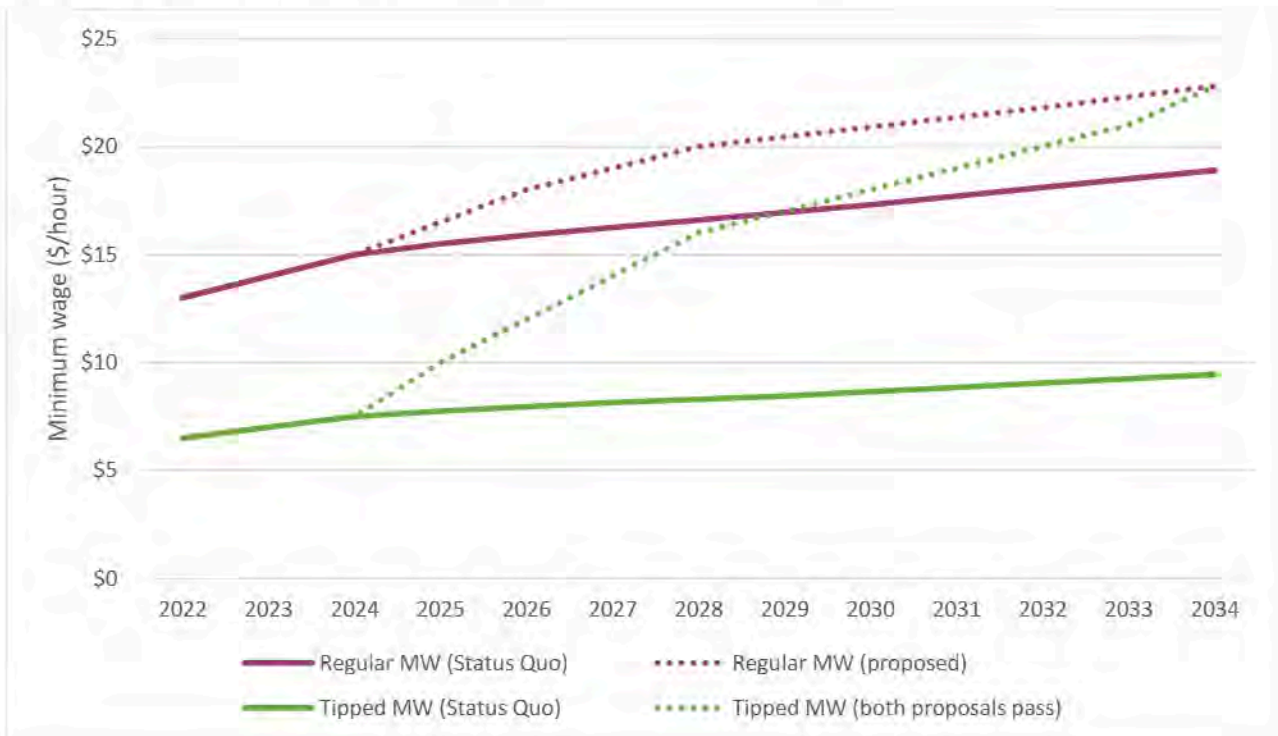
August 12, 2024

Dear Councilors,

Please find below analysis from the Maine Center for Economic Policy on 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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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,



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,

--

Bridget Hoke



Lori Paulette <ljn@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 <ljn@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 <ljp@portlandmaine.gov>

Please Support A Minimum Wage Increase

Paul Caruso <crusopaul@gmail.com>

Tue, Mar 18, 2025 at 1:48 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hello,

My name is Paul Caruso and I am a resident of Portland living on High Street. I am writing you to request your support for a more livable minimum wage in Portland.

I have been living in Portland for almost 5 years with my roommate. For about a year and a half, I have been working a part-time job with the City of Portland's Parking Department at the Spring Street garage. I still occasionally work there for the good company, and will always be grateful for the opportunities the city and position has provided me with!

At one point, this was my only source of income at \$16 an hour and I was offered maybe 20-30 hours a month. This was during a period of about a year and a half in which I was actively applying for jobs with maybe only 4 follow ups for interviews. I could not afford to eat, pay my rent, and maintain my health on my own. I have no reason to believe that the job nor housing markets are doing any better.

I firmly believe that Portland's minimum wage should be increased and that its workers deserve better. Additionally, I would love to live in a Portland where we can guarantee a reasonable base pay for service workers that is on par with the minimum wage. We should not be making exceptions to what we think constitutes a livable minimum wage based on an individual's profession, especially if that profession represents the workers that hold up our vital tourism industry, such as those in the food and restaurant businesses.

I think that by supporting such initiatives, you provide a more realistic pathway for someone to get out of an unhoused situation. Employment is a complicated issue of course, but the path out of poverty should not be ridden with pitfalls and traps like exploitative wage exceptions for those who need a safe place in society the most.

I am sure that you are going to hear from business owners who claim that their businesses will suffer as a consequence of paying their workers a more livable wage. I implore you to challenge the underlying assumption of this argument that a business is always worth supporting.

If a business model requires exploitation, why should the city of Portland roll out a red carpet? For a business that exploits the workers, residents, and staff of Portland? You should treat this as a signal that the business owner is operating on their own financial interest; they do not care about the city nor the diverse communities in the city. Please reject this open sentiment for exploitation, and any calls for it.

Alternatively, supporting a minimum wage increase will always contribute to the wellbeing of the workers, residents, and staff

of the city. Supporting workers is supporting the city. Please support the City of Portland by supporting any and all increases to the minimum wage.

Thank you,
Paul Caruso



Lori Paulette <ljp@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 then 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 then 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@mainesda.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>
To: "ljn@portlandmaine.gov" <ljn@portlandmaine.gov>

Mon, Mar 17, 2025 at 3:49 PM

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

maintained as active, walkable, pedestrian-oriented activity centers.

FISCAL IMPACT

There will be no impact to the General Fund. Staff envision that facilitating the installation of artwork into vacant windows will entail some cost, up to \$25,000 which would either come from grant funding or the Portland TOD Downtown TIF.

CONCLUSION

Recommendation:

1. Motion to recommend to the Planning Board and City Council approval of the commercial vacancy ordinance.

NEXT STEPS:

If the Committee supports the ordinance as drafted, the proposal will proceed to the Planning Board for review and a recommendation on a text amendment to add a reference to the Vacancy Ordinance in the PAD Overlay Section of the Land Use Code. Following the Planning Board's recommendation, both the text amendment and vacancy ordinance will then move to the full City Council for their consideration and approval.

PRIOR COMMITTEE REVIEW

N/A

PREPARED BY

Gregory P. Watson
Director
Housing and Economic Development Department

ATTACHMENTS

Attachment A - [Draft Commercial Vacancy Ordinance](#)

Attachment B - [Slideshow](#)

Article XXX. Vacant Commercial Properties

A)

B) SEC. 6-XXX. PURPOSE

The purpose of this article is to promote public welfare, economic development and vibrancy in the city by incentivizing occupancy in its street-level commercial spaces.

C) SEC. 6-XXX. APPLICABILITY

This article shall apply to buildings located within those areas identified on the Pedestrian Activities District (PAD) Overlay Zone map (Figure 8-H) zoned for commercial use with storefronts on the ground level.



FIGURE 8-H: PEDESTRIAN ACTIVITIES DISTRICT (PAD) OVERLAY

D) SEC. 6-XXX. DEFINITIONS

The following words, terms and phrases, when used in this ordinance, shall have the following meaning:

Vacant commercial property shall mean any commercial real property with buildings that have a visible storefront on the ground level that has not been used or occupied for a period of at least 90 consecutive days after the effective date of this Article and is not undergoing construction, rehabilitation, renovation, or repair, as evidenced by an active permit issued by the city, to make the building fit for occupancy.

Property owner shall mean a person or entity who alone or severally with others:

(a) Has legal or equitable interest in any commercial building or has care, charge, or control of any commercial building in any capacity including but not limited to agent, executor, administrator, trustee, or guardian of the estate of the holder of legal title;

(b) Is a tenant with a legal right to possess an entire commercial building or the unit or portion of the building that contains vacant commercial property;

(c) Is a mortgagee in possession of any commercial building that contains vacant commercial property;

(d) Is an agent, trustee, receiver, or other person appointed by the courts and vested with possession or control of any commercial building that contains vacant commercial property; or

(e) Is an officer or trustee of an association of unit owners of a condominium or cooperative which contains a vacant commercial property.

Temporary Art shall mean works of art for public viewing displayed inside windows of vacant commercial properties.

E) SEC. 6-XXX. REGISTRATION REQUIRED

Not more than thirty (30) days after a commercial property becomes a vacant commercial property as defined in this

article, the property owner shall register the vacancy with the city's housing and economic development department. The registration shall include the address and location of the vacant commercial property, the current permitted use for the property pursuant to the city's permit records and the city's land use code, the size and layout of the available space, the reason for the vacancy, the desired rent amount, the date when the vacant commercial property was last occupied and the contact information for the property owner or person with authority to remedy the property vacancy.

The city's housing and economic development department shall establish a registry of vacant commercial properties which shall be publicly available on the city's website.

Sec. 6-XXX Registration Fee

Upon initial registration and by January 1st of each year thereafter, property owners shall pay the city a registration fee for each vacant commercial property in the amounts set forth below. Unless a waiver is granted pursuant to Section 6-XXX, a vacant commercial property shall not be considered registered unless and until this fee is paid in full.

- f) \$250.00 for properties that have been vacant for more than 3 months and less than one year;
- g) \$500.00 for properties that have been vacant for at least one year but less than two years;
- h) \$1,000.00 for properties that have been vacant for at least two years but less than three years;
- i) \$2,000.00 for properties that have been vacant for at least three years but less than five years;
- j) \$3,500.00 for properties that have been vacant for at least five years but less than ten years; and
- k) \$5,000.00 for properties that have been vacant for at least ten years, plus an additional \$500.00 for each year in excess of ten years.

Sec. 6-XXX. Waiver.

The housing and economic development director may grant a waiver of the registration fee upon written request from the

property owner if the housing and economic director determines, in their sole discretion, that one of the following conditions is met:

a) At the time of registration of a vacant commercial property, a property owner and the City enter into a license agreement in form and substance satisfactory to the City, for a term not to exceed twelve (12) months, pursuant to which the City will be authorized to install temporary art in any exterior-facing window of the property at the sole discretion of the City while the property is vacant; or

b) That special or extenuating circumstances exist that prevent the property from being used or occupied and failure to use or occupy a vacant commercial building does not violate the purpose or intent of this ordinance.

Any waiver granted under this section may be revoked by the director of housing and economic development in the event they determine that either of the two above conditions is no longer met. In the event a waiver is revoked, the director of housing and economic development shall provide written notice to the property owner and the property owner shall have thirty (30) days from the date of that notice to pay the registration fee in full.

L) SEC. 6-XXX. ENFORCEMENT

M)

a) The director of housing and economic development or their designee shall have the primary responsibility for enforcement of this article.

b) Failure to register a vacant commercial property pursuant to this article shall be a civil violation subject to the general penalty provisions of section 1-15 of this Code.

c) The director of housing and economic development is authorized to institute, or cause to be instituted by the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or

necessary for the enforcement of the provisions of this article.

N) SEC. 6-XXX. SEVERABILITY

If any section, paragraph, sentence, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court, such decision shall not affect the validity of the remaining provisions of this ordinance.

City of
portland



PORTLAND ARTS

DISTRICT



Recap

- Spring of 2024: HEDD staff contacted by stakeholders concerned about commercial vacancies in the Arts District
- Summer of 2024: HEDD staff launch survey of businesses and property owners regarding challenges they face in the neighborhood
- October 2024: [HEDD staff shared survey results to HEDC;](#) HEDC discussed possible responses including a commercial vacancy ordinance
- January 2025: HEDC puts Commercial Vacancy Program on annual workplan
- April 2025: HEDD staff in coordination with other City Departments present draft commercial vacancy ordinance to HEDC for possible recommendation to City Council.





How does the neighborhood compare?

- National retail vacancy rate: 4.1% (source: Colliers)
- Fore Street between 280 and 508 (0.5 miles) 7.25% (source: HEDD staff)
- Congress Street between 411 and 642 (0.5 miles): 17.8% (source: HEDD staff)

Proposed Commercial Vacancy

- Registration with City (which will be used to publicize vacancies)
- Progressive fee for vacant storefronts
- Waiver for artwork in window and/or active renovation

