

**Housing & Economic
Development Committee Meeting**
Tuesday, May 20, 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.

Please click on the Zoom link below to join the meeting:

<https://portlandmaine-gov.zoom.us/j/88001080853?pwd=QVbQdPA8gUZ4gnh2ZZFJayFBjkDrEK.1>
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+1 689 278 1000 US

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Webinar ID: 880 0108 0853

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

1. **Discussion: Staff presentation of 2024 Annual Housing Report - Kevin Kraft and Victoria Volent**
 - a. See attached 2024 Annual Housing Report
 - b. 2024 Housing Report - Staff Powerpoint Presentation at Meeting
2. **Communication: Quarter 1 (1/1/2025-3/31/2025) Rent Control Report - Jessica Hanscombe**
 - a. See attached Report.
3. **Consideration: FY2025 Agreement for the Portland Tourism Development District and vote on a recommendation to the City Council for approval - Greg Watson and Lynn Tillotson**
 - a. See attached Memoranda and backup.
NOTE: Public Comment on this item was accepted at the April 15, 2025, meeting and is not required to be taken at this meeting.
4. **Consideration: Review and vote on a recommendation to the City Council regarding Minimum Wage Policy - Councilors Regina Phillips and Kate Sykes**
 - a. See attached Memorandum and backup.
NOTE: Public Comment on this item was accepted at the March 20, 2025, and April 15, 2025, meeting and is not required to be taken at this meeting.
 - b. Public Comment attached.
5. **Consideration: Proposed Commercial Vacancy Program and vote on a recommendation to the City Council for approval - Greg Watson**
 - a. See attached Memorandum and backup.
NOTE: Public Comment on this item was accepted at the April 15, 2025, meeting and is not required to be taken at this meeting.
6. **(Public Comment) Consideration: Review and vote to recommend to the City Council an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement for Front Street Phase III - Mary Davis**
 - a. See attached Memorandum and backup.
NOTE: Pursuant to 1 M.R.S.A. 405(6)(C) and (F) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to review confidential material and provide direction to staff.

7. Communication: Update on the Housing and Urban Development ("HUD") Allocations for Community Development Block Grant program, the HOME Investment Partnership Program ("HOME"), and the Emergency Solutions Grant Program - Mary Davis and Rowen McAllister

- a. See attached Memorandum.

Next Meeting Date: June 17, 2025



2024 HOUSING REPORT



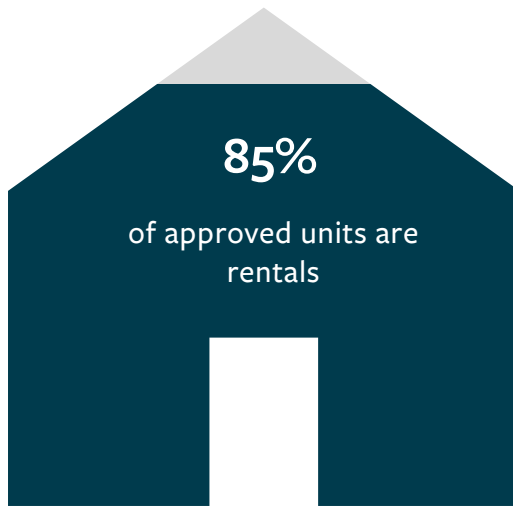
MAY 2025

The 2024 Housing Report has been prepared by the Departments of Housing & Economic Development and Planning & Urban Development for the City Council's Housing & Economic Development Committee. This report is designed to give an overview of housing development activity, funding sources, and projects benefitting from funding subsidies in the 2024 calendar year.

1. 2024 HOUSING DEVELOPMENT

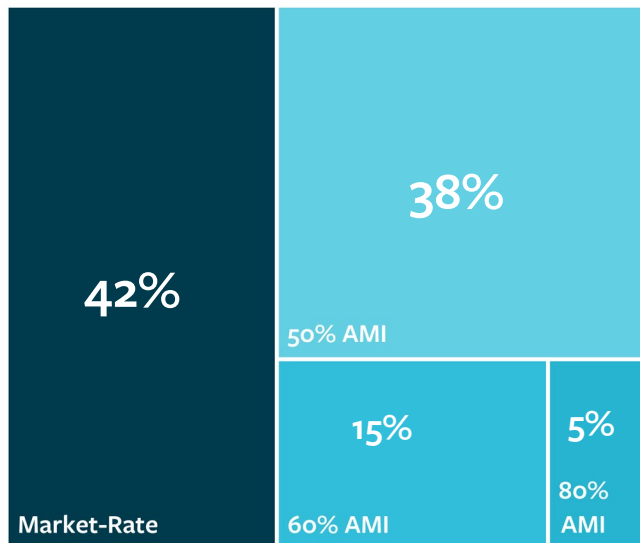
A. RESIDENTIAL APPROVALS

In 2024, a total of 64 residential projects were approved in the City of Portland, representing 464 dwelling units. 13 of these projects, with 393 units, were reviewed by the Planning Board, and the remaining 51 projects were approved administratively.



Rental/Ownership. Of the 464 total units approved in 2024, the majority (396, or 85%) are anticipated to be rental units, while the remaining units (68, or 15%) are anticipated as owner-occupied. A significant number of rental units were approved at 186 Woodford Street near Woodford's Corner, as well as in two projects on the peninsula at 331 Cumberland Avenue and 70 East Oxford Street (AKA 9 Boyd Street). The largest shares of anticipated ownership units were approved at 246 Eastern Promenade, within the Stroudwater Preserve subdivision, and in two separate 9-unit condominium projects at 64 Pine Street and 19 West Street.

Figure 1: Units Approved by Affordability (2024)



Affordability. The majority (268, or 58%) of the approved units for 2024 are proposed to be deed-restricted affordable housing for households earning at or below 80% Area Median Income (AMI) (Figure 1). All of these units are proposed as rental units and are located in buildings of 10 or more units. 25 of these units are proposed remain affordable to households earning at or below 80% of AMI, 69 are proposed to remain affordable at 60% AMI, and 174 are proposed to be affordable at 50% AMI.

Figure 2: Units Approved by Project Size (2024)

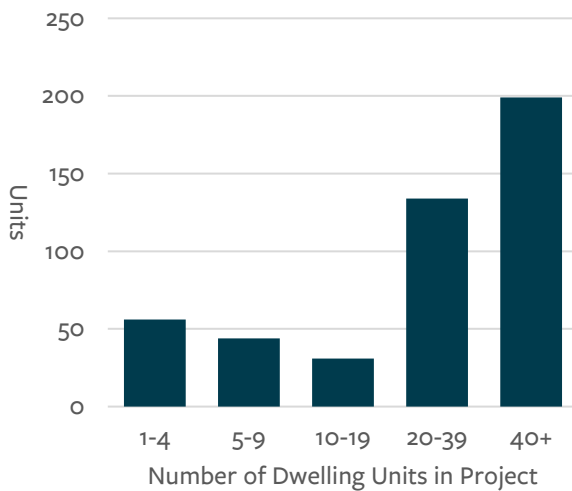
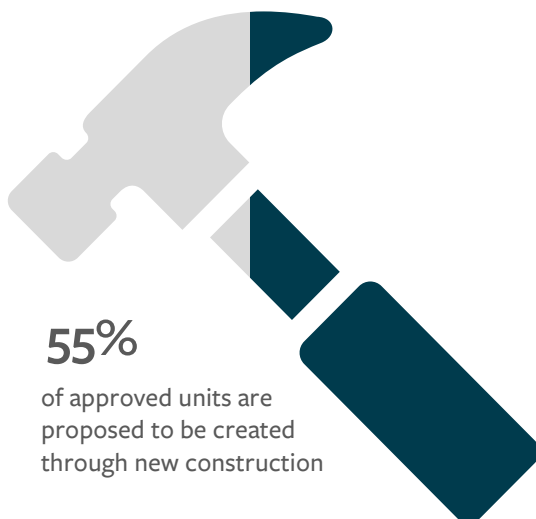
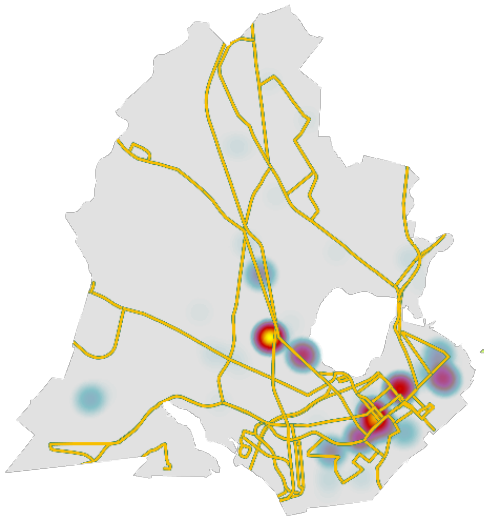


Figure 3: Units Approved (2024)



Project & Unit Size. Most of units approved in 2024 (408, or 88%) are proposed within buildings containing five or more units, with many of these buildings significantly larger than five units. In fact, projects proposing 30 or more units account for 72% of all approved units in 2024 (*Figure 2*). All ownership-unit projects were smaller in scale, each proposing fewer than 15 units. In contrast, the vast majority (351, or 89%) of rental units are proposed in buildings with 15 or more units. In terms of unit size, one-bedroom units made up the largest share of approvals in 2024 (38%), followed by two-bedroom units at (34%).

In smaller approved projects within buildings of 1-4 units in size, units tended to be larger, primarily comprised of two, three, or four bedrooms (47, or 84%). In larger approved projects of five or more total units in size, smaller one- and two-bedroom units predominated.

Location. A significant number of approved units in 2024 (280, or 60%), were located on the peninsula, concentrated near Congress Street. This includes the majority of both ownership and rental units. One notable exception to this pattern is the City's largest approval in 2024 at 186 Woodford Street, located near Woodford's Corner (*Figure 3*). Additionally, 130, or 28% of all approved units in 2024 were located in historic districts. Nearly all approved units (453, or 98%) are located within ¼ mile of a fixed-transit route, including all projects proposing the creation of 5 or more units.

Type of Construction. More than half of the approved units in 2024 (253, or 55%) are proposed as new construction, while the remaining 45% of approved units involve the adaptive reuse of an existing structure through renovation or addition. New construction rates are fairly consistent across project sizes, with 57% of smaller projects (1-4 units) and 54% of larger projects (5 or more units) involving new construction. A significant majority (74%) of affordable units are proposed as new construction, while 57% of market-rate units involve the reuse of existing structures. Additionally, 88% of ownership units are new construction, whereas 55% of rental units are expected to be created through reuse.

Figure 4: Units Approved (2024)

464 units approved

58% (268) deed-restricted affordable

85% (396) rentals

88% in buildings of 5 or more units

186 Woodford Street

84 affordable units of new construction and reuse of the Woodfords Congregational Church

70 East Oxford Street

55 affordable units of new construction

331 Cumberland Avenue

60 affordable units of new construction

Legend

1-4 Units

5 or More Units

Transit Line

Table 1: Units Approved (2024)

Address	Total Units	Total Affordable Units	Affordability Level	Ownership	Project Type
186 Woodford Street	84	84	50 & 60% AMI	Rental	New Construction; Renovation; Addition
331 Cumberland Avenue	60	48	Market rate & 50% & 60% AMI	Rental	New Construction
70 East Oxford Street	55	50	Market rate & 50% & 60% AMI	Rental	New Construction
509 Forest Avenue	38	10	Market rate & 80% AMI	Rental	Renovation
482 Congress Street	35	10	Market rate & 80% AMI	Rental	Renovation
156 High Street	31	31	50% AMI	Rental	Renovation; Addition
42 Atlantic Street	30	30	50% AMI	Rental	New Construction
985 Forest Avenue	18	5	Market rate & 80% AMI	Rental	Renovation
246 Eastern Promenade	13	0	Market-rate	Ownership	New Construction
19 West Street	9	0	Market rate	Ownership	New Construction; Renovation
64 Pine Street	9	0	Market rate	Ownership	New Construction
215 Commercial Street	9	0	Market rate	Rental	Renovation
90 Atlantic Street	6	0	Market rate	Ownership	New Construction
156 Woodford Street	6	0	Market rate	Rental	Renovation
56 Cumberland Avenue	5	0	Market rate	Ownership	New Construction
117 Preble Street	3	0	Market rate	Rental	Renovation
18 Central Avenue	3	0	Market rate	Ownership & Rental	New Construction
815 Stevens Avenue	2	0	Market rate	Rental	Renovation
26 Hawthorne Street	2	0	Market rate	Ownership	New Construction
26 Thomas Street	2	0	Market rate	Rental	Renovation
56 Clark Street	2	0	Market rate	Ownership	New Construction
736 Seashore Avenue	1	0	Market rate	Ownership	New Construction
195 West Shore Drive	1	0	Market rate	Ownership	New Construction
14 Kendall Street	1	0	Market rate	Ownership	New Construction
67 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
61 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
53 Lafayette Street	1	0	Market rate	Rental	Renovation
86 Morning Street	1	0	Market rate	Rental	Renovation
66 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
222 Ludlow Street	1	0	Market rate	Ownership	New Construction
165 Pearl Street	1	0	Market rate	Rental	Addition
180 State Street	1	0	Market rate	Rental	Renovation
4 Oramel Avenue	1	0	Market rate	Rental	New Construction
100 Pleasant Street	1	0	Market rate	Ownership	Renovation
851 Seashore Avenue	1	0	Market rate	Ownership	New Construction
25 (AKA 29) Motley Street	1	0	Market rate	Rental	New Construction
538 Brighton Avenue	1	0	Market rate	Rental	Renovation
75 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
87 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
183 Park Avenue	1	0	Market rate	Rental	Renovation
610 Congress Street	1	0	Market rate	Rental	Renovation
92 Luther Street	1	0	Market rate	Ownership	New Construction
84 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
78 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
38 Smith Street	1	0	Market rate	Rental	Renovation
92 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
70 (AKA 68) Skylark Road	1	0	Market rate	Rental	New Construction
72 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
6 Samuel Road	1	0	Market rate	Rental	Renovation
1399 Congress Street	1	0	Market rate	Rental	Renovation
265 Stevens Avenue	1	0	Market rate	Rental	New Construction
14 Emerson Street	1	0	Market rate	Rental	Renovation
163 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
32 Jackson Street	1	0	Market rate	Ownership	New Construction
62 Upper A Street	1	0	Market rate	Ownership	New Construction
42 Codman Street	1	0	Market rate	Rental	New Construction
36 Vera Street	1	0	Market rate	Rental	Addition
14 Orchard Street	1	0	Market rate	Rental	Addition
600 Seashore Avenue	1	0	Market rate	Ownership	New Construction
6 Summit Street	1	0	Market rate	Rental	Renovation
36 Luther Street	1	0	Market rate	Rental	Addition
372 Brighton Avenue	1	0	Market rate	Ownership	New Construction
79 Black Sparrow Drive	1	0	Market rate	Rental	Renovation
Total	464	268			

B. RESIDENTIAL CERTIFICATES OF OCCUPANCY

In 2024, 71 residential projects were completed, resulting in the creation of 582 units. 11 of these projects, representing 90% of units (522) were reviewed by the Planning Board. The remaining 10% of projects (56) created 60 units and were reviewed administratively.

Rental/Ownership. Of the 582 total units completed in 2024, the majority (431, or 74%) are anticipated as rental units. Notable larger projects completed in 2024 with rental units include 200 Federal Street, 91 Winter Street, 63 Front Street, and 73 Winter Street. Larger projects with ownership units include 387 Commercial Street, 65 McAuley Way (Building 2), the Stroudwater Preserve Subdivision, and 39 Winter Street.

Affordability. The majority of units completed in 2024 (413, or 71%) are market-rate (*Figure 5*). The 169 affordable units completed in 2024 are all rental units and are located in developments of 20 or more units. Of the 169 affordable units, 27 are restricted to households earning at or below 100% of AMI, 50 are affordable at 60% AMI, 90 at 50% AMI, and 2 units at 40% AMI.

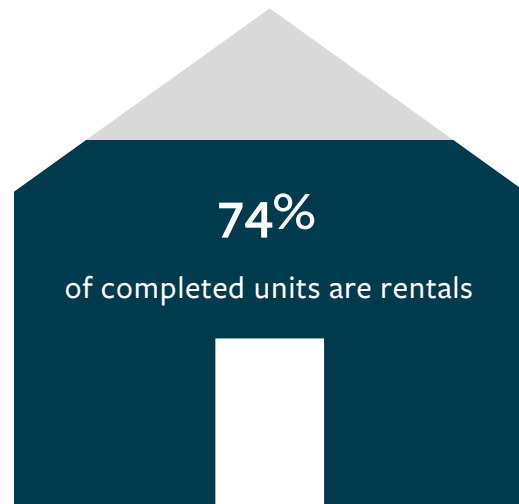
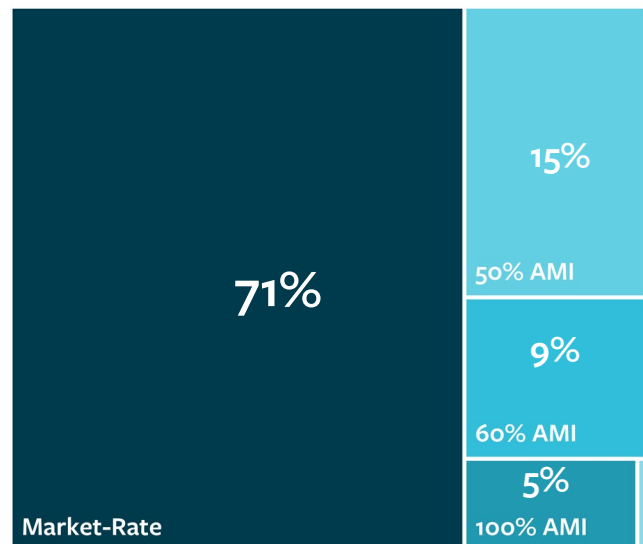


Figure 5: Units Completed by Affordability (2024)



Less than 1% of units completed in 2024 were dedicated for households earning up to 40% AMI.

Project & Unit Size. A significant number of completed units (495, or 85%) are located within projects containing five or more units, with projects of 30 or more units accounting for 80% of all completed units. The majority of completed ownership units (92, or 61%) are in larger multi-unit developments such as (387 Commercial Street and 65 McAuley Way). A much larger share (403, or 91%) of completed rental units are in projects of 30 or more units. In terms of unit size, the highest proportion of completed units were one-bedroom units (47%), followed by studios at (22%). Units in smaller projects are generally larger, with 79% consisting of one, two, or three bedrooms. Units in projects with 5 or more units typically follow different size trends, with a greater proportion of smaller are smaller units, with 92% comprised of studio, one, or two-bedroom units.

Location. The majority of completed units (462, or 80%), both rental and ownership, were located on the peninsula in the Downtown and West End neighborhoods. There were also larger projects completed off-peninsula in the East Deering (45 Front Street) & Deering Center (65 McAuley Way) neighborhoods (*Figure 7*). 372, or 64% of all completed units in 2024, were located in historic districts, representing the highest number of total units created in historic districts in the last fourteen years. Nearly all completed units (561, or 96%) are located within ¼ mile of a fixed-transit route, including all projects proposing the creation of 5 or more units.

Type of Construction. Almost all units completed in 2024 (561, or 96%) were created through new construction, while the remaining 4% involved the reuse of an existing structure through renovation or addition. All projects that created 5 or more units, as well as all affordable housing projects, were completed through new construction.

Figure 6: Units Completed by Project Size (2024)

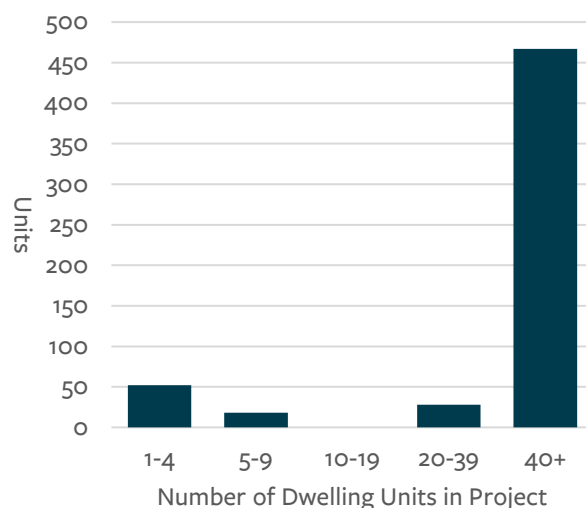


Figure 7: Units Completed (2024)

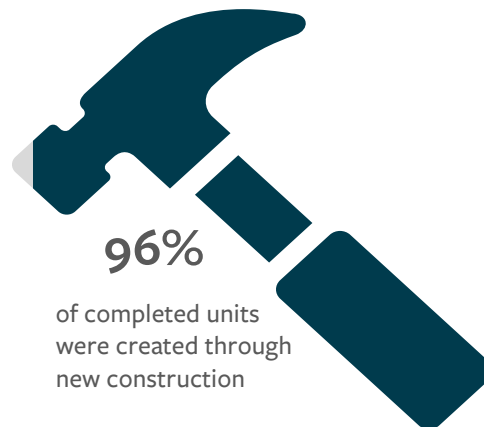
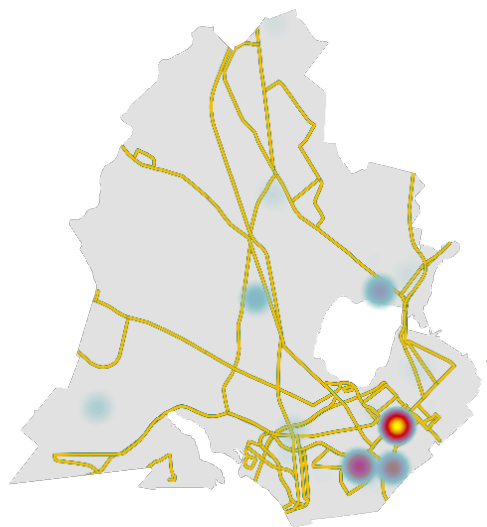


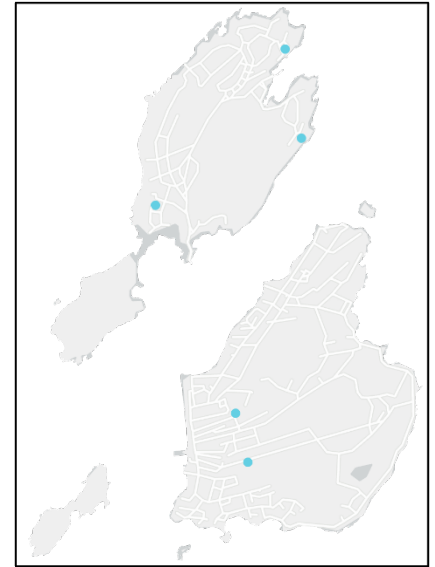
Figure 8: Units Completed (2024)

582 units completed

29% (169) deed-restricted affordable

74% (431) rentals

85% in buildings of 5 or more units



73 & 91 Winter Street
95 affordable rental units

200 Federal Street
236 market-rate and 27
affordable units

Legend

- 1-4 Units
- 5 or More Units
- Transit Line

387 Commercial Street
64 market-rate ownership units

Table 2: Residential Units Issued Certificates of Occupancy in 2024

Address	Total Units	Total Affordable Units	Affordability Level	Ownership	Project Type
200 Federal Street	263	27	Market rate and 100% AMI	Rental	New Construction
387 Commercial Street	64	0	Market rate	Ownership	New Construction
91 Winter Street	52	52	50% & 60% AMI	Rental	New Construction
63 Front Street	45	45	50% & 60% AMI	Rental	New Construction
73 Winter Street	43	43	50% & 60% AMI	Rental	New Construction
65 McAuley Way - Building 2	28	0	Market rate	Ownership	New Construction
39 Winter Street	9	0	Market rate	Ownership	New Construction
392 St. John Street	9	0	Market rate	Rental	New Construction
1000 Congress Street	4	0	Market-rate	Rental	Renovation
117 Preble Street	3	0	Market rate	Rental	Renovation
12 White Birch Lane	3	0	Market rate	Rental	New Construction
7 Marion Street	3	0	Market rate	Rental	New Construction
6 White Birch Lane	3	0	Market rate	Ownership	New Construction
151 North Street	2	2	40% AMI	Rental	New Construction
29 Dalton Street	2	0	Market rate	Rental	New Construction
5 Salem Street	2	0	Market rate	Ownership	New Construction
34 Hammond Street	2	0	Market rate	Ownership	New Construction
37 Dalton Street	2	0	Market rate	Rental	New Construction
95 West Street	1	0	Market rate	Rental	Renovation
44 Oak Street	1	0	Market rate	Ownership	Renovation
63 Chadwick Street	1	0	Market rate	Ownership	New Construction
50 India Street	1	0	Market rate	Ownership	Renovation
75 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
5 Pleasant Cove Drive	1	0	Market rate	Ownership	New Construction
28 Brandy Lane	1	0	Market rate	Ownership	New Construction
303 Ludlow Street	1	0	Market rate	Rental	Renovation
25 (AKA 29) Motley Street	1	0	Market rate	Rental	New Construction
70 (AKA 68) Skylark Road	1	0	Market rate	Rental	New Construction
183 Park Avenue	1	0	Market rate	Rental	Renovation
716 Washington Avenue	1	0	Market rate	Rental	Renovation
144 Veranda Street	1	0	Market rate	Rental	Renovation
49 Hawthorne Street	1	0	Market rate	Rental	Renovation
92 East Kidder Street	1	0	Market rate	Rental	Renovation
7 Adelaide Street	1	0	Market rate	Rental	Renovation
6 Samuel Road	1	0	Market rate	Rental	Renovation
15 Edwards Street	1	0	Market rate	Rental	Renovation
107 (AKA 105) Brackett Avenue	1	0	Market rate	Rental	Renovation
60 Garrison Street	1	0	Market rate	Rental	Renovation
32 Brandy Lane	1	0	Market rate	Ownership	New Construction
1 Meadow Avenue	1	0	Market rate	Ownership	New Construction
63 Brandy Lane	1	0	Market rate	Ownership	New Construction
90 East Side Drive	1	0	Market rate	Ownership	New Construction
95 Edgeworth Avenue	1	0	Market rate	Ownership	New Construction
66 Brandy Lane	1	0	Market rate	Ownership	New Construction
40 Sunset Road	1	0	Market rate	Ownership	New Construction
34 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
38 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
42 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
75 Trailhead Way	1	0	Market rate	Ownership	New Construction
55 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
454 Capisc Street	1	0	Market rate	Ownership	New Construction
60 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
48 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
51 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
54 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
26 Sheridan Street	1	0	Market rate	Ownership	New Construction
67 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
61 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
66 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
87 Owl's Nest Road	1	0	Market rate	Ownership	New Construction
92 Luther Street	1	0	Market rate	Ownership	New Construction
Total	582	169			

2. HOUSING DEVELOPMENT TRENDS

A. TOTAL PRODUCTION

4,383 approved housing units have been created in the City of Portland between 2010-2024. Over the past 14 years, housing production has shown an upward trend. In keeping with this trajectory, 2024 recorded the second-highest level of housing production since 2010, with 582 dwelling units completed (*Figure 10*).

Guided by the premise that “all who work in Portland should have the option of living in Portland,” the City’s 2017 comprehensive plan, *Portland’s Plan 2030*, established a goal of 2,557 new housing units over the ten-year period from 2017-2027, or an average of 256 new units per year. As of the end of 2023, housing production has exceeded that target (*Figure 9*) and if the current pace continues, Portland is projected to surpass its comprehensive plan goal by more than 2,000 units by 2027.

In September of 2024, the State of Maine published [Statewide and Regional Housing Production Goals](#) for the period 2021-2030, including specific goals for each of the state’s sixteen counties. Cumberland County has the highest goal in the state at 18,830 new housing units, reflecting both historic underproduction and projected future demand. The state has not set municipal goals. However, if, at a minimum, Portland maintains its current share of the county’s total housing stock (23.7%), the city could be expected to account for 23.7% of the county-wide goal, or 4,463 units. Since 2021, 1,948 new housing units have been created in Portland, representing just under 44% of this target. If current trends continue, the city is projected to deliver approximately 4,307 units by 2030, or 96.5% of its proportional share of the county-wide goal. The City will continue to monitor total production in light of the statewide goals.

Figure 9: Housing Production by Certificates of Occupancy Issued (2017-projected)

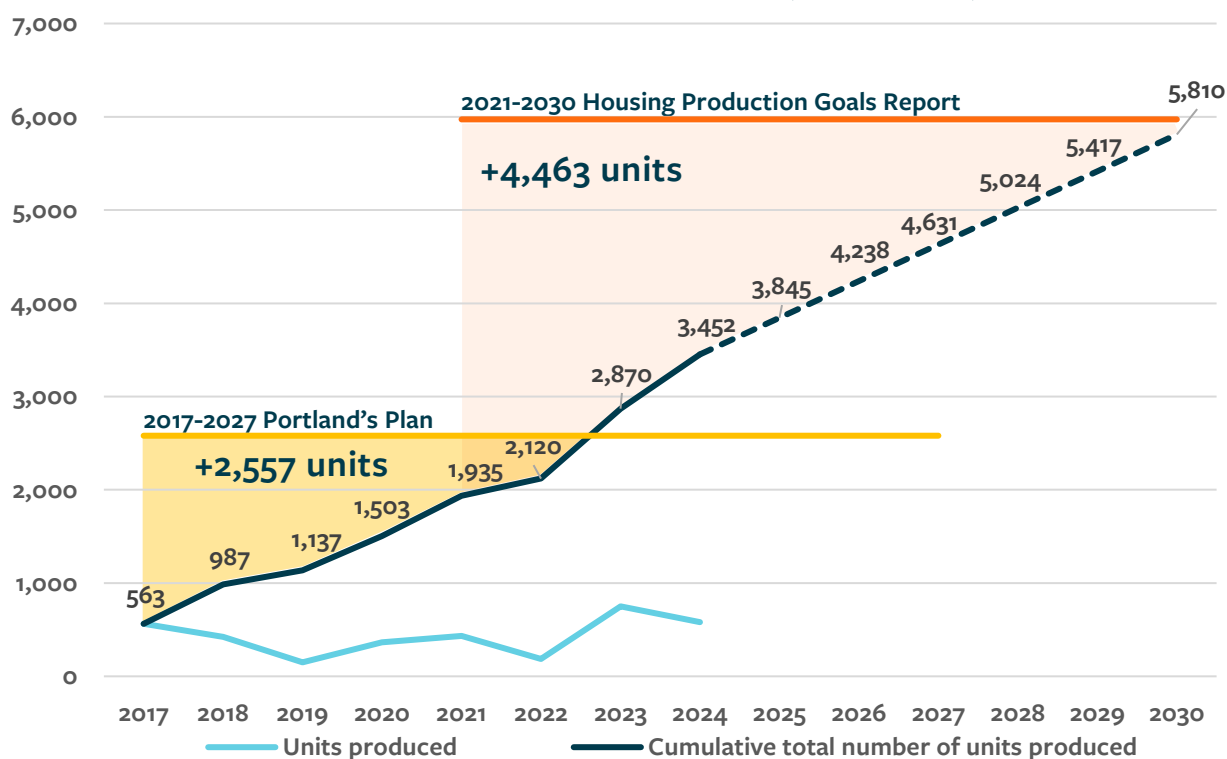
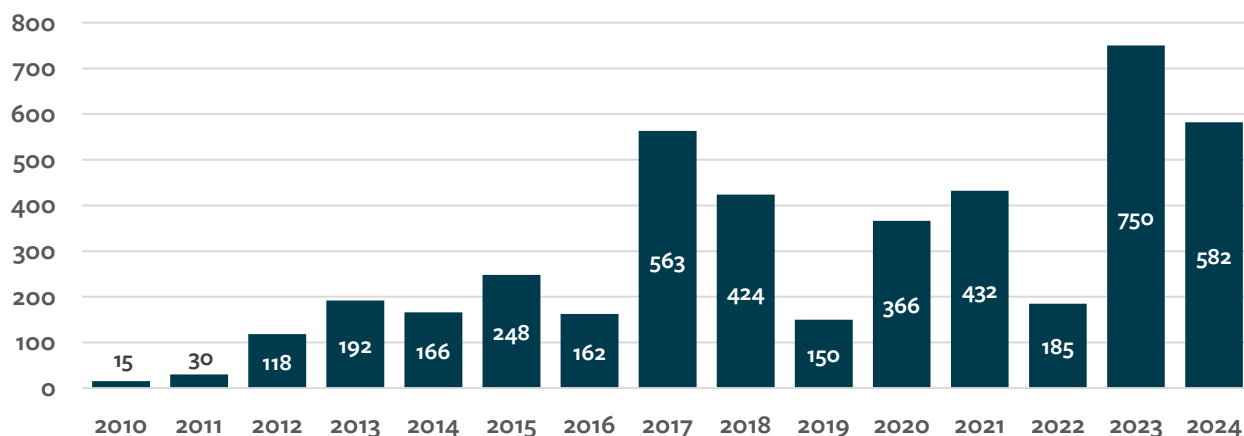


Figure 10: Units Completed by Year (2024)

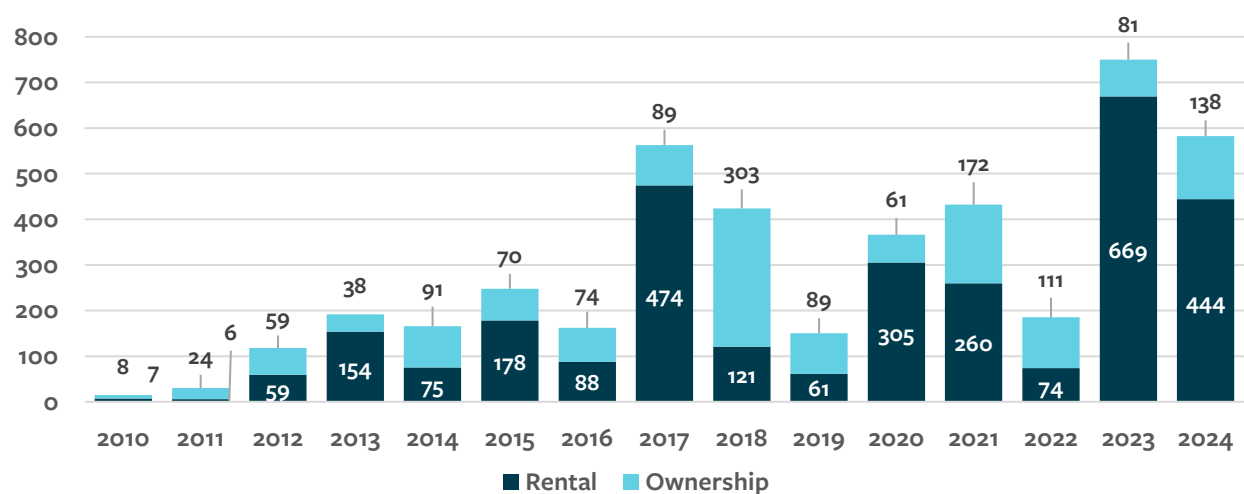


B. RENTAL/HOMEOWNERSHIP

The majority of units completed in the last fourteen years (68%) have been rental units. In 2024, the proportion of rental units was higher than the 14-year average, at 76%. Four of the past five years have seen the number of completed rental units exceed ownership units, aligning with regional and national increases in larger rental housing production during the COVID-19 pandemic¹ (*Figure 11*). Years with higher ownership totals can be attributed to larger multifamily condominium projects (*Table 3*).

The significant majority (95%) of ownership units completed from 2010-2024 are market rate, with only 63 ownership units created for households earning less than 120% AMI. This lack of affordable homeownership production can largely be attributed to a heavy reliance on Low-Income Housing Tax Credits (LIHTC), which are designed for affordable rental projects.

Figure 11: Completed Units by Ownership (2010-2024)



¹ Joint Center for Housing Studies of Harvard University. [America's Rental Housing 2024](#). 25 Jan. 2024.

Table 3: Larger Multi-family Ownership Projects by Year of Completion

Year of Completion	Address	Total Ownership Units	Affordability	Portion of All Ownership Units Completed in Year
2014	40 Hancock Street	40	Market Rate	44%
2018	802 Ocean Avenue	150	Market Rate	88%
	101 York & 25 High Streets	63	Market Rate	
	62 India Street	27	Market Rate	
	169 Newbury Street	26	Market Rate	
	20 Thames Street	27	Market Rate	
2019	60 Parris Street	23	20 @ 120% AMI 3 Market Rate	56%
	75 Chestnut Street	54	Market Rate	
2022	104 Grant Street	23	12 @ 120% AMI 11 Market Rate	69%

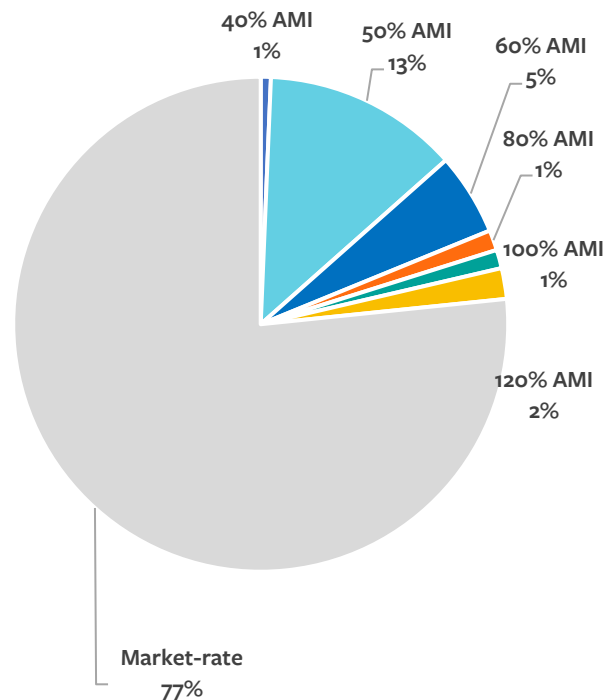
C. AFFORDABILITY

Since 2010, 23% of the completed units within the city qualify as affordable, with rents or purchase prices limited to households earning below 120% of the area median income (AMI) (*Figure 12*). The proportion of deed-restricted affordable housing units completed in 2024 was slightly higher, at 29%. And in 2024, the percentage of affordable units approved was significantly higher, at 58%.

Of the affordable units created since 2010, the majority (81%) have been designated for households earning less than 80% of AMI. In 2024, again, the proportion was slightly higher, with 84% of completed affordable units in 2024 designated for households earning less than 80% of AMI.

A significant majority (76%) of completed affordable units between 2010-2024 are located on the peninsula. 2024 saw a decrease from this trend, however, with only 67% of completed affordable units located on-peninsula. Recent approval data suggests this shift is continuing, with several significant affordable housing projects approved off-peninsula between 2022-2024.

Figure 12: Completed Units by Affordability Level (2010-2024)



D. BEDROOM MIX & PROJECT SIZE

When looking at bedroom mix (*Figure 13*), data from the last 14 years shows that a large percentage of completed units (85%) are small in size (studios to two-bedroom units). While the size distribution of units completed in 2024 held with this trend, there were slightly more studios and less two-bedroom units than in previous years.

In terms of project size, 86% of units completed in 2024 are from a relatively small number of large projects (*Figure 14*). From 2010-2024, average project size has increased significantly from 2,034 square feet to 11,448 square feet, reflecting the overall increase in larger, multi-family development projects. This trend is accompanied by a decrease in average square footage per unit (1,988 to 1,799 square feet), which aligns with the pattern of smaller unit sizes with multi-family developments.

E. LOCATION

Over the past 14 years, the neighborhoods of Bayside, Downtown, Munjoy Hill, and the West End have seen the highest levels of new housing construction (*Figure 15*). From 2010 to 2024, the majority of completed ownership units (59%) and rental units (79%) have been located on the peninsula, where larger multi-family developments are far more prevalent and zoning has historically been more permissive. A substantial majority—92%—of all completed units during this period were built within $\frac{1}{4}$ mile of a fixed-transit route. This pattern continued in 2024, with large-scale multi-family developments primarily completed in Downtown and the West End.

Figure 13: Completed Units by Bedroom Mix (2010-2024)

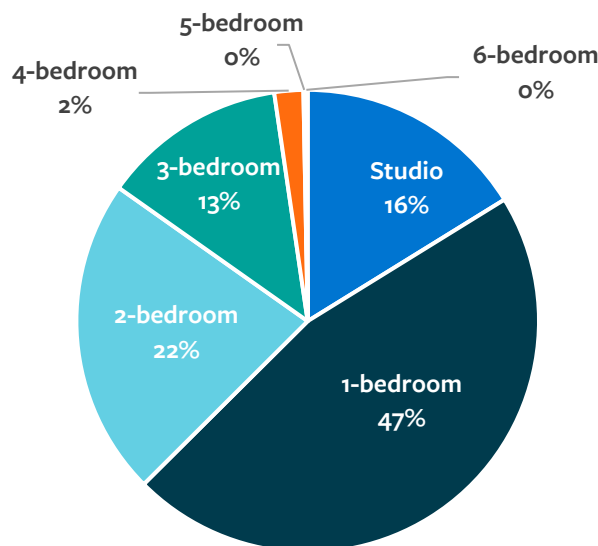


Figure 14: Units Completed by Project Size (2010-2024)

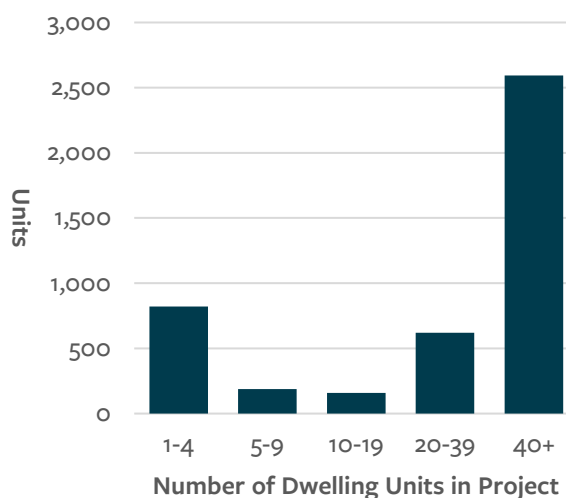
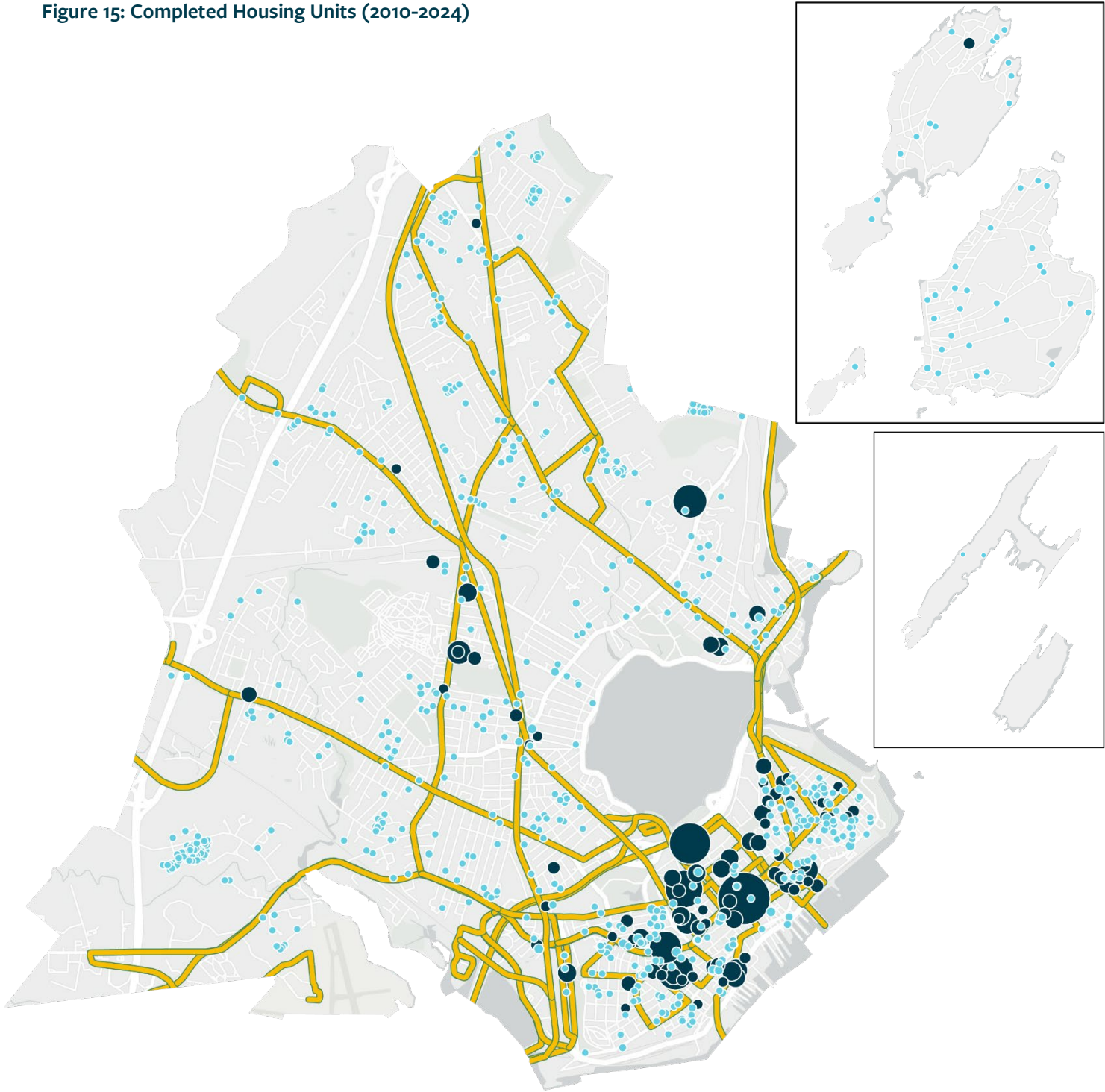


Figure 15: Completed Housing Units (2010-2024)



Legend

- 1-4 Units (19% of all Completed Units)
- 5 or More Units (81% of all Completed Units)
- Transit Line



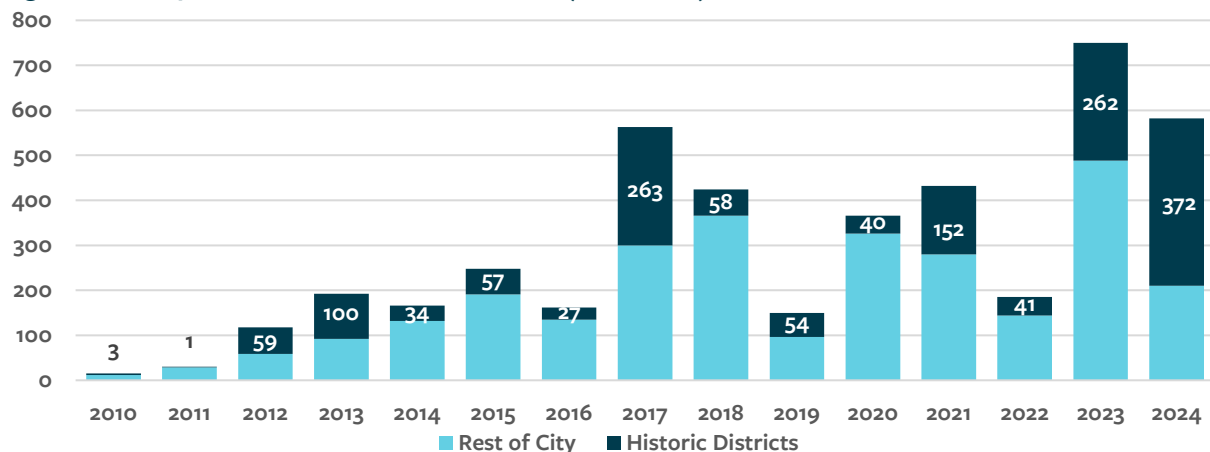
Figure 16: 73 & 91 Winter Street

F. HISTORIC DISTRICTS

In 2023, the City published [Trends in Portland's Historic Districts](#), an assessment of demographic and development trends in and outside of historic districts from 1990-2021. The study generally found that, despite lower levels of new construction, historic districts have experienced similar increases in density as areas outside of historic districts through a mix of additions and repurposing of structures for higher residential density. Although only 4% of the city's land area lies within historic districts, historic districts contain

25% of the city's total housing units², and since 2010, the ratio of housing units completed within districts (35%) suggests that these areas generally outperform other parts of the city in terms of housing production. This holds for affordable housing as well, with 36% of completed affordable units located within historic districts from 2010-2024. In 2024, development in historic districts was especially strong, with more units completed than in any year since 2010. These projects accounted for 71% of all housing units completed citywide, marking a high point both in absolute numbers and as a share of total development.

Figure 17: Completed Units in Historic Districts (2010-2024)



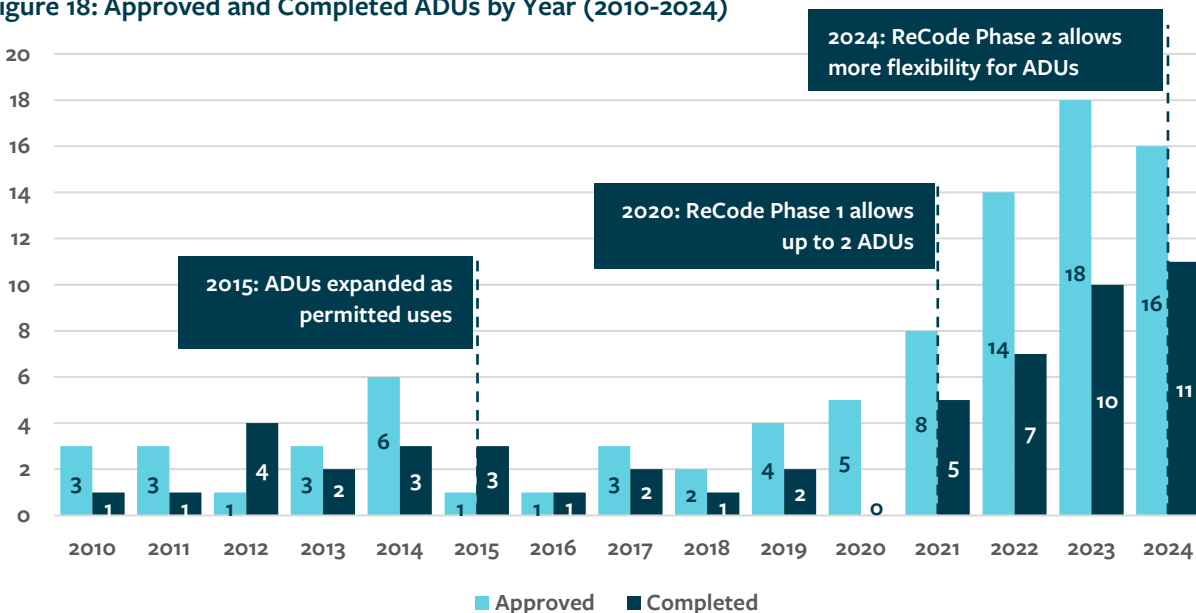
² City of Portland Assessment Records (as of February 28, 2025)

G. ACCESSORY DWELLING UNITS (ADUs)

Since 2010, 88 ADUs have been approved and 53 ADUs have received certificates of occupancy in the city. The vast majority of completed ADUs (96%) are located on the mainland off-peninsula. Most ADUs completed between 2010-2024 (89%) involve the reuse of an existing structure (e.g., an internal conversion or an addition to an existing structure).

The City's ADU policy has evolved significantly over the past decade, with major changes introduced in 2020 to allow up to two ADUs on any legal residential property. Although the total number of ADUs approved annually remains relatively modest, ADU approvals have roughly tripled since this new ADU framework was implemented, from an average of less than three per year before 2020 to 18 in 2023 and 16 in 2024. In 2024, there was a noticeable shift away from ADUs created through the reuse of existing structures, with only 64% involving reuse, reflecting a growing preference for new, freestanding ADUs. This trend is also evident in 2024 approvals, which included a higher number of new detached units than in previous years.

Figure 18: Approved and Completed ADUs by Year (2010-2024)



H. INCLUSIONARY ZONING

The City's inclusionary zoning (IZ) policy requires that all residential projects of 10 or more dwelling units either create affordable units or pay an in-lieu fee to the Jill C. Duson Housing Trust Fund. This policy represents an attempt to leverage the private market to create affordable housing. After the Green New Deal citizen referendum passed in 2020, changes were made to the inclusionary zoning policy (*Table 4*). The percentage of affordable units required increased from 10% to 25%. The referendum also resulted in deeper levels of affordability for IZ units, changing affordability levels for rentals from 100% AMI to 80% AMI and ownership units from 120% to 80%.

Table 4: Inclusionary Zoning Over Time

IZ Before and After Citizen Referendum

Year	% of Affordable Units Required	Fee-in-Lieu (Adjusted Annually)	Affordability Level (% of AMI)	
			Rental	Ownership
2015	10%	\$100,000	100%	120%
2020	25%	\$150,000	80%	80%

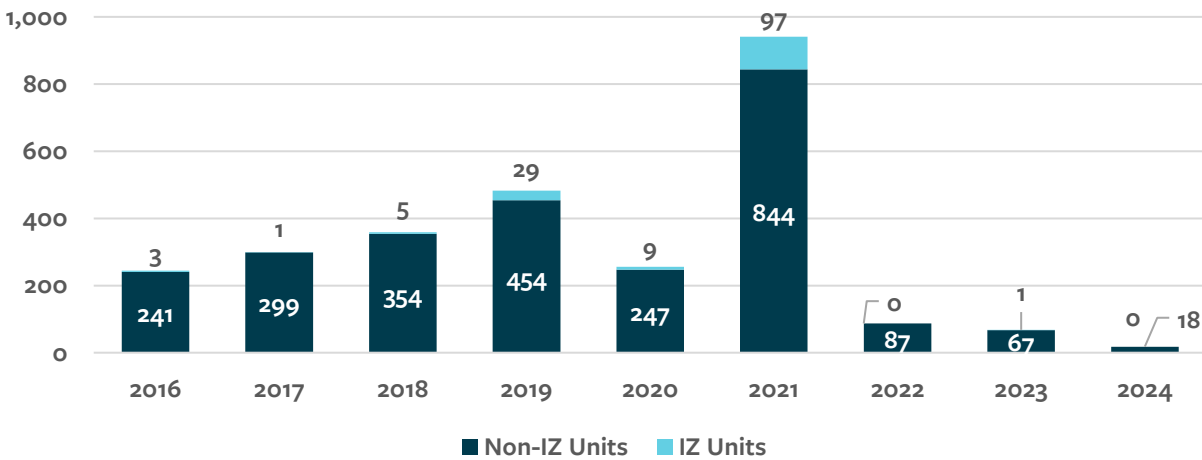
Of the 13 residential projects approved by the Planning Board in 2024, the majority of projects either fell below the 10-unit threshold or were exempt due to the use of subsidies for affordable housing. Four projects triggered compliance with IZ requirements. Two of these projects, 509 Forest Avenue and 482 Congress Street, involved the adaptive reuse of existing buildings. Another, 246 Eastern Promenade, was proposed as new construction. The fourth project, 985 Forest Avenue, was subject to IZ requirements due to an enforcement action related to unpermitted dwelling units. The property owner was issued a notice of violation and, in order to legalize the 18 existing units, was required to comply with the IZ ordinance. Of these four inclusionary zoning projects, three proposed to provide some or all required IZ units on-site, while one, 246 Eastern Promenade, opted to pay an in-lieu fee totaling \$577,067 (*Table 5*).

Table 5: Planning Board Approvals and IZ Applicability (2024)

Address	Units Approved	Affordable Units Approved	Number of required IZ units	IZ Applicability	IZ On-site/fee
186 Woodford Street	84	84	0	Exempt	
331 Cumberland Ave.	60	48	0	Exempt	
70 East Oxford Street	55	50	0	Exempt	
156 High Street	31	31	0	Exempt	
42 Atlantic Street	30	30	0	Exempt	
19 West Street	9	0	0	N/A	
64 Pine Street	9	0	0	N/A	
90 Atlantic Street	6	0	0	N/A	
56 Cumberland Avenue	5	0	0	N/A	
509 Forest Avenue	38	10	10	25%	On-site
482 Congress Street	35	10	10	25%	On-site
985 Forest Avenue	18	5	5	25%	On-site
246 Eastern Promenade	13	0	0	25%	\$577,067 fee-in-lieu
Total	393	268			

Since the creation of the City’s IZ policy in 2015, 47 projects have been subject to the City’s IZ ordinance. As of the end of 2024, 25 of these projects have been issued certificates of occupancy (*Figure 19*). 145 IZ units have been created and a total of \$3,467,237 has been paid into the City’s Housing Trust Fund. Of the 25 completed projects required to provide IZ units, 14 have created units and 8 have met the requirement through a fee in-lieu, and three have met the requirement through providing units & paying a fee-in-lieu.

Figure 19: IZ and Non-IZ Units Completed by Year of Approval (2016-2024)



3. HOUSING-SUPPORTIVE LAND USE POLICY

The City's guiding policy documents place a strong value on housing creation, diversity, and affordability. These concepts are a centerpiece of *Portland's Plan 2030*, and have been Council priorities for many years. The housing component of *Portland's Plan* states 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” (p. 47).

In keeping with *Portland's Plan*, the City of Portland has worked for decades to revise land use policy with the goal of both retaining existing housing supply and encouraging the production of housing of a wide range of types and sizes. The City's land use code has long included a housing replacement ordinance, for instance, which requires any development proposals that remove housing to replace those units or contribute to the City's Housing Trust Fund. In the past decade the City has modified base zoning (changing permitted uses, increasing density, height, and minimizing setbacks), simplified provisions for ADUs, and removed commonly perceived barriers to housing production, like parking requirements.

Simultaneously, the City's land use code has been used to implement affordable housing goals. Since the mid-2000s, the code has included dimensional bonuses for affordable and workforce housing. Affordable housing applications have been eligible for a reduction in fees and priority review since the mid-2000s. In 2015 the City adopted inclusionary zoning, which requires that projects of 10 or more dwelling units provide a share of workforce housing or contribute financially to the City's Housing Trust Fund. A second inclusionary zoning policy was adopted in 2019 for hotel projects.

A. RECODE PHASE II

In late 2024, the City Council adopted the second phase of ReCode Portland, a two-phase initiative to rewrite the City's entire land use code with the aim of aligning it directly with the goals of *Portland's Plan*. Housing was a major focus of ReCode, and ultimately, the revised code adopted by the City Council expands opportunities for residential growth across the city. In historically low-density residential zones, particularly off-peninsula, the code creates opportunities for new, mid-density housing in the form of three- and four-family buildings, with more flexibility in terms of dimensional standards. The revised code also creates targeted opportunities for much more housing in mixed-use zones and along public transit routes, with increases in permitted heights and eliminating density requirements.

The new code introduces parking maximums, simplifies affordable housing and inclusionary zoning requirements, eliminates barriers to ADU production, and streamlines the site plan review process for small and mid-density housing projects, as well as changes to residential use. While land use policy is far from the only factor affecting housing construction in the City of Portland, the revised land use code creates significant opportunities, and moving forward, the City's housing data collection and reporting efforts put it in a strong position for monitoring the ways in which the market begins to respond.

B. CURRENT AND ONGOING INITIATIVES

In addition to the transformative changes adopted through ReCode Phase II, work continues with several current and ongoing initiatives focused on housing-supportive policy, including:

Housing Dashboard. In 2023 the City developed an interactive online [housing dashboard](#) that visualizes housing trends from 2010 onward. The dashboard is updated quarterly using information from City building permit and site plan records. The dashboard shows approved and completed units, including data on affordability, ownership, and location. Continuing forward, the dashboard will supplement the annual housing report, providing current information on key metrics to members of the public, elected officials, and City staff throughout the year.

State of Maine’s Housing Opportunity Program (HOP) Grant - Housing Policy Study. In 2025, the Planning & Urban Development Department was awarded a \$50,000 grant through the State of Maine’s Housing Opportunity Program. The funding will support a comprehensive evaluation of existing housing policies, with a particular focus on Portland’s inclusionary zoning ordinance. The study will analyze housing production trends, regulatory factors that may be influencing those trends, and identify opportunities to strengthen the effectiveness of the City’s housing policies within the context of the local market.

State of Maine’s Housing Opportunity Program (HOP) Grant - ADU Educational Materials. In 2025, GPCOG, in partnership with the Planning & Urban Development Department, was awarded a grant to develop educational materials—including a website and video—on how to build accessory dwelling units (ADUs) in the City of Portland. These educational efforts aim to explain the regulatory process, dispel common misconceptions about regulatory barriers, and provide a central resource where people can learn more about creating ADUs on their properties.

Hotel Inclusionary Zoning Ordinance. In 2019, the City adopted a hotel inclusionary zoning ordinance, requiring hotel projects and hotel expansions with 10 or more rooms to either provide low-income housing units or contribute a fee-in-lieu to the City’s Housing Trust Fund. City staff are currently analyzing and preparing recommendations for the Planning Board and City Council—based on feedback from the Housing & Economic Development Committee—to consider potential modifications and increases to the fee-in-lieu paid by hotel developments in support of affordable housing creation.

Developers 101 Document & Forum. To promote transparency and help both current and prospective applicants better understand the development review process—including site plan and subdivision applications, as well as Planning Board reviews—the City is developing new materials that will clearly outline application requirements, review timelines, legal obligations, neighborhood engagement expectations, and case studies of best practices. These resources aim to support a review process that is clear, consistent, and predictable and aim to dispel common misconceptions about process and regulatory barriers.

4. HOUSING PROGRAMS

A. FEDERAL REVENUE SOURCES

HOME. HOME is one of the primary federal tools that states and local governments have for the production and preservation of affordable rental and owner-occupied housing for low-income to extremely low-income families, including mixed-income housing and housing for the homeless. It is an anchor of the nation's affordable housing finance system and can be an important factor for community revitalization. For many states and local governments, HOME is the only reliable stream of affordable housing development funds available. HOME funds are awarded annually from the U.S. Department of Housing and Urban Development (HUD) as grants to participating jurisdictions such as the City of Portland.

HOME FUNDS AT A GLANCE

1,558

HOME housing units created and subsidized since 2000

\$11.5 million

HOME funding allocation since 2000

85%

Percentage of HOME units that are affordable to households earning up to 60% AMI

Portland has been a participating jurisdiction in the HUD HOME Program since its inception in 1992. Prior to 2009, Portland received an annual allocation of HUD HOME funds but other communities of Cumberland County did not. The creation of the Portland/Cumberland County HUD HOME Consortium in 2009 brought additional funding for affordable housing activities into the region.

Figure 20: HOME Funding by Fiscal Year (2012-2025)

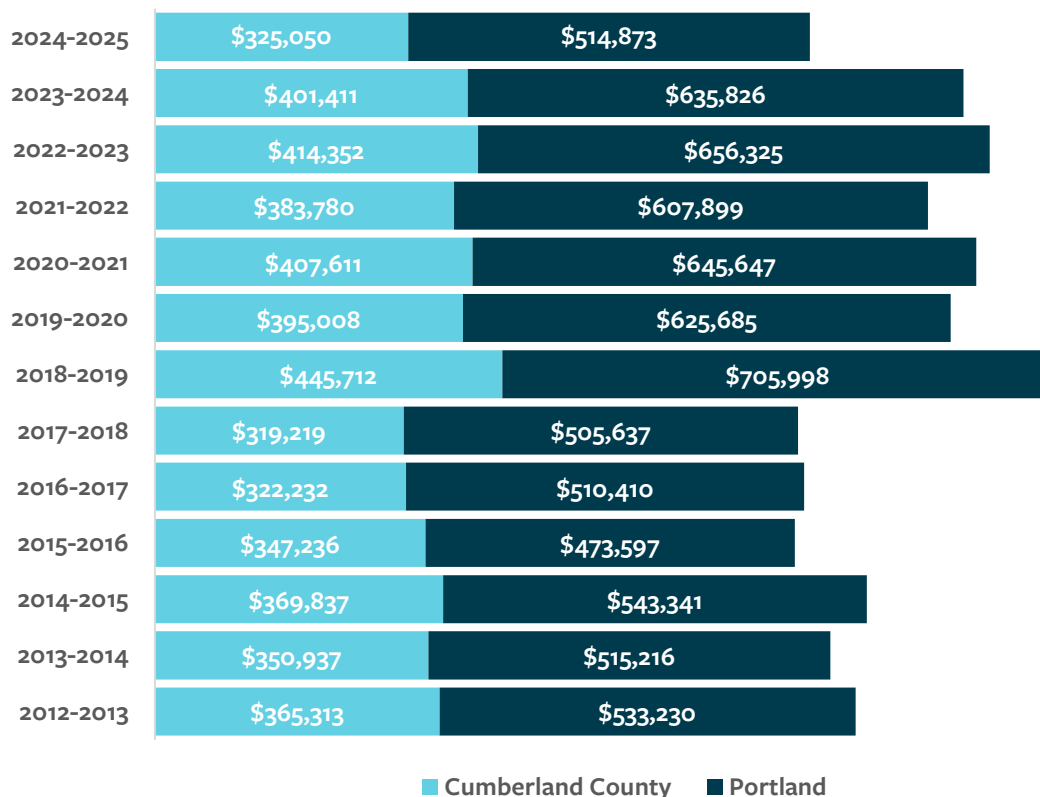


Table 6: Portland HOME Funding by Project by Appropriation Year (2014-2024)

Project Address/Name	Project Type	Year	Total Units	Low-/ Moderate-Income Units	HOME Funding
Thomas Heights	New Construction	2014	18	18	\$522,448
Bayside Anchor	New Construction	2015	45	45	\$500,000
Rosa True Apartments	Rehabilitation	2015	10	10	\$149,500
548 St. John Street	Rehabilitation	2016	4	4	\$75,000
Motherhouse	Rehabilitation	2017	88	66	\$627,223
178 Kennebec Street	New Construction	2018	51	40	\$370,000
63 Front Street	New Construction	2018	45	45	\$204,070
37 Front Street	New Construction	2018	60	60	\$306,104
Deering Place	Rehab/New Construction	2018	75	45	\$500,000
58 Boyd Street	New Construction	2018	55	44	\$200,000
155 Danforth	New Construction	2019	30	30	\$299,999
83 Middle Street	New Construction	2019	45	45	\$449,066
577 Washington Avenue	Rehabilitation	2020	100	100	\$400,000
91 Winter Street	New Construction	2021	52	52	\$200,000
73 Winter Street	New Construction	2021	43	43	\$400,000
Riverton Park	Rehab/New Construction	2023	182	182	\$589,897
186 Woodford Street	New Construction	2024	51	51	\$294,489
Total			954	871	\$6,087,796

Cumberland County HOME Consortium.

Portland and Cumberland County have formed a HOME Consortium to receive an annual allocation of HOME Investment Partnership funds through HUD. The HOME funds are used for the creation of affordable housing development throughout Cumberland County, but outside of Portland.

CUMBERLAND COUNTY HOME CONSORTIUM AT A GLANCE

\$3.5 million	Total investment (2009-2024)
640	Housing units under construction, rehabilitated, and/or created from 2009-2024
614	Low and moderate-income units
\$5,540	Average contribution per unit

Table 7: Cumberland County HOME Consortium Funding by Project (Inception-2023)

Owner/Project Name	Community	Project Type	Year	Total Units	Low-/ Moderate-Income Units	HOME Funding
Oak Leaf 2	Freeport	New Construction	2011	25	25	\$ 118,994
Sandy Creek	Bridgton	Rehabilitation	2013	20	20	\$ 125,000
Steeple Square	Westbrook	Rehabilitation	2014	73	73	\$ 173,650
Bartlett Woods	Yarmouth	New Construction	2015	28	28	\$ 162,236
Blackstone Apartments	Falmouth	Rehabilitation	2016	39	39	\$ 123,125
Larrabee Commons/Dr. Berry Apartments	Westbrook	New Construction	2017	38	38	\$ 220,000
Riverview Terrace & Larrabee Woods	Westbrook	Rehabilitation	2017	83	83	\$ 240,000
Larrabee Heights/Harnois Apartments	Westbrook	New Construction	2018	61	61	\$ 100,000
West End Phase I	South Portland	New Construction	2018	64	50	\$ 246,046
West End Phase II	South Portland	New Construction	2019	52	40	\$ 423,225
16 Hancock Street	Gray	New Construction	2020	26	26	\$ 199,000
15 Harrison Road	Bridgton	New Construction	2020	48	48	\$ 150,000
Village Crossing	Scarborough	New Construction	2021	31	31	\$ 400,000
Betsy Ross Crossing	South Portland	New Construction	2023	52	52	\$ 864,906
County Totals				640	614	\$3,546,182

B. LOCAL REVENUE SOURCES

Jill C. Duson Housing Trust Fund. The Jill C. Duson Housing Trust Fund was established to promote, retain, and create an adequate supply of housing, particularly affordable housing, for very low, low, and median-income households. The Housing Trust Fund is an important source of funding towards the creation of housing that is not eligible for funding from other funding sources such as HOME or the Low Income Housing Tax Credit program (LIHTC), the creation of housing for “missing middle” households, and creating other types of housing such as cooperative housing.

2024 JILL C. DUSON HOUSING TRUST FUND

\$6,056,387

\$2,377,511

Total deposited in 2024

Total allocated for spending in 2024

Table 8: Jill C. Duson Housing Trust Fund Contributions (Inception-2024)

Year	Source	Type	Amount
2002/03	Maine Medical Center	Housing Replacement	\$315,580
2002	Sportsman's Grill	Housing Replacement	\$40,000
2009	Berlin City Auto	Housing Replacement	\$116,000
2010	Stop 'n' Shop	Housing Replacement	\$289,250
2012	Rockbridge/Eastland Park	Housing Replacement	\$42,500
2012	Riverwalk/Ocean Gateway	Housing Replacement	\$250,000
2012	118 Congress LLC	Easement Fee	\$3,500
2017	91 & 97 Belfort Street	Sale of Tax-Acquired Property	\$86,424
2017	116 Upper A Street	Sale of Tax-Acquired Property	\$78,527
2017	443 Congress Street	Inclusionary Zoning	\$280,000
2018	62 India Street	Inclusionary Zoning	\$276,500
2018	Short Term Rental fees	Short-Term Rental Fees	\$33,139
2018	0 Thames Street sale	Sale of City-Owned Property	\$1,000,000
2019	20 Thames Street	Inclusionary Zoning	\$270,000
2019	20 Thames Street	Easement Fee	\$7,500
2019	17 Sumac Street)	Sale of Tax-Acquired Property	\$79,618
2019	Short Term Rental fees	Short-Term Rental Fees	\$176,118
2019	Short Term Rental penalty fee	Penalty Fee	\$15,200
2020	Short Term Rental penalty fee	Penalty Fee	\$7,700
2019	56 Hampshire Street	Easement Fee	\$12,123
2019	121 Middle Street	Hotel Inclusionary Zoning	\$41,866
2020	99 Capisic Street	Sale of Tax-Acquired Property	\$163,169
2020	Short Term Rental fees	Short-Term Rental Fees	\$122,965
2020	22 Bramhall Street	Easement Fee	\$3,799
2020	50 Monument Square	Inclusionary Zoning	\$222,789
2020	121 Middle Street	Hotel Inclusionary Zoning	\$30,448
2020	Council Order 89 20/21	Appropriation	\$500,000
2021	56 Hampshire	Inclusionary Zoning	\$198,928
2021	40 Free Street	Inclusionary Zoning	\$10,609
2021	1 Center Street	Hotel Inclusionary Zoning	\$513,810
2021	Short Term Rental Fees	Short Term Rental Fees	\$109,681
2021	Newell Street	Sale of Tax-Acquired Property	\$900
2021	10 Hammond Street	Inclusionary Zoning	\$169,744
2021	22 Hope Avenue	Inclusionary Zoning	\$150,000
2022	5 India Street	Inclusionary Zoning	\$261,086
2022	18 Luther Street	Loan Repayment	\$36,000
2022	Short Term Rental fees	Short-Term Rental Fees	\$79,460
2022	City Manager Appropriation	Appropriation	\$250,000
2022	Newell Street	Sale of Tax-Acquired Property	\$8,100
2022	Stroudwater Development	Inclusionary Zoning	\$16,234
2022	75 Chestnut Street	Inclusionary Zoning	\$587,444

Table 8: Jill C. Duson Housing Trust Fund Contributions (Inception-2024) (continued)

Year	Source	Type	Amount
2022	754 Congress Street	Hotel Inclusionary Zoning	\$182,688
2023	Short Term Rental fees	Short-Term Rental Fees	\$129,378
2023	218 Washington Avenue	Inclusionary Zoning	\$461,250
2024	178 Middle Street	Hotel Inclusionary Zoning	\$86,602
2024	387 Commercial Street	Inclusionary Zoning	\$707,130
2024	Short Term Rental fees	Short-Term Rental Fees	\$112,522
2024	54 York Street	Hotel Inclusionary Zoning	\$65,562
2024	126 North Street	Inclusionary Zoning	\$21,757
2024	General Fund Allocation	General Fund Allocation	\$4,880,126
	Previous Interest Earned	Interest	\$51,556
Total Deposits			\$13,555,281

Table 9: Use of the Jill C. Duson Housing Trust Fund (Inception-2024)

Year	Expenditure	Amount
2011	Avesta Oak Street Lofts	-\$380,585
2014	Housing First Pre-Development Request for Proposal	-\$75,000
2015	65 Hanover & 52 Alder Streets Feasibility Study	-\$9,250
2017	65 Munjoy Street	-\$175,000
2019	60 Parris Down Payment Assistance	-\$24,000
2019	977 Brighton Avenue	-\$300,000
2020	Affordable Rental Housing Incentive	-\$1,000
2021	18 Luther Street	-\$36,000
2022	200 Valley Street	-\$442,386
2022	37 Front Street	-\$499,500
2023	155 Danforth Street	-\$135,000
2023	37 Front Street	-\$55,500
2023	83 Middle Street	-\$136,734
2023	63 Front Street	-\$333,000
2023	200 Valley Street	-\$49,154
2023	Riverton Park (Allocated- Not Yet Spent)	-\$910,103
2023	Dougherty Condos (Allocated- Not Yet Spent)	-\$1,500,000
2024	155 Danforth Street	-\$15,000
2024	45 Dougherty Court	-\$1,175,885
2024	45 Dougherty Court	-\$24,115
2024	63 Front Street	-\$37,000
2024	202 Woodford Street (Allocated- Not Yet Spent)	-\$492,000
2024	186 Woodford Street (Allocated- Not Yet Spent)	-\$155,511
2024	70 East Oxford Street (COMB Block) (Allocated- Not Yet Spent)	-\$650,000
2024	337 Cumberland Avenue (Allocated- Not Yet Spent)	-\$1,080,000
Total Spent or Allocated		-\$8,691,723

Inclusionary Zoning Fee-In-Lieu. In October 2015, the City Council approved amendments to the City's zoning ordinance to mandate inclusionary zoning of ten percent of the units as workforce units within all residential development projects of ten or more units. With the adoption of the Green New Deal, twenty-five percent of the units in a qualifying project are now set-aside as workforce units. The Green New Deal applied to all residential development projects that had not received workshop review by the Planning Board as of December 6, 2020.

2024 INCLUSIONARY ZONING FEES IN-LIEU	
\$577,066	Approved fee-in-lieu payment for workforce housing units
\$1,304,376	Approved fee-in-lieu payments for hotel
\$728,887	Fee-in-lieu payments received in for workforce housing
\$334,852	Fee-in-lieu payments received for hotels

As an alternative to providing workforce housing units, developers of residential housing that triggers inclusionary zoning may pay fee-in lieu for some or all of the workforce units not created on-site. The 2024 fee was \$177,559 per unit.

In 2019, the City proposed and established a hotel inclusionary zoning 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. The other alternative is for a hotel project to pay a linkage fee (fee-in-lieu). The 2024 hotel fee-in-lieu was \$4,692 per guest room.

The workforce housing fee-in-lieu payments are paid and deposited into the Jill C. Duson Housing Trust Fund when the certificate of occupancy is issued, which typically occurs at the time tenants or homeowners move into a building. Hotel fee-in-lieu payments are also paid and deposited when the certificate of occupancy is issued.

The Planning Board approves the fee-in-lieu payments, which may occur months or years prior to the actual payment deposit. The time from approval to deposit is an expected delay. For that reason, approved fees are not included in the Housing Trust balance until the fee is actually received.

Table 10: Inclusionary Zoning Fee-in-lieu Approved by the Planning Board (2024)

Address	Status	Units	Type	IZ Units	Fee-in-lieu
246 Eastern Promenade	Approved	13	Ownership	-	\$577,066

Table 11: Hotel Inclusionary Zoning Fee-in-lieu Approved by the Planning Board (2024)

Address	Status	Rooms	Type	IZ Units	Fee-in-lieu
1060 Westbrook Street	Approved	119	Hotel	-	\$558,348
245 Commercial Street	Approved	52	Hotel	-	\$243,984
465 Congress Street	Approved	92	Hotel	-	\$431,664
215 Commercial Street	Approved	15	Hotel	-	\$70,380
Total					\$1,304,376

Table 12: Inclusionary Zoning Fee-in-Lieu Payments Received (Inception-2024)

Address	Year Paid	Units	Type	IZ Units	Fee-in-lieu
443 Congress Street	2017	28	Rental	-	\$280,000
62 India Street	2018	29	Ownership	-	\$276,500
20 Thames Street	2019	27	Ownership	-	\$270,000
50 Monument Square	2020	21	Rental	-	\$222,789
40 Free Street	2021	51	Rental	5	\$10,609
56 Hampshire Street	2021	29	Rental	1	\$198,928
10 Hammond Street	2021	16	Ownership	-	\$169,744
22 Hope Avenue Subdivision	2021	16	Ownership	-	\$150,000
5 India Street	2022	24	Rental	-	\$261,086
1700 Westbrook Street (Phase 2)	2022	41	Ownership	4	\$16,234
75 Chestnut Street	2022	54	Ownership	-	\$587,444
218-220 Washington Avenue	2023	45	Ownership	-	\$461,250
387 Commercial Street	2024	64	Ownership	-	\$707,130
126 North Street	2024	6	Rental	1	\$21,757
Total					\$3,633,471

Table 13: Hotel Inclusionary Zoning Fee-in-Lieu Payments Received (Inception-2024)

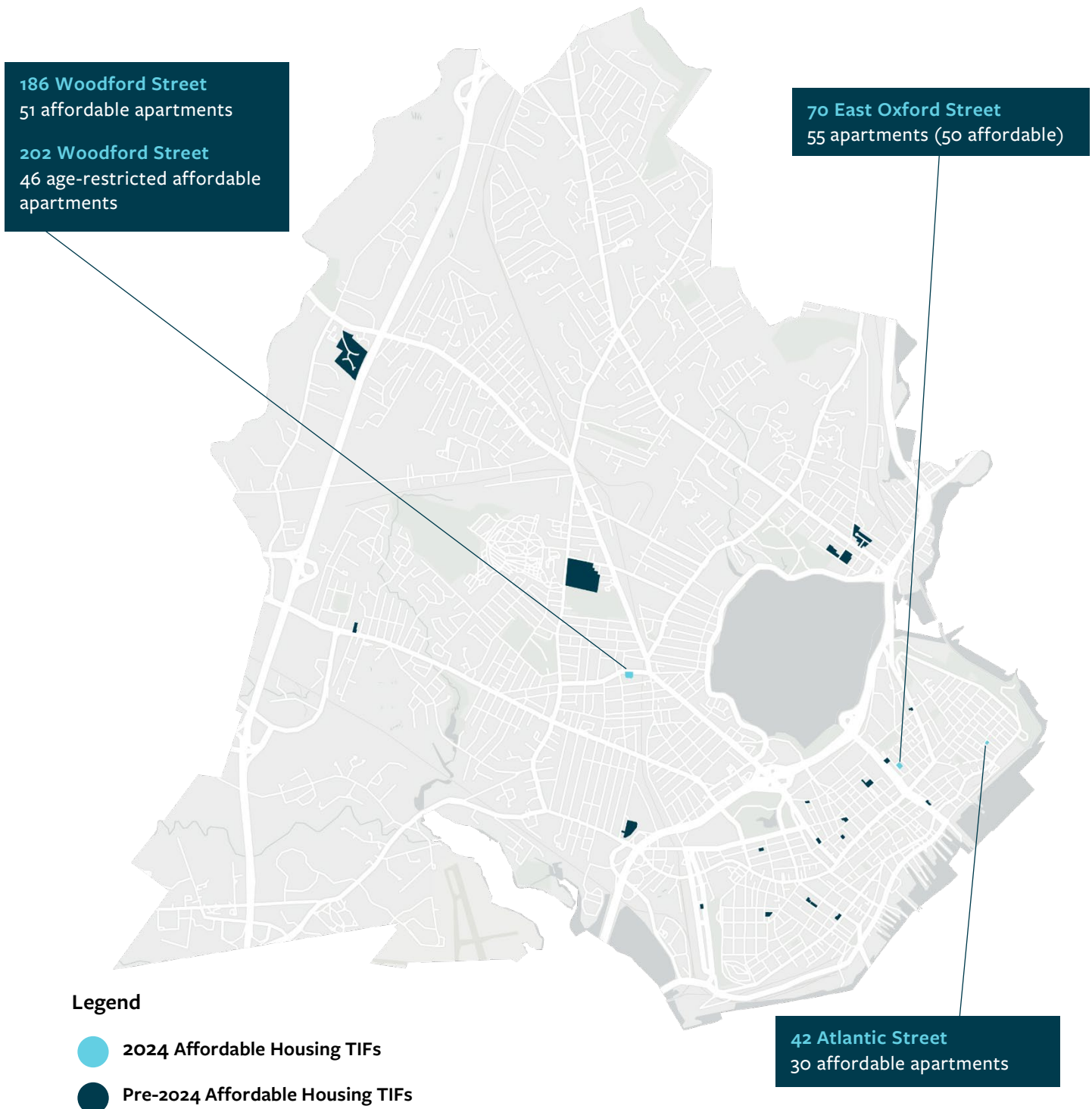
Address	Year Paid	Rooms	Fee-in-lieu
121 Middle Street (2 nd and 3 rd floors)	2019 & 2020	19	\$72,314
1 Center Street (Canopy by Hilton)	2021	135	\$513,810
178-184 Middle Street (Docent's Collection)	2024	19	\$86,602
754 Congress Street (Longfellow Hotel)	2024	48	\$182,688
54 York Street (The Weldon Hotel)	2024	14	\$65,562
Total			\$920,976

C. AFFORDABLE HOUSING TAX INCREMENT FINANCING (TIF)

The Affordable Housing Tax Increment Financing (AHTIF) Program offers municipalities a flexible financing tool to assist affordable housing projects and support related infrastructure and facilities by designating a specific area as an affordable housing development district and adopting an affordable housing development program for the district. AHTIF enables communities to use a percentage of the new property taxes generated from the affordable housing district to help make the housing affordable and to pay for related costs.

Communities using AHTIF also avoid the decreases in state revenue-sharing and state education subsidy and increases in county taxes that otherwise would occur with increased property values from the AHTIF district. Maine law requires municipalities to apply to MaineHousing for review of the district and development program approved by the municipality to ensure compliance with the conditions set out in the AHTIF statute. Municipalities may designate up to two percent of their land in an AHTIF district. Per State statute, rental units must be maintained as affordable for a minimum of 30 years and homeownership units must remain affordable for a minimum of 10 years. The City's local TIF Policy requires that the affordability requirements remain in place for the full term of the Affordable Housing Tax Increment Financing district.

Figure 21: Affordable Housing Tax Increment Finance Districts in Portland



5. 2024 SUBSIDIZED HOUSING DEVELOPMENT

Table 14: Subsidized Housing Development in Portland (2000-2024 by year of subsidy approval)

Owner/Project	Year	Units	HOME	HDF	CDBG	HTF	TIF	NSP
Unity Village/Bayside	2000	33	\$86,500	\$0	\$363,863	\$0	\$0	\$0
Island View Apartments	2001	70	\$71,015	\$192,639	\$136,346	\$0	\$0	\$0
St. Dominic's	2002	12	\$0	\$436,500	\$0	\$0	\$0	\$0
Brannigan House	2002	10	\$93,000	\$0	\$0	\$0	\$0	\$0
Wellesley Estates	2002	45	\$0	\$256,000	\$0	\$0	\$0	\$0
Logan Place	2003	30	\$435,000	\$0	\$0	\$0	\$0	\$0
Yale Court	2002	30	\$150,000	\$200,000	\$0	\$0	\$0	\$0
Peninsula Community I	2003	12	\$300,000	\$0	\$0	\$0	\$0	\$0
Peninsula Community II	2004	16	\$307,700	\$0	\$0	\$0	\$0	\$0
IRIS Park Apartments	2004	30	\$0	\$250,000	\$0	\$0	\$0	\$0
Fay Garman House	2004	12	\$150,000	\$0	\$0	\$0	\$0	\$0
Peninsula Community III	2005	10	\$200,000	\$0	\$0	\$0	\$0	\$0
Walker Terrace	2004	40	\$382,000	\$220,000	\$0	\$0	\$0	\$0
Fore River	2006	20	\$388,474	\$0	\$0	\$0	\$0	\$0
Valley Apartments	2006	24	\$320,000	\$0	\$0	\$0	\$0	\$0
Pearl Place I Apartments	2007	60	\$427,000	\$0	\$0	\$0	\$615,502	\$0
Bayside East	2007	20	\$250,000	\$0	\$0	\$0	\$0	\$0
53 Danforth Street	2008	43	\$325,000	\$0	\$0	\$0	\$0	\$0
Florence House	2008	25	\$240,000	\$0	\$0	\$0	\$0	\$0
Oak Street Lofts	2011	37	\$0	\$0	\$0	\$380,585	\$0	\$0
Pearl Place II Apartments	2011	54	\$400,000	\$0	\$0	\$0	\$0	\$0
Elm Terrace	2011	38	\$403,795	\$0	\$0	\$0	\$0	\$0
409 Cumberland Avenue	2013	57	\$500,000	\$0	\$0	\$0	\$759,392	\$0
Adams School	2013	16	\$0	\$0	\$0	\$0	\$0	\$1,710,000
Thomas Heights	2014	18	\$522,448	\$0	\$0	\$0	\$207,116	\$0
Bayside Anchor	2015	45	\$500,000	\$0	\$0	\$0	\$0	\$0
17 Carleton Street	2015	37	\$0	\$0	\$0	\$0	\$726,000	\$0
Rosa True School	2015	10	\$149,500	\$0	\$0	\$0	\$0	\$0
548 St. John Street	2016	4	\$75,000	\$0	\$0	\$0	\$0	\$0
Motherhouse	2017	88	\$627,223	\$0	\$0	\$0	\$0	\$0
65 Munjoy Street	2017	8	\$0	\$0	\$0	\$175,000	\$0	\$0
58 Boyd Street	2018	55	\$200,000	\$0	\$30,000	\$0	\$2,144,566	\$0
977 Brighton Avenue	2018	40	\$0	\$0	\$0	\$300,000	\$1,954,486	\$0
Deering Place	2018	75	\$500,000	\$0	\$0	\$0	\$4,185,757	\$0
37 Front Street	2018	60	\$306,104	\$0	\$250,000	\$555,000	\$6,056,916	\$0
63 Front Street	2018	45	\$204,070	\$0	\$0	\$370,000	\$0	\$0
178 Kennebec Street	2018	51	\$370,000	\$0	\$0	\$0	\$2,889,164	\$0
83 Middle Street	2019	45	\$499,066	\$0	\$200,000	\$136,734	\$1,559,287	\$0
66 State Street	2019	38	\$0	\$0	\$0	\$0	\$2,672,169	\$0
155 Danforth Street	2019	30	\$299,999	\$0	\$0	\$150,000	\$0	\$0
18 Luther Street	2019	2	\$0	\$0	\$0	\$36,000	\$0	\$0
200 Valley Avenue	2020	60	\$0	\$0	\$0	\$491,540	\$4,092,269	\$0
577 Washington Avenue	2020	100	\$400,000	\$0	\$184,150	\$0	\$3,809,991	\$0
104 Grant Street	2020	23	\$0	\$0	\$0	\$0	\$2,749,457	\$0
73 Winter Street	2021	43	\$400,000	\$0	\$0	\$0	\$1,337,426	\$0
91 Winter Street	2021	52	\$200,000	\$0	\$0	\$0	\$1,473,978	\$0
45 Dougherty Court	2022	63	\$0	\$0	\$0	\$1,200,000	\$2,329,683	\$0
25 Casco Street	2023	54	\$0	\$0	\$0	\$0	\$2,836,087	\$0
Riverton Park	2023	182	\$589,897	\$0	\$0	\$910,103	\$3,459,750	\$0
Lambert Woods North	2023	72	\$0	\$0	\$0	\$0	\$3,705,106	\$0
Dougherty Commons	2023	20	\$0	\$0	\$0	\$1,500,000	\$0	\$0
70 East Oxford Street	2024	55	\$0	\$0	\$0	\$650,000	\$3,149,733	\$0
202 Woodford Street	2024	46	\$0	\$0	\$0	\$492,000	\$2,214,620	\$0
186 Woodford Street	2024	51	\$294,489	\$0	\$0	\$155,511	\$2,307,595	\$0
337 Cumberland Avenue	2024	60	\$0	\$0	\$0	\$1,080,000	\$2,868,063	\$0
42 Atlantic Street	2024	30	\$0	\$0	\$0	\$0	\$1,372,473	\$0
Total		2,306	\$11,567,280	\$1,555,139	\$1,164,359	\$8,582,473	\$61,476,585	\$1,710,000



202 Woodford Street

Community Housing of Maine (CHOM) will partially demolish and rebuild/renovate the existing Woodfords Congregational Church Parish House into 46 units of studio and one-bedroom apartments for seniors. 18 of the units will be affordable for households earning up to 60% AMI while the remaining 28 units are affordable for households earning up to 50% AMI. 10% of the units will be set aside for individuals residing in a Portland shelter. The new apartments will be fully electric, and utilize no fossil fuels. Amenities include a laundry room. See *Table 16* for affordability rates at 50% and 60% of the area median income (AMI).

Image Source: CWS Architecture



186 Woodford Street

Community Housing of Maine (CHOM) will build a new four-story, elevator-assisted building with 51 affordable studio and one-bedroom apartments for households earning up to 60% of the area median income (AMI) in the current Woodfords Congregational Church parking lot. 10% of the units will be set aside for individuals residing in a Portland shelter. The new apartments would be fully electric, and utilize no fossil fuels. Amenities include three laundry rooms and a lounge. See *Table 16* for affordability rates at 60% of the area median income (AMI).

Image Source: Community Housing of Maine



70 East Oxford Street will be a new six-story building with 50 affordable and 5 market rate apartments. 33 of the units will be affordable to households earning up to 50% AMI, and 17 of the units will be affordable to households earning up to 60% AMI. 20% of units will be available for persons residing in a Portland shelter. The building will offer five (5) studio, fifteen (15) one-bedroom, sixteen (16) two-bedroom, and nineteen (19) three-bedroom apartments. See *Table 16* for affordability rates at 60% and 50% of the area median income (AMI).

Image Source: Ryan Senatore Architecture



337 Cumberland Avenue will be a six story, 60-unit building with affordable and market rate apartments. 29 apartments will be affordable for households earning up to 50% AMI, 19 apartments will be affordable for households earning up to 60% AMI, and 12 apartments will be at market rate. The four upper floors will be comprised of 4 studio apartments, 24 one-bedroom apartments, 22 two-bedroom apartments, and 10 three-bedroom apartments. The first floor will be dedicated to childcare services. Amenities include laundry facilities, storage related to biking and other human powered uses, a community room, fitness area, lobby, trash room, a community meeting area, and a site office. See *Table 16* for affordability rates at 60% and 50% of the area median income (AMI).

Image Source: Youth and Family Outreach

6. 2024 WORKFORCE HOUSING DEVELOPMENT



509 Forest Avenue (Rumery Lofts) is currently under construction with an anticipated lease-up date of June 2025. This three story renovation project will provide 38 new apartments including 10 workforce housing units on the second and third floors with first floor commercial space. 3 studio, 1 one-bedroom, and 6 two-bedroom units will be available for households and individuals earning up to 80% of the area median income (AMI). See *Table 16* for affordability rates at 80% of the area median income (AMI).

Image Source: Invid Architecture



482 Congress Street will renovate office space on the second through fifth floors into 39 apartments including 10 workforce housing units. Of the 14 one-bedroom and 25 two-bedroom units, 10 one-bedroom units would be available for households earning up to 80% of the area median income. See *Table 16* for affordability rates at 80% of the area median income (AMI).

Image Source: Zillow



977 Forest: 8 units



997 Forest: 13 units

985 Forest Avenue received Planning Board approval to legalize 18 existing residential units, located within five condominiums, into compliance with current building and life safety code requirements, and land use regulations. After renovation, 997 Forest Avenue will contain 13 apartments, and 977 Forest will contain 8 apartments totaling 17 one-bedroom, 3 two-bedroom, and 1 three-bedroom units. Five of the units will be deed restricted to remain affordable for households earning up to 80% of the area median income (AMI). See *Table 16* for affordability rates at 80% of the area median income (AMI).

Image Source: Google Street View

7. INCOME AND RENTAL DATA

A. 2025 INCOME & RENT LIMITS

The U.S. Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI) (*Table 16*). Portland applies HUD's income limits to determine and monitor household eligibility with the City's inclusionary zoning and affordable housing programs.

Table 17 presents the maximum rent limits (which includes rent plus utilities) broken down by household size and area median income levels.

HUD AFFORDABILITY AT A GLANCE

HUD describes households in the 30% AMI bracket as **extremely low-income households**

80% AMI households are described as **low-income households**

HUD measure of housing affordability is spending **30% or less of gross monthly income towards housing expense**

Table 15: 2025 Income Limits - Portland HUD Metro Fair Market Rent Area

AMI	Household Size					
	Studio	1	2	3	4	5
30%	\$23,400	\$27,300	\$31,200	\$35,100	\$38,950	\$42,100
50%	\$38,950	\$45,450	\$51,950	\$58,450	\$64,900	\$70,100
60%	\$46,750	\$54,500	\$62,350	\$70,150	\$77,900	\$84,150
80%	\$62,350	\$72,700	\$83,100	\$93,500	\$103,850	\$112,200
100%	\$77,900	\$90,900	\$103,850	\$116,850	\$129,800	\$140,200
120%	\$93,450	\$109,050	\$124,600	\$140,200	\$155,750	\$168,250

Table 16: 2025 Maximum Rent Limits – Portland HUD Metro Fair Market Rent Area

AMI	Bedroom Count					
	Studio	1	2	3	4	5
30%	\$585	\$682	\$780	\$877	\$973	\$1,052
50%	\$973	\$1,136	\$1,298	\$1,461	\$1,622	\$1,752
60%	\$1,168	\$1,362	\$1,558	\$1,753	\$1,947	\$2,103
80%	\$1,558	\$1,817	\$2,077	\$2,337	\$2,596	\$2,805
100%	\$1,947	\$2,272	\$2,596	\$2,921	\$3,245	\$3,505

8. MONITORING

Monitoring is an ongoing responsibility of the City to ensure compliance with program regulations, applicable federal and local statutes, grant requirements, and terms and conditions of grant awards. Monitoring requirements vary based on the type of housing (workforce housing versus affordable housing), and the type of funding in the project.

A. WORKFORCE HOUSING

Since adoption in October 2015, inclusionary zoning has required the creation of workforce units (rental or ownership) or a fee-in-lieu payment for projects with ten or more dwelling units. Monitoring of inclusionary zoning commences during the review of certificates of occupancy. Projects that provide workforce units establish a workforce housing agreement with the City requiring workforce units and unit features be comparable to market-rate units. The agreement is then filed as part of the property deed. Projects that choose to provide a fee-in-lieu pay the annually adjusted inclusionary zoning fee (per unit or partial unit) into the Jill C. Duson Housing Trust Fund at time of issuance of a certificate of occupancy. As of 2024, a total of 145 workforce units have been created and are being monitored by the City.

For rental housing, staff works with property managers to set maximum rent and income limits (provided annually by the US Department of Housing and Urban Development (HUD) guidelines based on bedroom size). Before a tenant may lease a workforce unit, or renew their lease, they must be income-qualified by the City of Portland. Income qualification requires the completion of the Income Verification Form, forwarding two recent pay stubs (or similar documents), and a copy of the lease agreement. After receipt of these documents, staff reviews and confirms if the tenant(s) income qualifies and confirm the amount of the monthly rent within the lease.

For workforce homeownership projects, staff works with the developer to determine the maximum sale price of each workforce unit. The maximum sale price calculation consists of the mortgage payment, less real estate taxes, less mortgage insurance, less condo fees, less homeowner's insurance, less utilities. During the resale of a unit, staff recalculates the maximum sale price for the seller. As with rental units, each household is income-qualified to ensure compliance with income guidelines.

B. HOME

Affordable housing projects that receive HOME funding are required to be monitored by the City to ensure compliance with regulations established by the U.S. Department of Housing and Urban Development (HUD). Monitoring includes confirming the number and type of HOME-assisted units, confirming units are leased to households at or below the HOME income limits for their household size, ensuring the rents plus tenant-paid utilities do not exceed rent limits, ensuring utility costs are accurate, and ensuring exceptions are only allowed when households also receive project-based vouchers. Additionally, the City has a memorandum of agreement with MaineHousing, to provide annual on-site property inspections, which is another HOME program requirement. The total number of households requiring annual HOME monitoring has grown from two households in 2000 to 146 households in 2024.

C. HOUSING TRUST FUND AND AFFORDABLE HOUSING TAX INCREMENT FINANCING UNITS

Though not as extensive as the monitoring required for HOME units, affordable housing projects that receive Housing Trust Funds and/or Affordable Housing Tax Increment Financing (TIF) are also required to be monitored by the City to ensure compliance with income and rent limits. Compliance for rental units includes ensuring units are leased to households at or below set income limits for their household size, and ensuring the rents plus tenant-paid utilities do not exceed rent limits. For homeownership units, potential homebuyers are also required to establish income eligibility.

From 2011 to 2024, 16 residential housing projects were approved for a subsidy from the Housing Trust Fund equaling a total of 779 households requiring annual monitoring to ensure units are occupied by households that earn at or below the agreed-upon area median income, and the maximum sale price or rent is restricted in a similar manner. From 2007 to 2024, 25 residential housing projects with 1,437 households received Affordable Housing Tax Increment Financing (AHTIF). At least 33% of the units in these projects are required to be monitored annually to ensure units are occupied by households that earn at or below the agreed-upon area median income and the rent is similarly restricted. To compete for limited 9% federal Low-Income Housing Tax Credit (LIHTC) subsidy funding, developers are more frequently requesting AHTIFs to ensure success in the scoring process within their subsidy funding requests.

Revenue Sources

- HOME Program- Federal funding
- Jill C. Duson Housing Trust Fund - Local funding
- Tax Increment Financing (TIF)- Local program

Revenue

HOME Funding: FY 2024-2025

- Portland- \$514,873
- Cumberland County- \$325,050
- Decrease in funding

Jill C. Duson Housing Trust Fund: 2024

- \$993,573 in fees
- \$4,880,126 in General Fund Allocation

Appropriations

HOME Funding: FY 2024-2025

- \$294,489 for 186 Woodford Street

Jill C. Duson Housing Trust Fund: 2024

- \$492,000 for 202 Woodford Street
- \$155,511 for 186 Woodford Street
- \$650,000 for 70 East Oxford
- \$1,080,000 for 337 Cumberland Avenue

Inclusionary Zoning- Revenue

Allocated during Planning Board review

- \$577,066 approved fee-in-lieu payment for workforce housing units
- \$1,304,376 approved fee-in-lieu payments for hotels

Collected at the time the certificate of occupancy is issued

- \$728,887 Fee-in-lieu payments received in for workforce housing
- \$334,852 Fee-in-lieu payments received for hotels

Affordable Housing Tax Increment Financing (TIF)

- Flexible financing tool to assist affordable housing development.
- Uses taxes on future gains in real estate value to assist affordable housing development projects.

2024 Approved Affordable Housing TIFs

- 70 East Oxford
- 186 Woodford Street
- 202 Woodford Street
- 42 Atlantic Street

Subsidized Housing Development

202 Woodford Street



Community Housing of Maine (CHOM) will partially demolish and rebuild/renovate the existing Woodfords Congregational Church Parish House into 46 units of studio and one-bedroom apartments for seniors earning up to 60% of the area median income. 10% of the units would be set aside for individuals residing in a Portland shelter. This project was made possible by \$492,000 in Housing Trust funding and an AHTIF.

Subsidized Housing Development

186 Woodford Street



Community Housing of Maine (CHOM) will build a new four-story, 51 unit building with studio and one-bedroom apartments affordable for households earning up to 60% of the area median income. 10% of the units would be set aside for individual residing in a Portland shelter.

This project was made possible by \$294,489 in HOME funding, \$155,511 in Housing Trust funds, and an AHTIF.

Subsidized Housing Development

70 East Oxford Street



Portland Housing Authority will develop a new six-story building with 50 affordable and 5 market rate apartments. 33 unit would be affordable at up to 50% AMI and 17 units would be affordable at up to 60% AMI. 10% of the units would be set aside for individual residing in a Portland shelter. There will be a combination of studio, one, two and three-bedroom apartments.

This project was made possible with a \$650,000 Housing Trust fund subsidy, and an AHTIF.

Subsidized Housing Development

337 Cumberland Avenue



Youth and Family Outreach will construct a six story, 60 unit building with affordable and market rate apartments. 29 apartments would be affordable at up to 50% AMI, 19 apartments would be affordable up to 60% AMI, and 12 apartments would be market rate. There would be a mix of studio, one, two and three-bedroom units. 10% of the units would be set aside for individual residing in a Portland shelter. The first floor would be dedicated to child care services.

This project was made possible with \$1,080,000 in Housing Trust funds, and an AHTIF subsidy.

Workforce Housing Development

Market Rate Development that includes workforce housing units

- **509 Forest Avenue (Rumery Lofts)**- 10 of the 38 apartments will be affordable at 80% of the area median income (AMI). Lease up is expected in June of this year
- **482 Congress Street**- 10 of 39 apartments will be affordable at 80% of the area median income.
- **985 Forest Avenue**- 5 out of 21 apartments will be affordable at 80 AMI.

All three properties represent renovation projects

Income and Rental Data

- The U.S Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI).
- Portland applies HUD's income limits to determine and monitor household eligibility with the City's inclusionary zoning and affordable housing programs.

Income Limits

AMI	Household Size				
	Studio	1	2	3	4
30%	\$23,400	\$27,300	\$31,200	\$35,100	\$38,950
50%	\$38,950	\$45,450	\$51,950	\$58,450	\$64,900
60%	\$46,750	\$54,500	\$62,350	\$70,150	\$77,900
80%	\$62,350	\$72,700	\$83,100	\$93,500	\$103,850
100%	\$77,900	\$90,900	\$103,850	\$116,850	\$129,800

AMI	Bedroom Count				
	Studio	1	2	3	4
30%	\$585	\$682	\$780	\$877	\$973
50%	\$973	\$1,136	\$1,298	\$1,461	\$1,622
60%	\$1,168	\$1,362	\$1,558	\$1,753	\$1,947
80%	\$1,558	\$1,817	\$2,077	\$2,337	\$2,596
100%	\$1,947	\$2,272	\$2,596	\$2,921	\$3,245

Monitoring

Annual requirement conducted by the Housing and Community Development Department.

- Workforce Housing- 145 units
- HOME- 146 units
- Housing Trust Fund- 779 units
- Tax Increment Financing-1,437 units



TO: Housing & Economic Development Committee
CC: Rent Board
FROM: Jessica B. Hanscombe, Director of Permitting and Inspections
DATE: April 10, 2025
RE: Quarterly Rent Control Report- Q1-2025

Rent Control Report Quarter 1 (1/1/2025-3/31/2025)

Rent Board

	Total # of Applications	Total # of Applications approved	Total # of Applications Denied	Total # of Applications Tabled
Rent Increases	6	0	0	6
Complaints	2	0	0	2
Other	0	0	0	0
Quarter 1 Total:	8	0	0	8
Year to date Total	8	0	0	8

Rent Control Inspections

Type of Inspections	Total # Properties	Total # of units
Complaints (Potential violations reported to our office)	10*	202
Audits (Proactive enforcement based on percentage that rent was increased)	106	1,173
Quality Control (proactive verification of data supplied to our office)	126	1,503
Quarter 1 Total:	242	2,878
Year to date Total	242	2,878

*Breakdown of Complaints by property:

	Founded Complaints *violation exists	Unfounded Complaints *no violation	In Progress *actively investigating
Quarter 1 Total	5	3	2



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

MEETING DATE

May 20, 2025

AGENDA ITEM

Agenda Item # 3 – 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 the Portland Downtown District (PDD). An assessment would be placed on non-seasonal lodging houses within the District of 40 or more rooms, at 1.5% per room sold. The larger lodging houses in the District were targeted for this level of financial contribution due to the programming that would occur through the District for tourism, economic development, 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 FY2026. See attached listing of the contributing lodging houses and estimated assessments.

With the District in place, VP has a sustainable source of 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 offseason travel to the area, and solidify Portland as a year-round destination. These efforts bolster 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 to how the PDD is currently 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 15, 2025, meeting and the item was tabled to allow for more information to be presented. A Memorandum summarizing the District Agreement

from Civitas, the consultant who assisted Visit Portland with the creation of the District, is also now included in the packet.,.

PREPARED BY

Greg Watson
Director of Housing & Economic Development

ATTACHMENTS

- Listing of Lodging Houses Proposed for District and estimated Assessments for FY2026
- Proposed FY2026 Agreement with attached Development Plan
- May 20, 2025, Memorandum from Civitas

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

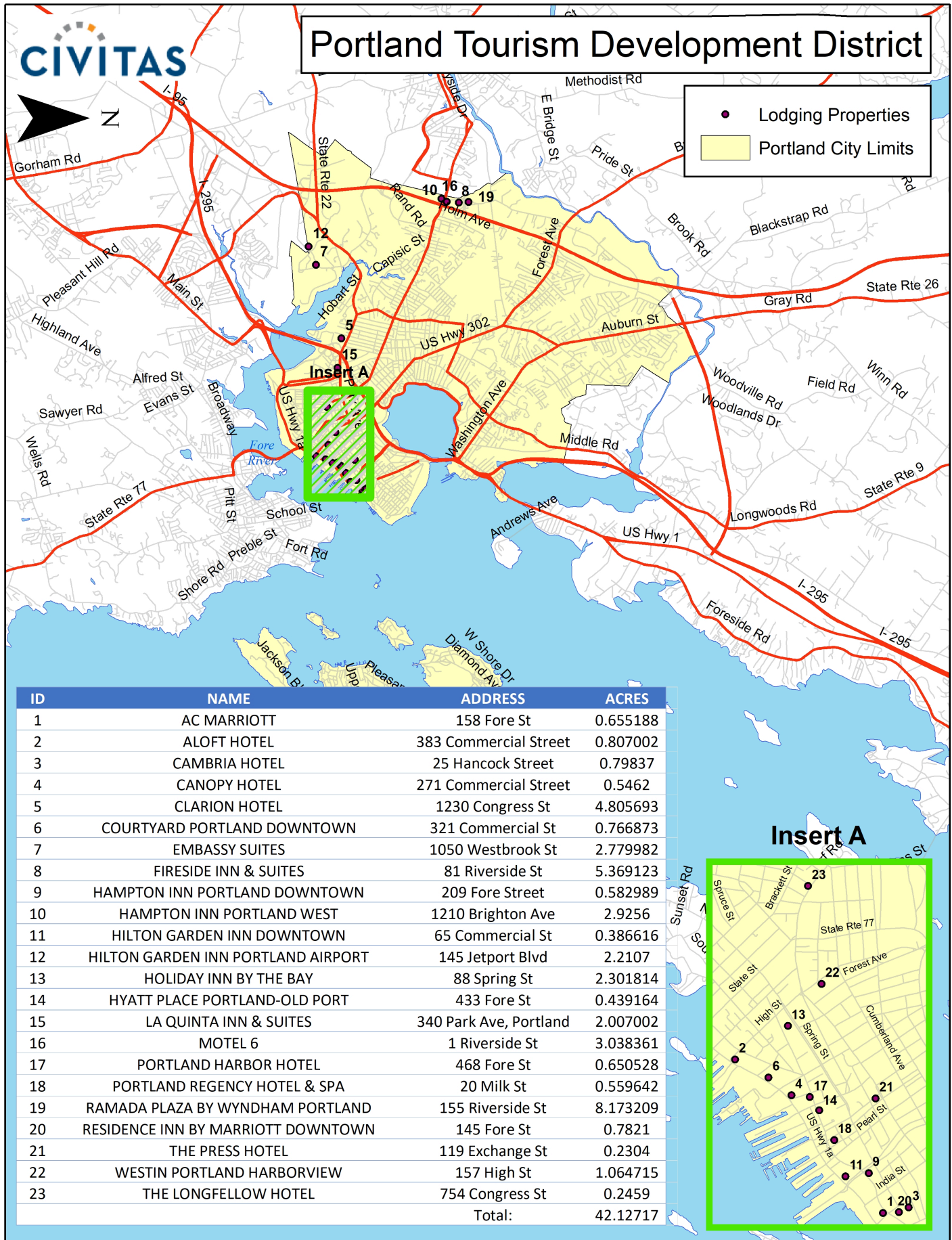


EXHIBIT B
NOTICE OF PUBLIC HEARING

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

MEMORANDUM

To: Greg Watson and Michael Goldman
From: Tiffany Gallagher and Lynn Tillotson
Date: May 12, 2025
Re: Councilor Sykes Proposed Amendment to the FY2026 Tourism Development District Agreement and use of Maine's Municipal Development District and Assessment Statutes to manage the Portland Tourism Improvement District

This memo is submitted in response to Councilor Kate Sykes' proposed amendments to the FY2026 Tourism Development District Agreement.

Councilor Sykes outlines amendments related to the governance, reporting, public transparency responsibilities, and financial allocations of the district's budget and programming.

The development of the district was the collaborative work of the City of Portland, Visit Portland, and property owners from 2019 to 2023. The hotel industry initiated the establishment of the district to mitigate the decline of visitor demand in Portland and to provide reliable and sustainable funding sources through a private-public partnership with an overarching goal of a self-supporting mechanism to ensure the industry's health for the foreseeable future. Based on the nation's state and its negative impact on visitation, the upcoming tourism season is why the district was formed.

The viability of a tourism-specific development district was thoughtfully explored in partnership with local counsel from Bernstein Shur, as referenced in the appendix of this memo.

The structure of the development plan, allocation of budget, assessment methodology, and governance are components that were carefully architected to ensure compliance with the statute related to the benefit requirement to the property owners.

The city's oversight, particularly of statutory compliance, is a primary reason for the appointment of VISIT PORTLAND, a nonprofit entity not subject to open meetings requirements. However, board meeting dates are posted online, and stakeholders can request to attend by contacting the President and CEO of Visit Portland.

The board was established to execute programming directly related to the assessment structure, which is related to sales. This assessment structure is a key differentiator between the Downtown Development District and the Tourism Development District.

Statute requires direct benefit related to the assessment through an apportionment formula ordinance, the purpose of which is to apportion "the value of improvements within a development district according to a formula that reflects actual benefits that accrue to the various properties because of the development and maintenance."

The expertise of VISIT PORTLAND and the district member-industry-heavy seat of their board is essential to prioritizing the programming necessary to fulfill the district's goals and legal requirements.

The allocation of 25 percent of the budget for "to support services and infrastructure that directly benefit Portland's hospitality workforce. Eligible uses include, but are not limited to: transportation access, workforce development, childcare supports, and public improvements in neighborhoods impacted by tourism." This is not in line with statutory benefit requirements and does not align with the assessment structure.

The city's revenues retained related to the current agreement (10 percent), as we understand it, have not been spent.

FY24 - \$71,047
FY25 - \$143,205
FY26 - \$144,564

\$358,816

Per the initial agreement and additionally noted on the FY25 memorandum dated April 25, 2024, *"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."*

The vital infusion of funds to support the health of the tourism industry and the intent of the district community's priority. The erosion of demand through non-demand generation programs will lead to reduced sales for district properties and supporting industries, and, ultimately, fewer jobs. The property owners do not have a tolerance for the proposed dilution of funds for programming outside of the benefit requirement and assurances the statute provides.

VISIT PORTLAND and the property owners acknowledge that the health of the industry has many components that cannot be ignored. One key health component is the workforce. Although unrelated to the levy and benefit structure, it lends support to that structure and may be a part of the overall programming plan. The true intent of the district is to ensure that a strong tourism economy supports and enhances the workforce and provides a stable environment for retaining year-round employment.

The board has an initiative to conduct a workforce study on compensation and benefits, which could be a baseline for future measurements. In addition, a workforce-focused website is underway, www.visitportlandcommunity.com, and will feature job postings, pathways to tourism careers, featured employees within the community, community networking events, online training, and highlights on businesses focusing on environmental sustainability. This effort will collaborate with local universities and schools and is expected to launch in FY26.

VISIT PORTLAND and the property owners acknowledge the city's oversight role and provide an annual report, which is an existing procedure. The comprehensive report will be presented to the council in June alongside the proposed PTDD Budget.

VISIT PORTLAND and the property owners value the City of Portland's partnership for the PTDD and the agreement crafted during the district's development. Following this year's budget process, the district looks forward to continuing to deliver on the goals to benefit the property owners as outlined in the development plan and agreements.

APPENDIX



**Bernstein, Shur,
Sawyer & Nelson, P.A.**
100 Middle Street
PO Box 9729
Portland, ME 04104-5029

T (207) 774 - 1200
F (207) 774 - 1127

Memorandum

To: Lynn Tillotson and Tiffany Gallagher

From: Shana Cook Mueller

Date: October 30, 2020

Re: Use of Maine's Municipal Development District and Assessment Statutes to Create Tourism Improvement District

Maine municipalities are authorized by statute to establish development districts to provide employment opportunities, broaden their tax base and improve their local and regional economies. Within such districts, municipalities can establish assessments on property owners to support objectives related to the development district.

A. MUNICIPAL DEVELOPMENT DISTRICTS

The Maine statutes governing municipal development districts are predominantly used for the designation of *tax increment financing* municipal development districts whereby incremental taxes paid within the district are segregated from other general fund dollars and may only be used on certain qualified purposes. Municipal development districts, however, are not required to be tax increment financing districts. In order to implement a tourism improvement district (TID) concept in Maine, a municipality may designate a municipal development district and adopt a policy document for the district called a development program. The development program would outline the way in which tourism promotion related activities would further the municipality's economic development goals and would have to include various statutorily required elements. The municipal development district statute permits municipalities to establish an annual assessment on properties located within the development district's boundaries, separate from and in addition to the regular property tax payments, in order to fulfill the purposes of the district's development program.

When designating a municipal development district, the municipality's legislative body must determine that the designation of such district will "contribute to the economic growth or well-being of the municipality or plantation or to the betterment of the health, welfare or safety of the inhabitants of the municipality or plantation." 30-A MRSA §5223(2).

Municipalities in Maine can designate municipal development districts within their boundaries and each such districts need not be contiguous.

The development district statutes include the following requirements for development districts:

- In order for a municipality to designate a development district, its legislative body must make a finding that there is a need for new development in certain areas to: A. Provide new employment opportunities; B. Improve and broaden the tax base; and C. Improve the general economy of the State. 30-A MRSA §5221.
- At least twenty-five percent (25%) of the acreage within any development district must fall into one of the following categories: (1) blighted area; (2) in need of rehabilitation, redevelopment or conservation work including a fisheries and wildlife or marine resources project; or (3) suitable for commercial or arts district uses. 30-A MRSA §5223(3). In this case, if hotel properties comprise a development district, then likely this criterion is met under the third category – suitable for commercial district uses.

- Development districts must adhere to statutory limits relating to size of any single district and for all districts within a municipality. Specifically, no single district may be greater than 2% of the acreage of the entire municipality and all districts within a municipality may not be greater than 5% of the acreage of the entire municipality. Certain types of districts are exempt from this calculation, but a TID would likely not qualify for an exemption. 30-A MRSA §5223(3).

The process for establishing a municipal development district requires that the municipality both designate the district and adopt a development program for the district. The development program document must include the required components identified in Title 30-A MRSA §5224, including the duration of the district, the financial plan for the district and proposed improvements within the district, if any. The procedural requirements include holding a public hearing following proper notice publication and a positive vote by the municipal legislative body regarding the designation of the district and adoption of the development program. The Maine Department of Economic and Community Development Commissioner must review and approve tax increment financing districts, but non-tax increment financing districts do not require that step and the municipal legislative body approval is the final approval.

B. ASSESSMENTS

With a development district in place, Title 30-A MRSA §5228 provides authority to municipalities to adopt and implement an assessment related to the district. With respect to a TID, a municipality would have to adopt an “implementation assessment” which must be “equally and uniformly” assessed on all lots or property receiving benefits from the development program. The statute provides that the implementation assessments “may be used to fund activities that, in the opinion of the municipality...are reasonably necessary to achieve the purposes of the development program.” The statute also states that the “activities funded by implementation assessments must be in addition to those already conducted within the district by the municipality...when the development district was adopted.” 30-A MRSA §5228(1)(C).

An assessment must be implemented according to the required process in Section 5228 as well as any additional procedural requirements of a municipality’s charter or ordinances. In many municipalities, the legislative body or other local rules or ordinances may require that such an assessment be enacted through the adoption of an ordinance. The assessments statute requires that a specific hearing be held on the assessment itself and the notice regarding such hearing must include a specific set of information relating

to the assessment, including recitation of the boundaries of the district with a legal description as well as maximum rates of assessments to be charged in any one year.

The assessment statute specifically identifies the option for municipalities to establish an assessment through the adoption of an apportionment formula ordinance, the purpose of which is to apportion “the value of improvements within a development district according to a formula that reflects actual benefits that accrue to the various properties because of the development and maintenance.” 30-A MRSA §5228(3). This language suggests a relationship only to development assessments or maintenance assessments based on the focus on development and maintenance activities (rather than implementation assessments which apply to the TID concept); however, in order for the municipality to demonstrate compliance with the statute, it is necessary for the municipal legislative body to adopt a methodology regarding the implementation and calculation of the assessment that demonstrated the assessments will be “equally and uniformly” assessed on all lots or property receiving benefits from the development program. In the municipality’s action to designate the district, adopt the development program and approve an ordinance relating to the assessment, such a methodology will need to be presented, included and explained.

The assessment statute also provides that assessments must be collected in the same manner as municipal taxes and that the municipality has all authority and powers to collect unpaid assessments or parts of assessments that apply to unpaid property taxes. 30-A MRSA §5228(5).

The municipalities will administer the assessment, but the municipality could arrange for such funds to be paid to an outside entity that would be charged with undertaking specific activities in furtherance of the development program. This arrangement could be outlined within the assessment ordinance and/or memorialized within a contract for services. The method of implementing the activities supported by the assessment is an administrative or policy determination so long as the procedural requirements of the development district statutes are followed and the work undertaken with the assessment proceeds is consistent with the development program and any other relevant assessment or assessment methodology related municipal documentation and approvals. If regionalization of services is desired for particular types of activities supported by an implementation assessment, utilizing a third party to perform the activities that benefit the district properties giving effect to the activities outlined in the development program may help achieve economies of scale if other nearby municipalities approach this effort in a similar fashion.



To: Greg Watson, Director of Housing and Economic Development;
Micheal Goldman, Corporation Counsel, Danielle West, City Manager,
Mark Dion Mayor, Dena Libner, Assistant City Manager

From: Kate Sykes, Councilor Dist. 5

Date: Apr 25, 2025

RE: Proposed Amendment to the FY2026 Tourism Development
District Agreement

This memo is submitted in follow-up to the Housing and Economic Development Committee meeting held on April 15, 2025. During that discussion, questions were raised about the structure and public value of the Tourism Development District (TDD) agreement. Upon further review and comparison with the City's Downtown Transit Oriented Development (TOD) TIF District, it appears that some improvements could be made to bring this agreement into closer alignment with Portland's standards for public accountability, workforce support, and fiscal oversight.

The current TDD agreement has delivered important value to the city. Under the leadership of Lynn Tillotson and the team at Visit Portland, Portland has seen consistent and professional destination marketing, increased visibility in competitive tourism markets, and a sustained commitment to driving visitation across all four seasons. The agreement provides stable, non-general fund support for these efforts and enables coordination between the City and local lodging establishments.

The amendments proposed below are offered with the intent of building on this success. They seek to ensure that the benefits of tourism extend more clearly to the workers and neighborhoods that make the visitor experience possible, and that the public funds supporting this work are governed with transparency and integrity. I submit the following proposed revisions to both the TDD contract and its accompanying Development Program for consideration by the committee.

I. Proposed Amendments to the FY2026 TDD Agreement (Contract)

1. Amendment to Article II(c): Increase City Retained Share and Create a Tourism Investment Fund

Current Language:

“The City shall retain ten percent (10%) of the assessments collected under this Agreement...”

Proposed Amendment:

“The City shall retain twenty-five percent (25%) of the assessments collected under this Agreement. The additional retained revenue shall be allocated to a Tourism Investment Fund to support services and infrastructure that directly benefit Portland’s hospitality workforce. Eligible uses include, but are not limited to: transportation access, workforce development, childcare supports, and public improvements in neighborhoods impacted by tourism.”

Justification:

This aligns the TDD more closely with the Downtown TOD TIF, which allows for the use of public funds to support city staff, workforce training, and public infrastructure. Increasing the City’s share provides greater flexibility to invest in the people and places most impacted by tourism pressures while maintaining core promotional funding for Visit Portland.

2. Amendment to Article II(i): Reporting Scope and Council Submission

Current Language:

“Visit Portland will produce an annual report to be submitted to the City reflecting all projects, expenses, and returns on investments of the District.”

Proposed Amendment:

“Visit Portland shall produce an annual report detailing the activities, expenditures, and outcomes associated with the Tourism Development District.

This report shall include:

- A financial accounting of District revenues and expenditures;
- A summary of all marketing, promotions, and development activities; and
- A section outlining the District’s impact on local workforce conditions, including job creation, year-round employment trends, and partnerships that support or engage Portland’s hospitality workers.

This report shall be submitted to the City Council and made available to the public no later than [DATE TBD]. The Council shall have the opportunity to review and discuss the report in a public session as part of its annual review of the District.”

Justification:

This amendment creates direct accountability to elected officials, not just staff. It brings the TDD in line with other public financial oversight practices, such as the TOD TIF and CIP. It guarantees the public can access and evaluate outcomes and ensures that the workforce impact component isn't buried or bypassed. While a specific reporting deadline is desirable, the final date should remain flexible and aligned with the annual contract renewal process, typically in June, to ensure that all financial and programmatic data are current at the time of Council consideration. This flexibility supports effective oversight without disrupting the District's operational calendar, while ensuring that workforce outcomes are not overlooked or buried in administrative documents.

3. Revised Amendment to Article III(c): Worker Representation on Board

Current Language:

"Visit Portland shall maintain a corporate Board of Directors whose members fairly represent a cross section of District Property owners or their designees."

Proposed Amendment:

"In addition, the Board shall include one voting seat reserved for a representative of Portland's hospitality workforce, nominated in consultation with one or more labor unions or worker organizations that represent frontline tourism-sector employees within the City of Portland.

This Board member shall have full voting rights and serve a renewable one-year term. The inclusion of this seat is intended to ensure that worker perspectives are formally integrated into the governance and strategic direction of the District's Development Program."

Justification:

This amendment reinforces the District's stated purpose of supporting long-term, stable employment opportunities by embedding worker voice directly into the governance structure of the entity that stewards more than \$1.3 million in public assessment revenue. Including a representative from the hospitality workforce as a voting member of the board ensures that those who generate the economic value of Portland's tourism industry have a meaningful role in shaping how that value is reinvested.

4. New Section – Article III: Transparency and Public Access to Visit Portland Governance

Current Language:

[No existing section]

Proposed Amendment:

“Visit Portland shall publish the agendas and minutes of its Board of Directors’ meetings related to the administration of District funds. These meetings shall be publicly noticed and open to observation. Meeting materials shall be made available on the Visit Portland website and transmitted to the City Clerk for inclusion in the City’s public records archive or on a publicly accessible City web page.”

Justification:

While Visit Portland receives over \$1.3 million in public assessments, there is currently no public access to its Board meetings or budget deliberations. The Downtown TOD TIF—administered through the City’s CIP and budget process—ensures public access and review of all fund allocations. This amendment extends a similar level of transparency by requiring that meetings concerning the use of public revenue be open to public observation, with materials accessible online. Requiring publication on Visit Portland’s website (or and optionally through the City Clerk) ensures accessibility while respecting the operational independence of the nonprofit.

II. Corresponding Amendments to the TDD Development Program (Exhibit A)

1. Revised Purpose Statement

Proposed Development Program Language:

“The purpose of the Portland Tourism Development District is to support a resilient, inclusive, and sustainable tourism economy that directly benefits Portland’s residents and workforce. The District will accomplish this by funding strategic marketing and destination development while also reinvesting in the infrastructure, services, and labor that sustain Portland’s visitor economy. The City of Portland affirms that the long-term success of tourism depends on equitable economic outcomes for workers, vibrant neighborhoods, and transparent stewardship of public resources.”

2. New Section: Tourism Investment Fund

Proposed Development Program Language:

“A portion of the City’s retained revenue shall be allocated to a Tourism Investment Fund to support infrastructure and services that directly benefit Portland’s hospitality

workforce and the neighborhoods most impacted by tourism. Eligible uses may include, but are not limited to:

- Public transportation and commuter access;
- Childcare and scheduling supports;
- Workforce development and training partnerships;
- Neighborhood infrastructure or beautification in high-tourism areas.”

3. Annual Review and Reporting Requirements

Proposed Development Program Language:

“The Development Program shall be reviewed annually by the Portland City Council, with Visit Portland submitting a public-facing report detailing:

- Marketing and development activities;
- Financial expenditures;
- Workforce-related impacts and partnerships. This report shall be submitted no later than October 1 following the end of the fiscal year and shall be placed on a City Council agenda for discussion.”

4. Public Oversight and Board Structure

Proposed Development Program Language:

“The Visit Portland Board shall include a voting seat reserved for a representative of Portland’s hospitality workforce, nominated in consultation with labor unions or worker organizations. In addition, Visit Portland shall publicly post agendas and minutes of all meetings related to the administration of District funds and allow for public observation of its governance meetings.”

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

MEETING DATE

Ma 20, 2025

AGENDA ITEM

Agenda Item # – 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 Trevorrow, Councilor Kate Sykes and discussed at the Council’s August 19, 2024, meeting
o 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

FISCAL IMPACT

Please see the Finance Director’s 5/16/2025 memorandum in the backup, pp 141 to 143.

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
20 2025 15 2025

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.mcecp.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.mcecp.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.mcecp.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

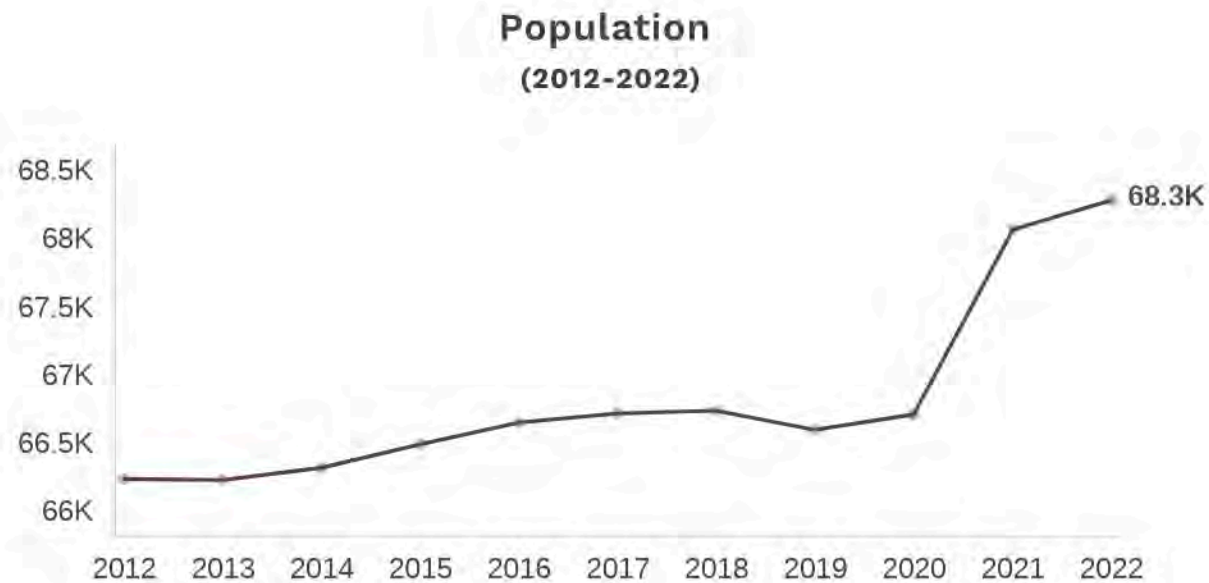
Portland city

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.

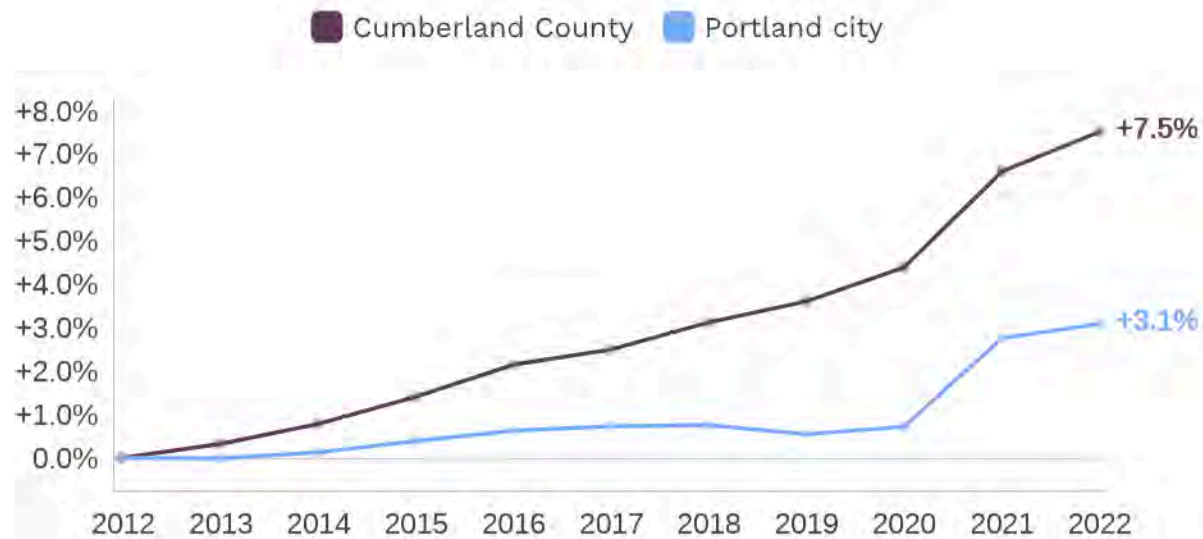
Population

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

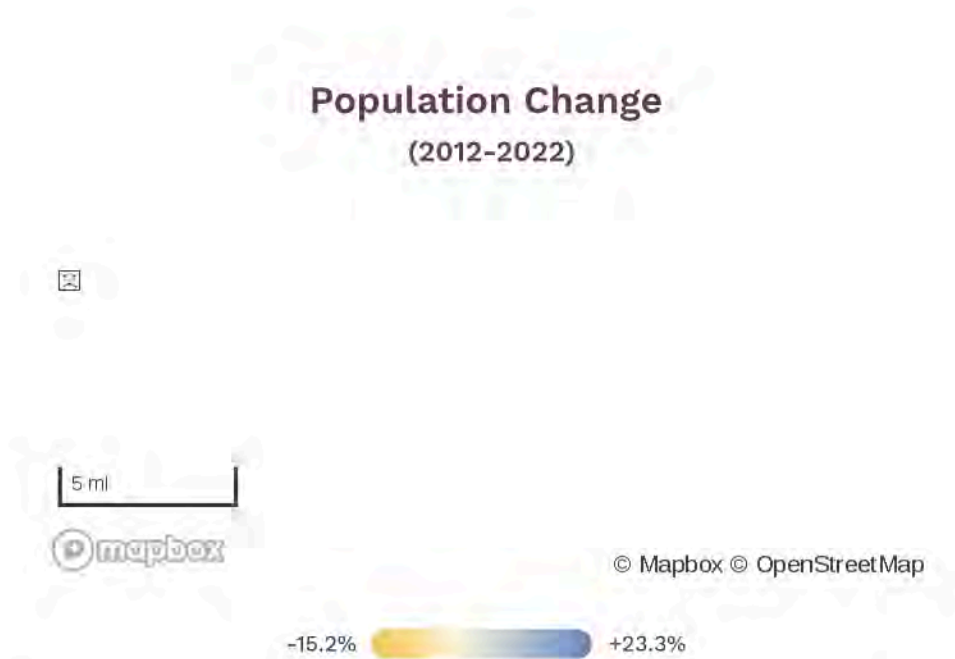
Comparative Population Change (2012-2022)



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



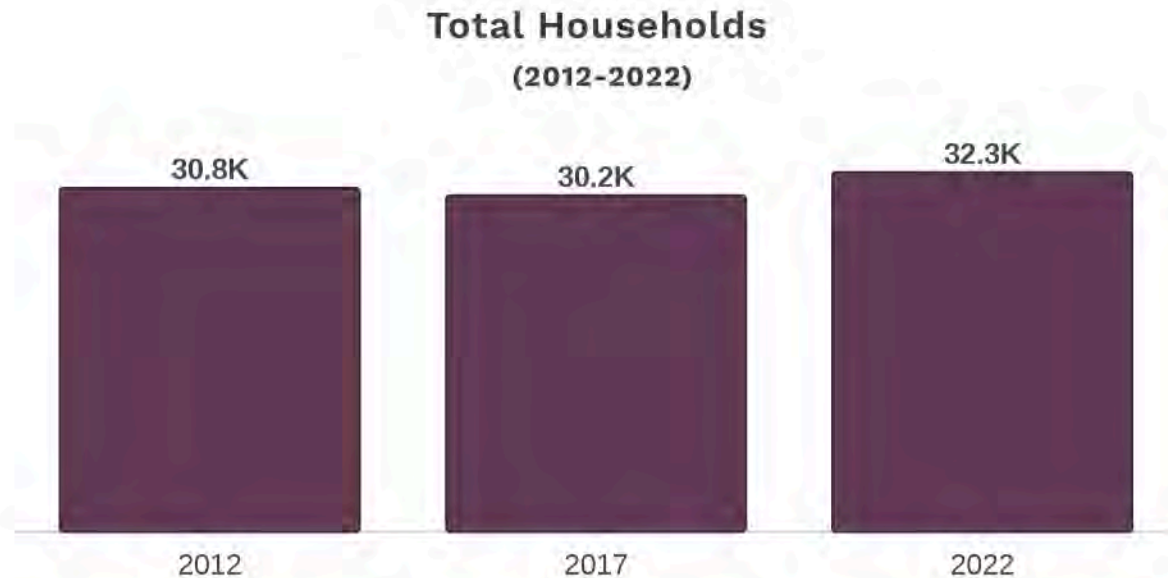
© Mapbox © OpenStreetMap

283 22,645

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

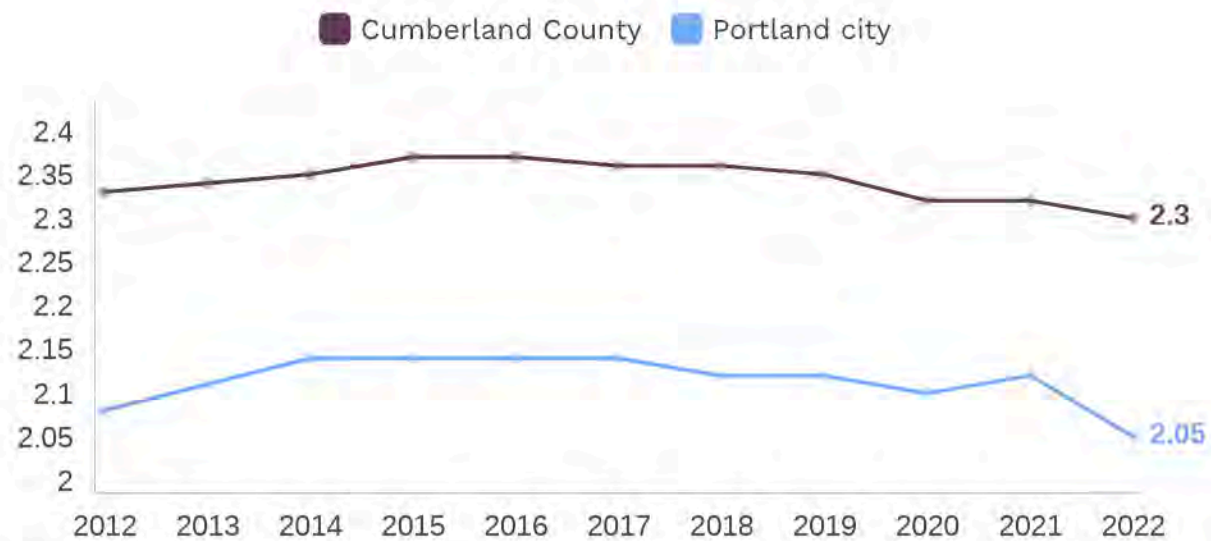
Households and Household Size

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.



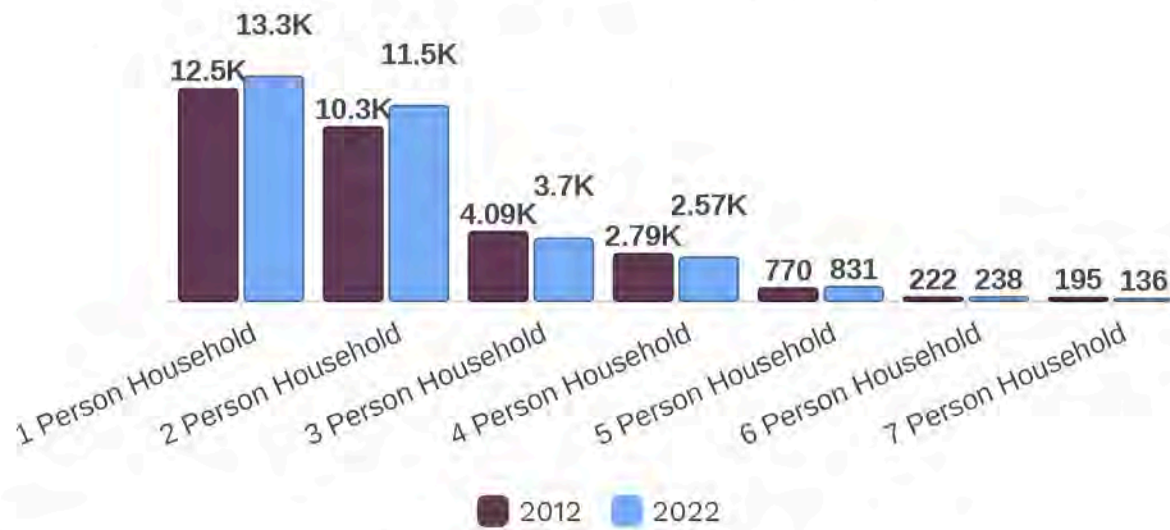
Source: American Community Survey (ACS), US Census Bureau

Average Household Size (2012-2022)



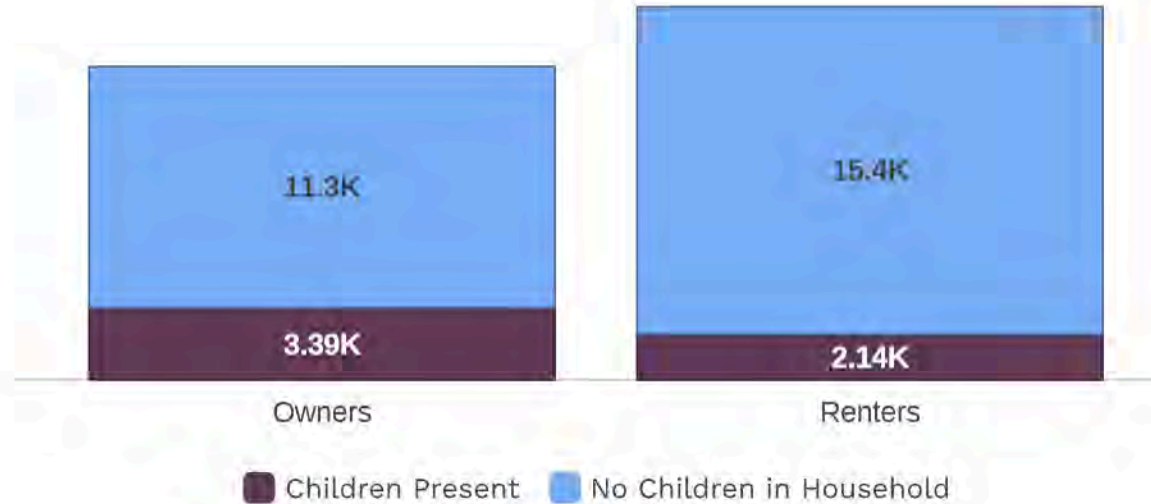
Source: American Community Survey (ACS), US Census Bureau

Distribution of Household Size



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

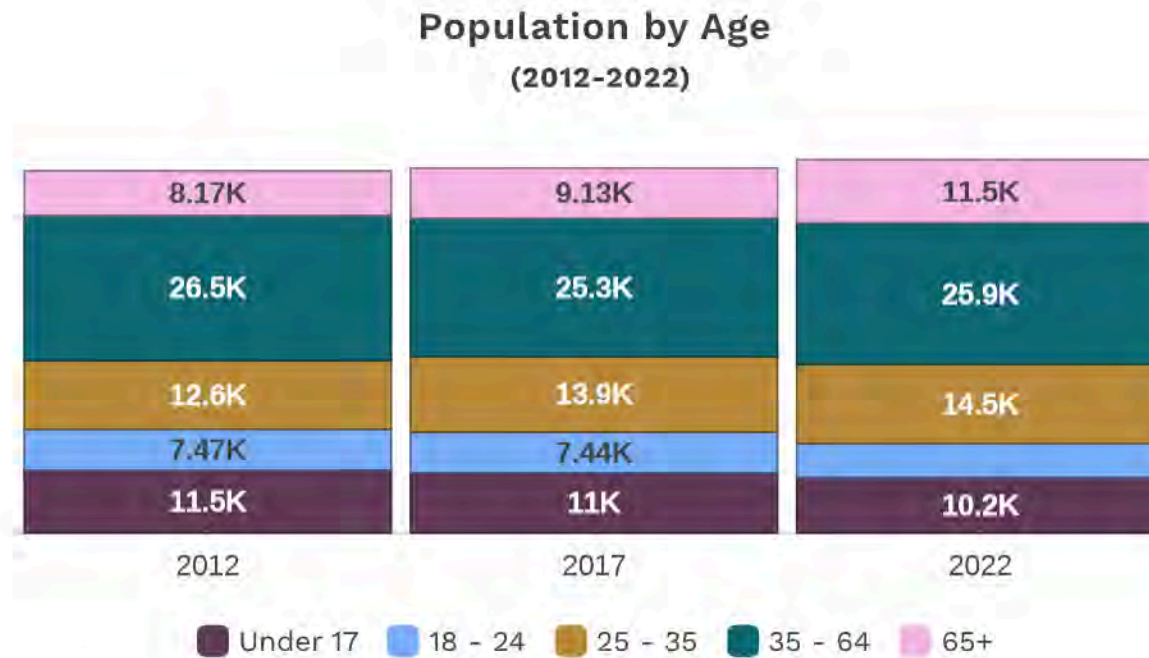
Households by Tenure and Presence of Children (2022)



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

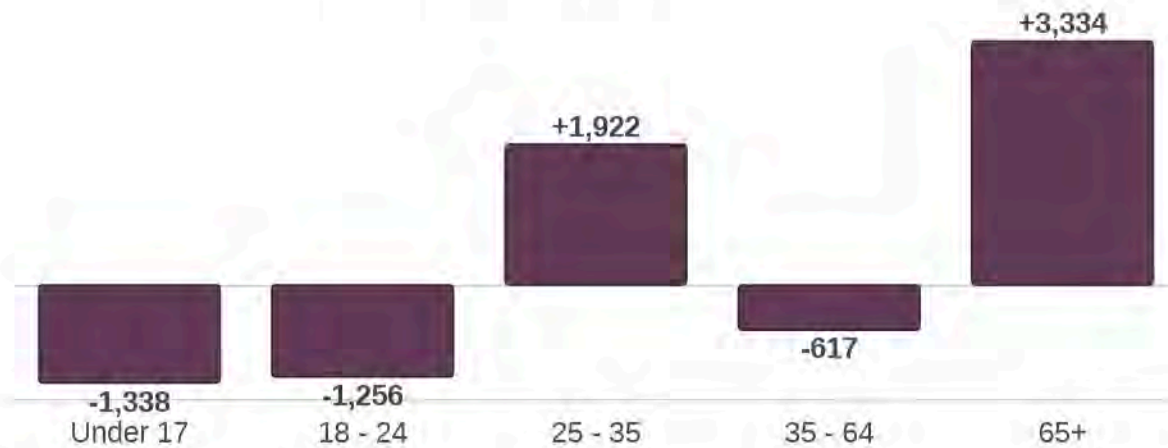
Age

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%).

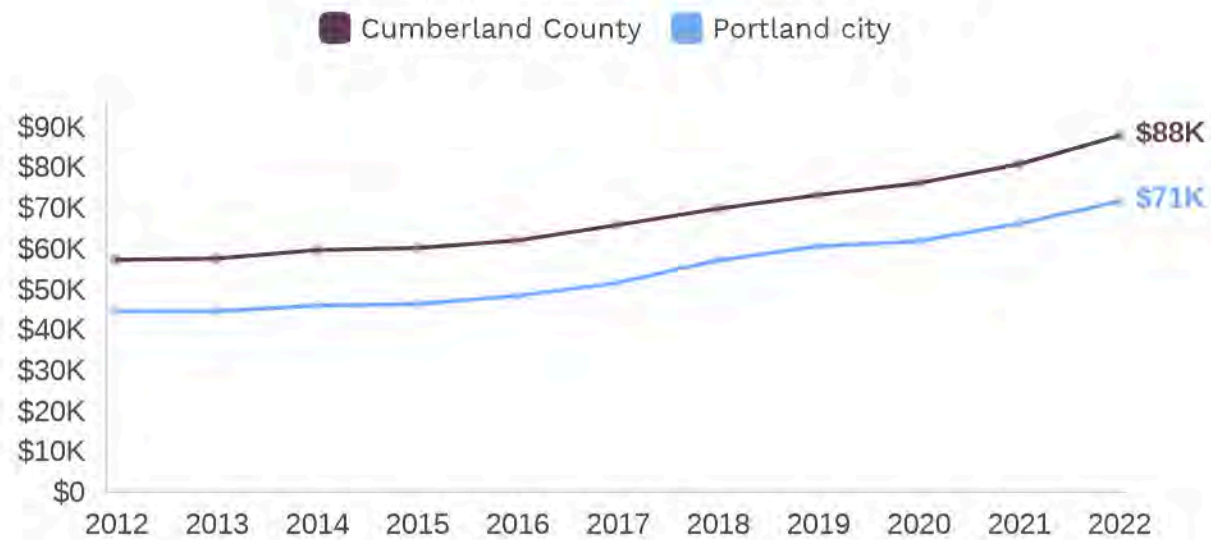
Regional Median Household Income Comparison (2022)



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)

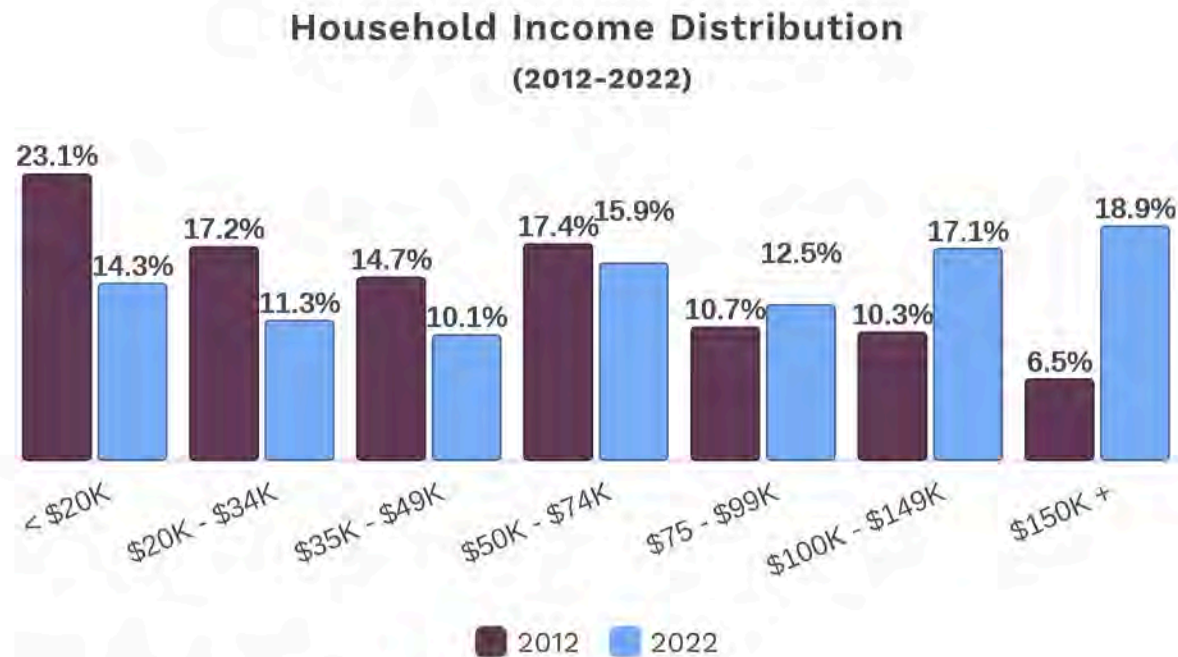


Dollar values are nominal.

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)

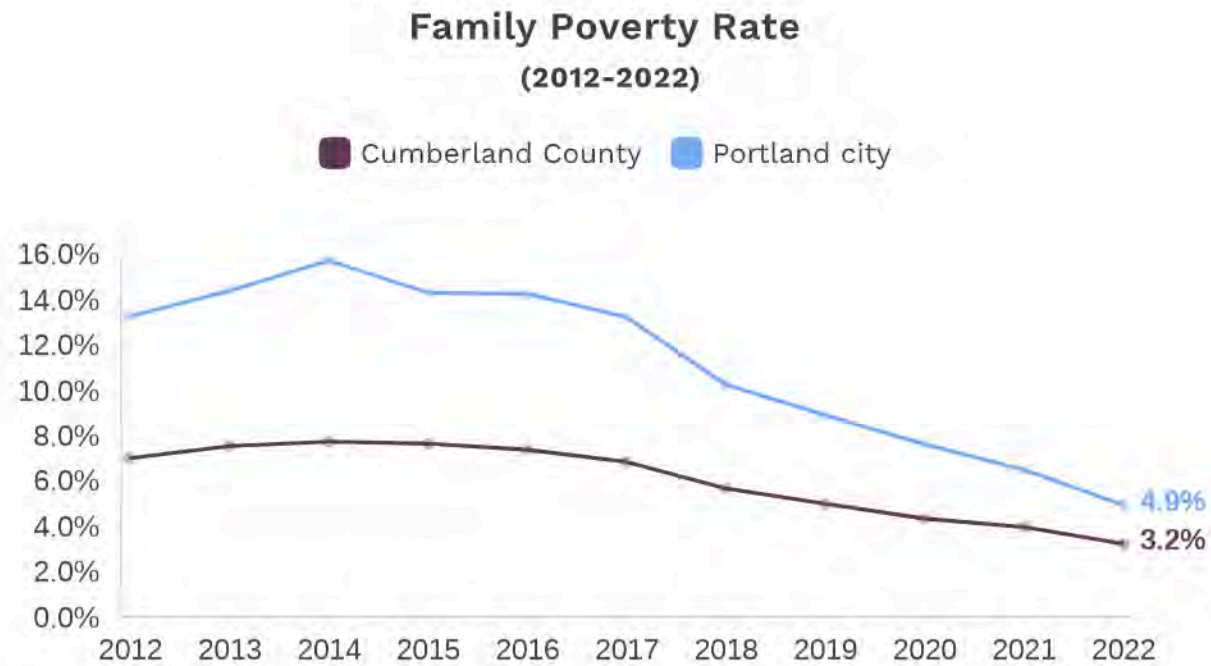


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

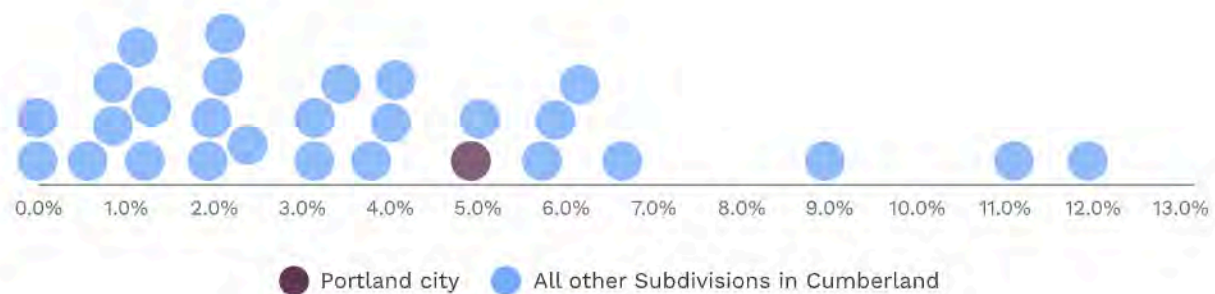
Family Poverty Rate

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)

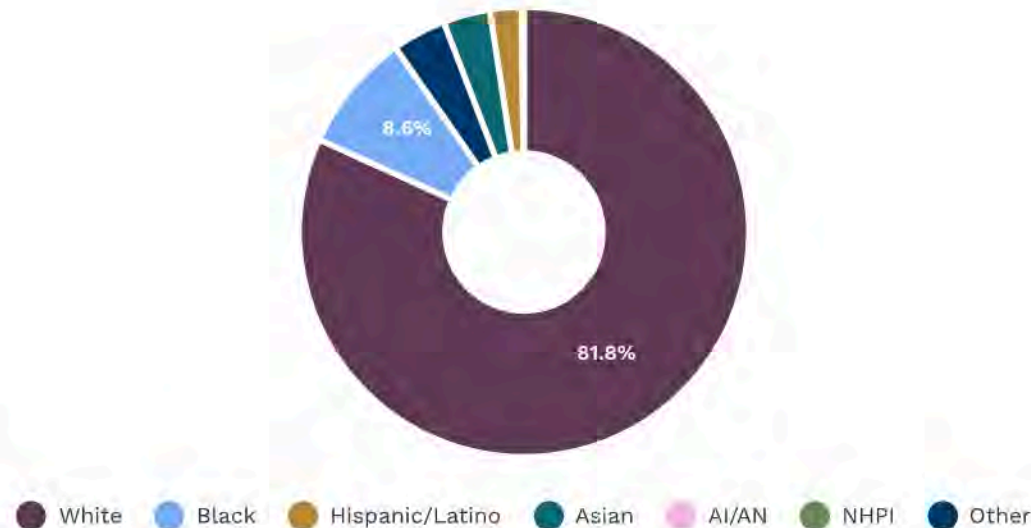


Source: American Community Survey (ACS), US Census Bureau

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.

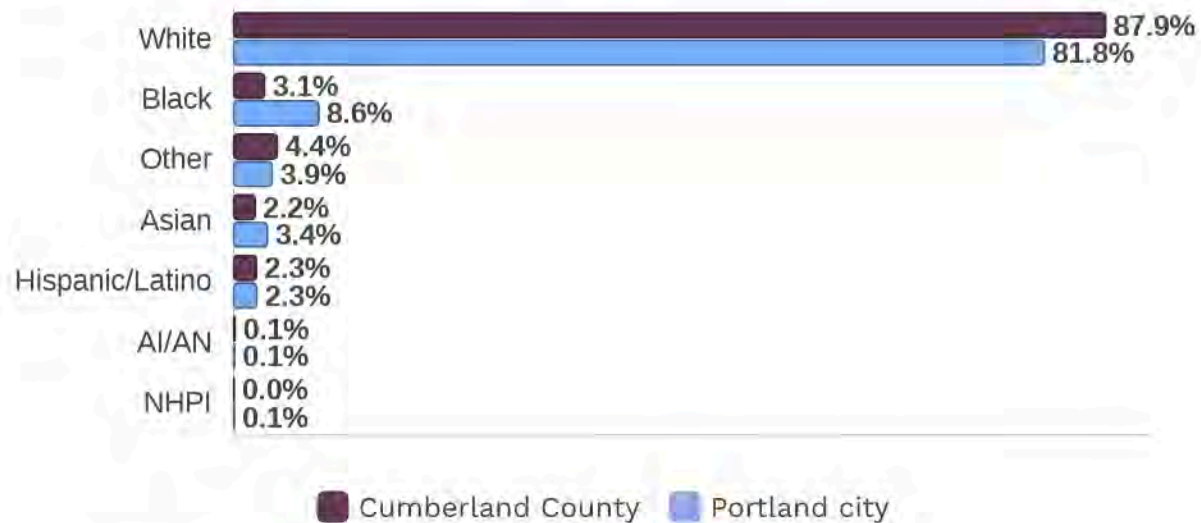
Racial and Ethnic Distribution (Population)
(2022)



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)

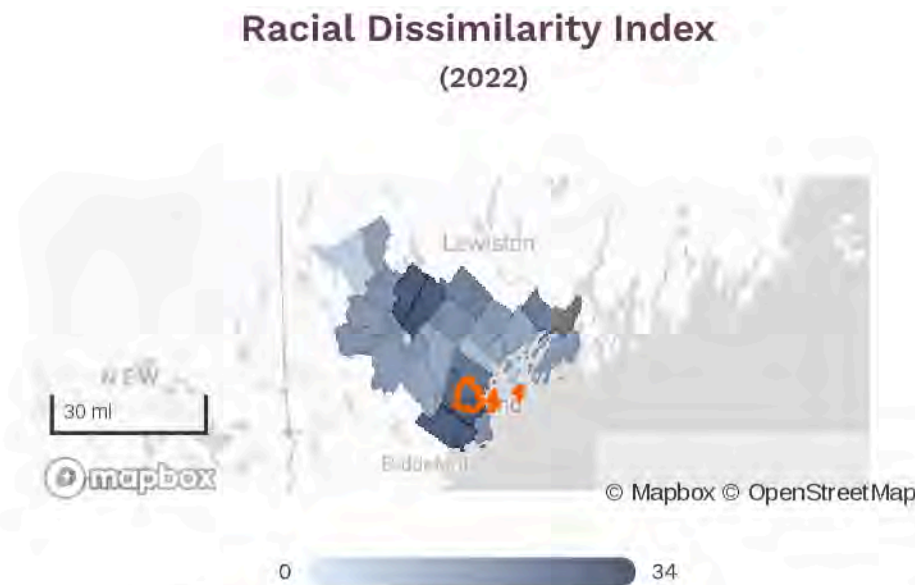


Source: American Community Survey (ACS), US Census Bureau

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)

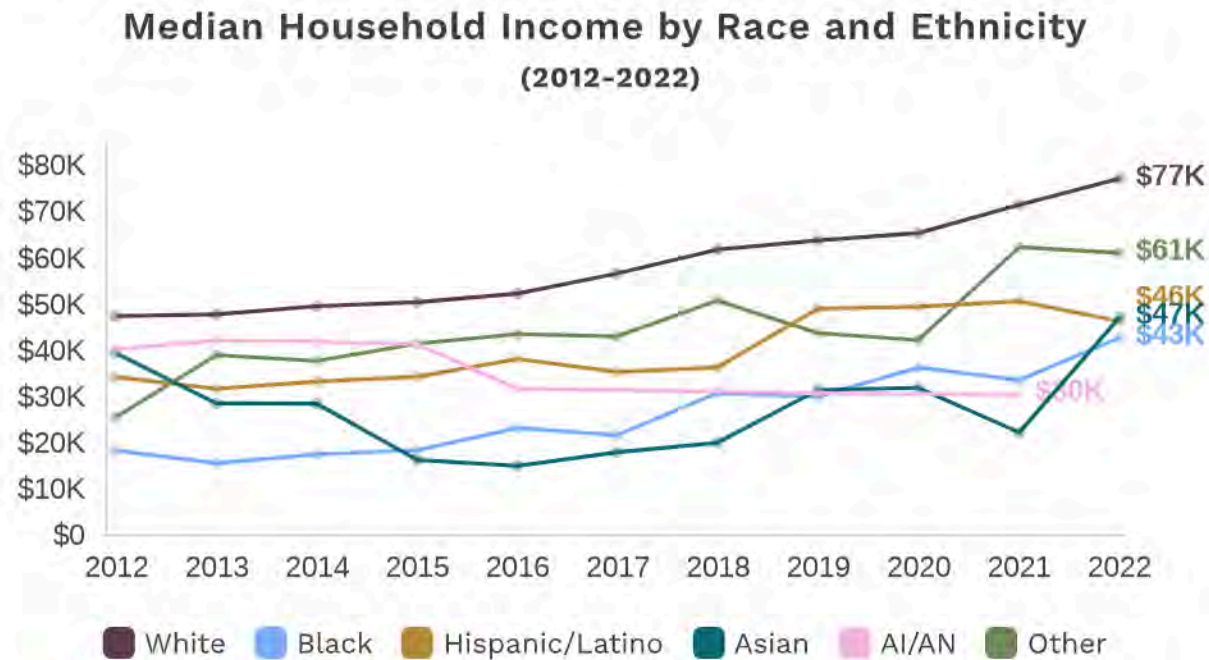
The dissimilarity index demonstrates the degree of racial segregation within specific geographic regions. A dissimilarity index of 0 demonstrates an environment of integration under which groups (in this case racial or ethnic groups) are distributed in the same proportions across all neighborhoods. A 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

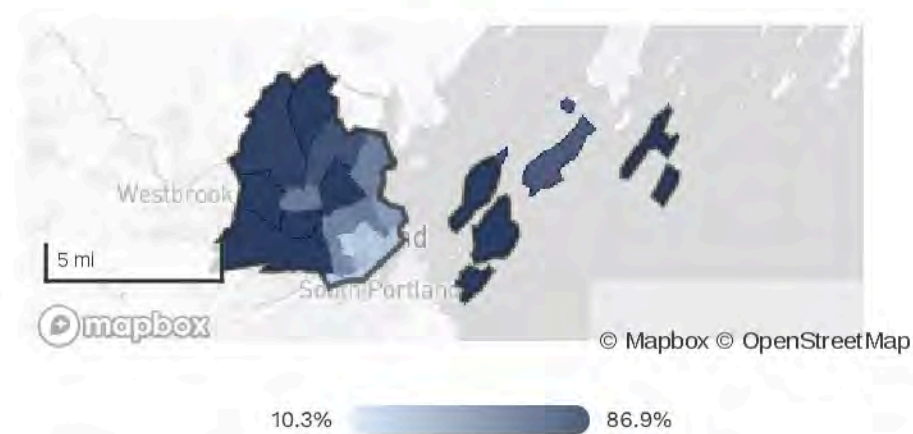
In 2022, 54.4% of households in Portland city were renters, compared with 30.1% in Cumberland County.

Share of Total Households by Tenure
(2022)



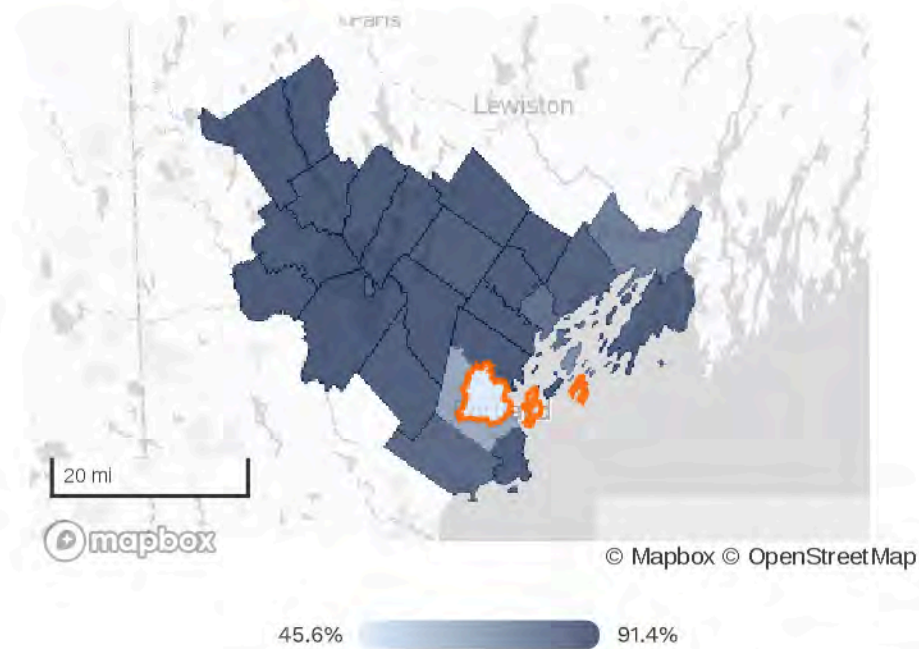
Source: American Community Survey (ACS), US Census Bureau

Homeownership Rate (2022)



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

Homeownership Rates by Peer Regions (2022)

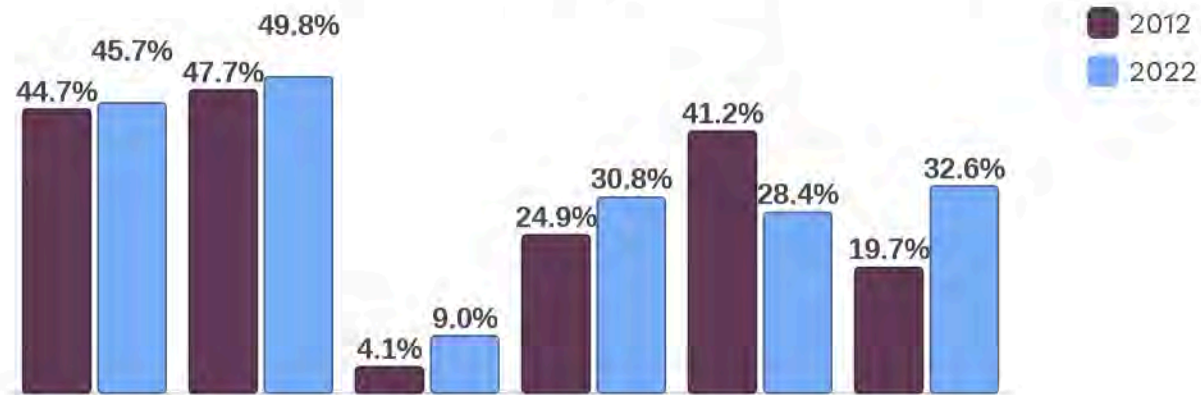


Source: American Community Survey (ACS), US Census Bureau

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)**

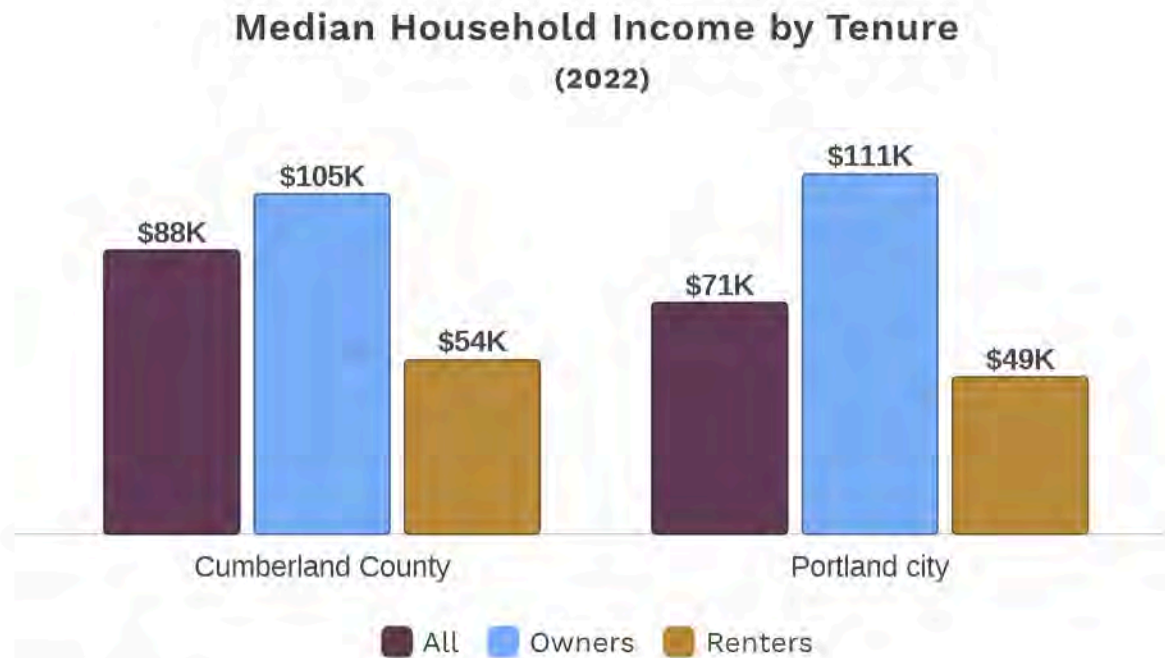


Source: American Community Survey (ACS), US Census Bureau

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

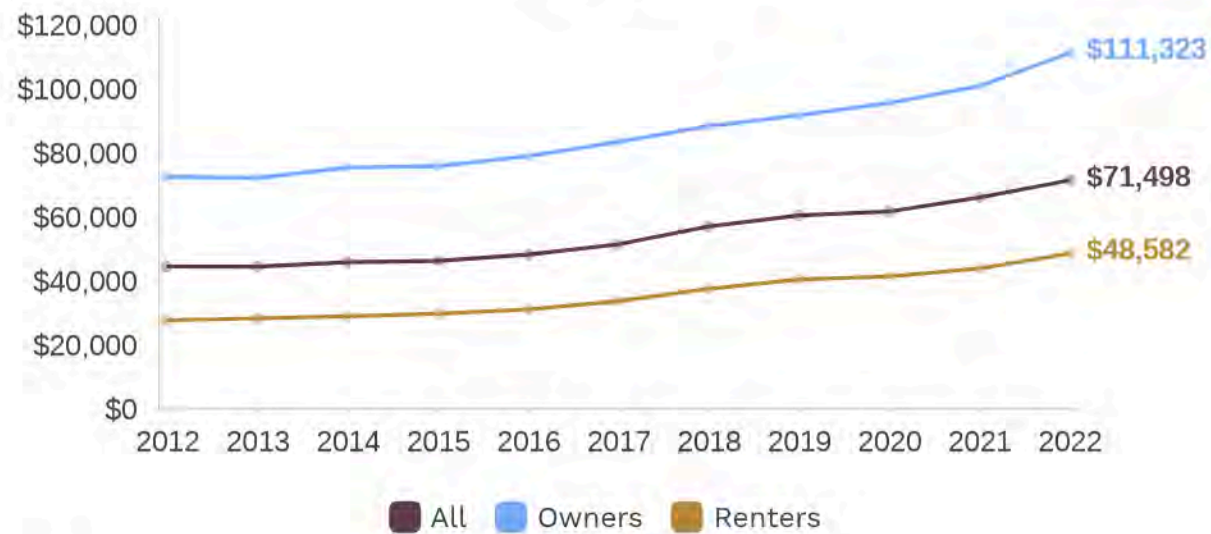
In 2022, median income for owner households was \$62,741 more than renter households in Portland city. For Cumberland County, the difference between owner and renter households was \$51,343.



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

Dollar values are nominal.

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

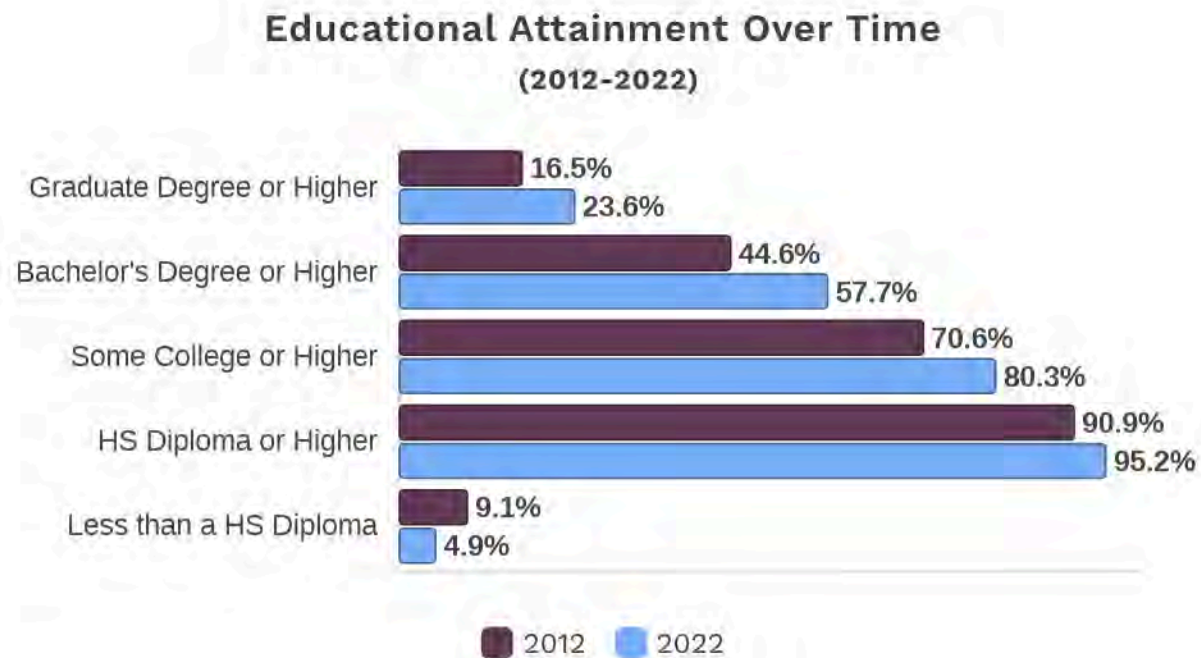


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

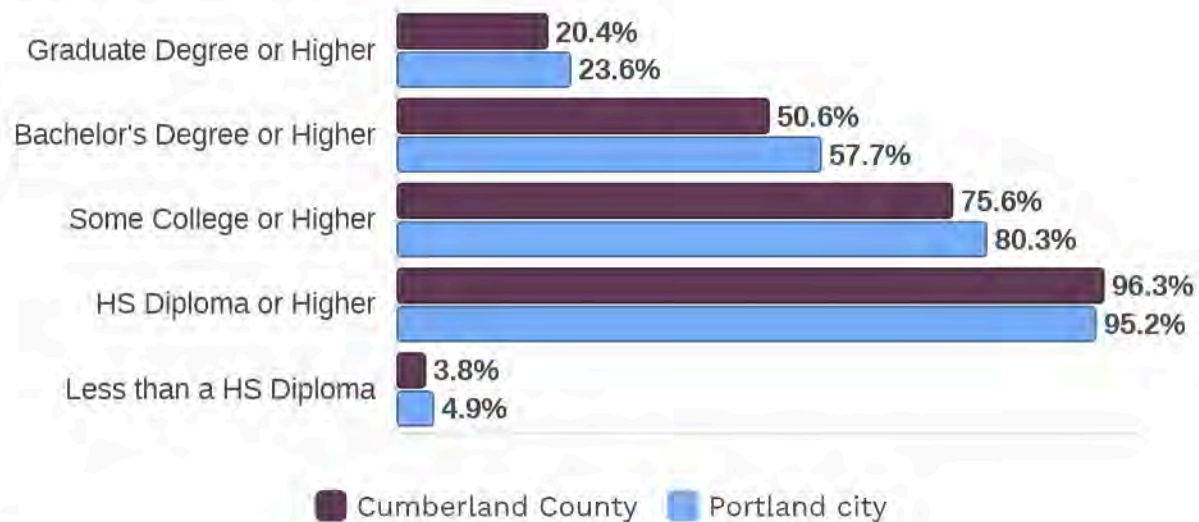
Education

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

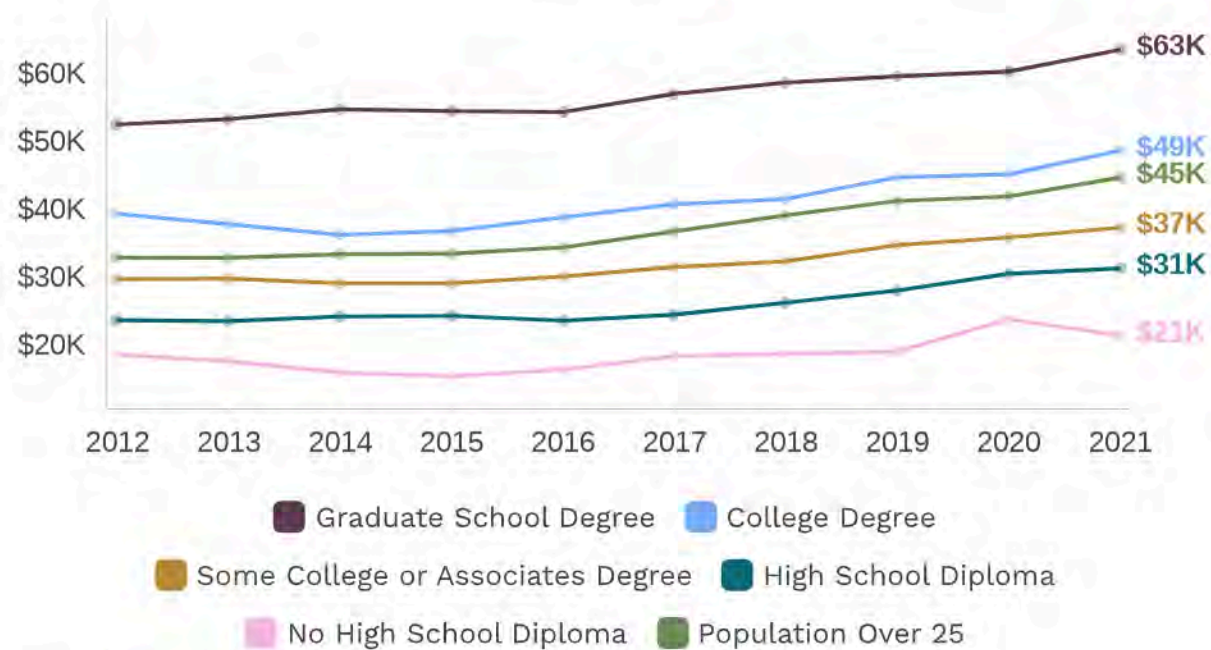
In 2022, residents with a college degree earned on average \$17,115 more than residents with only a high school diploma.

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)



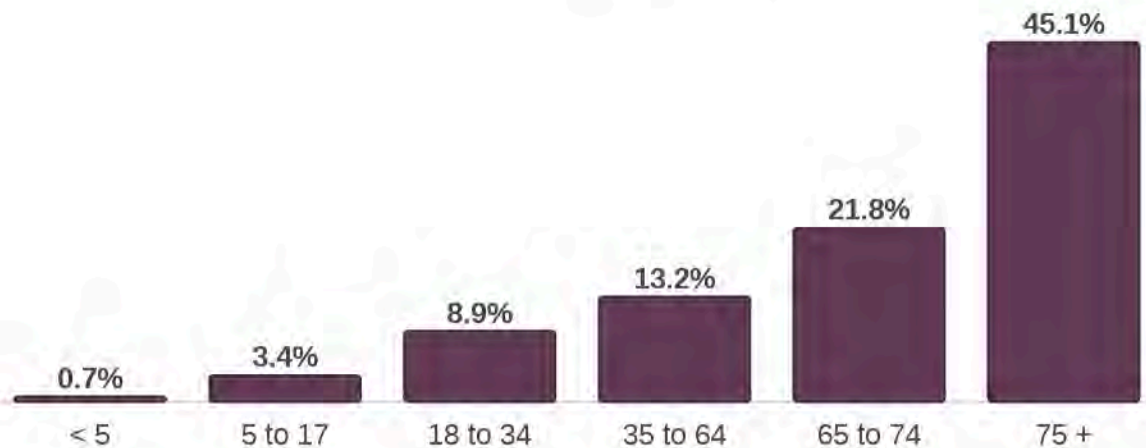
Source: American Community Survey (ACS), US Census Bureau

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.

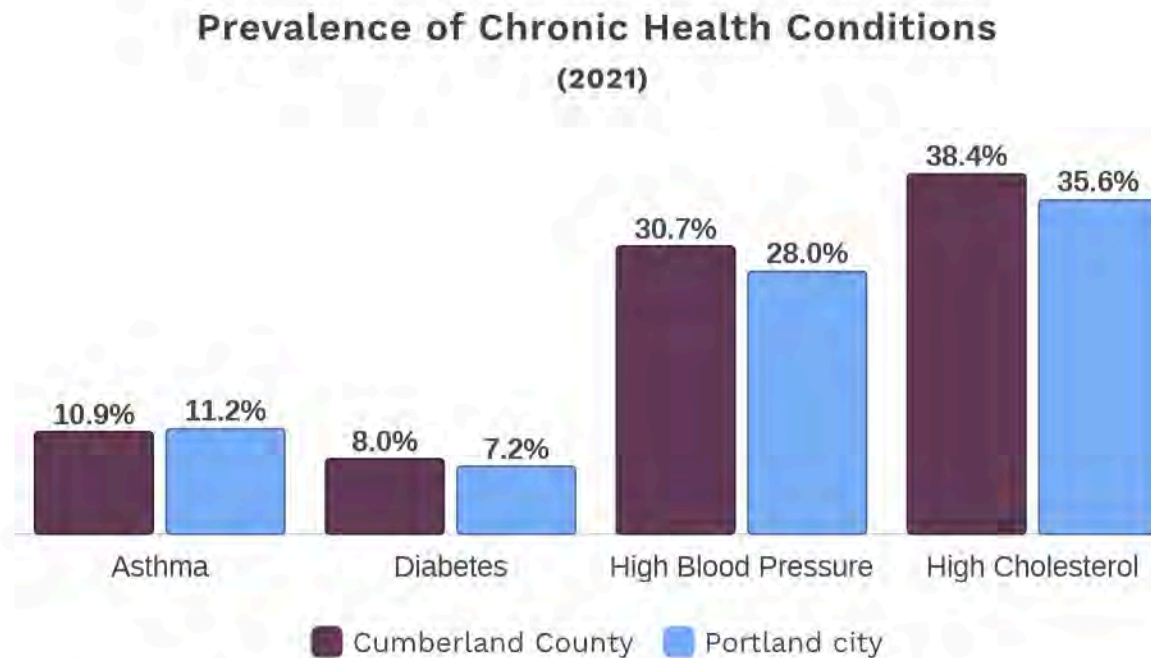
**Disability Status by Age
(2022)**



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

Health Outcomes

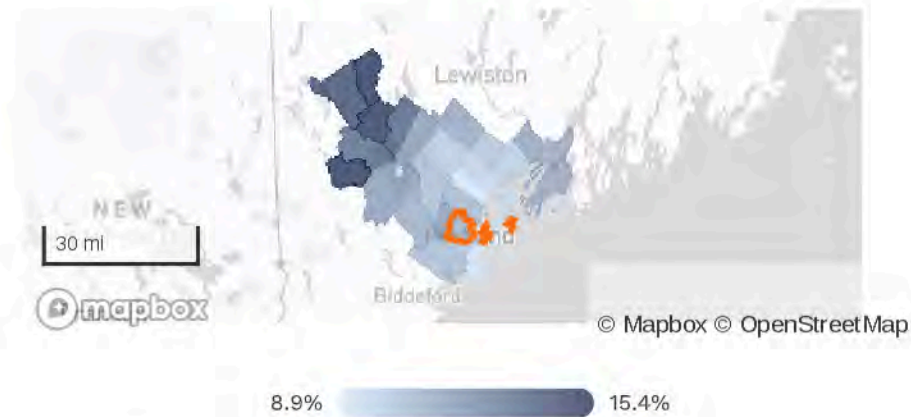
In 2021, 10.8% of the population over 18 years old in Portland city had poor or fair health, as defined by the American Community Survey.



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)



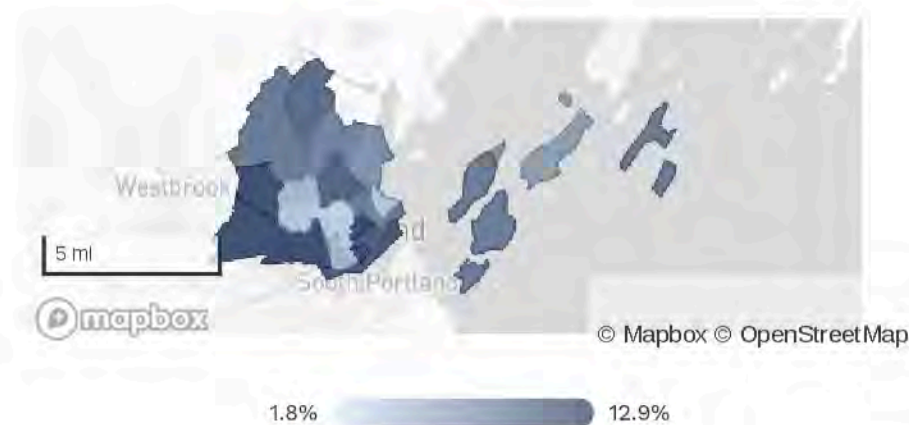
Note: The latest year of this dataset is 2021.

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

Internet Access

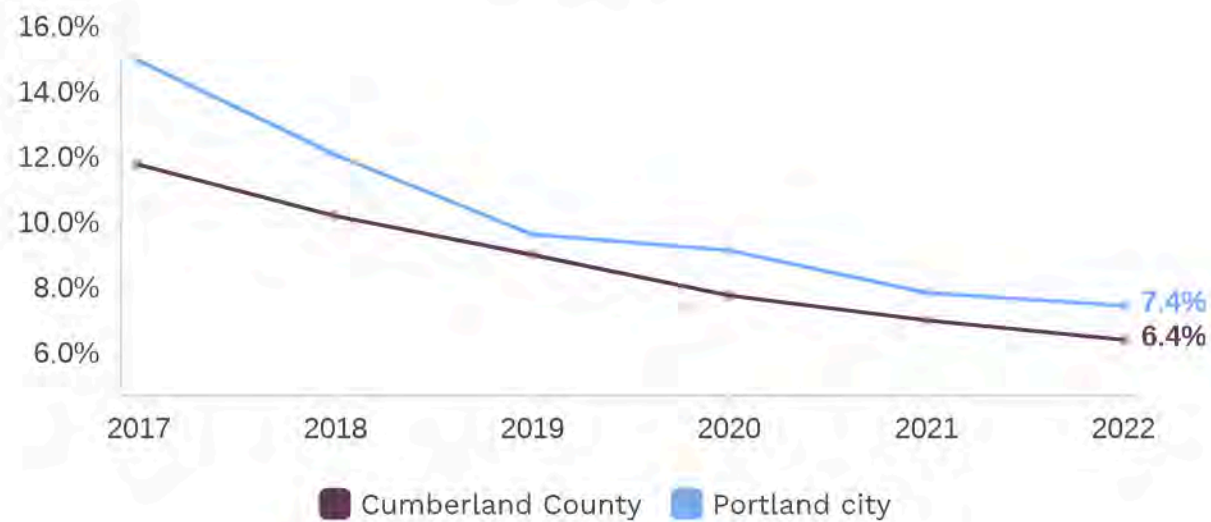
In 2022, 2,399 households in Portland city did not have internet access in their home (7.4% of all households). Internet access refers to whether or not a household uses or connects to the internet, regardless of whether or not they pay for the service to do so.

**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

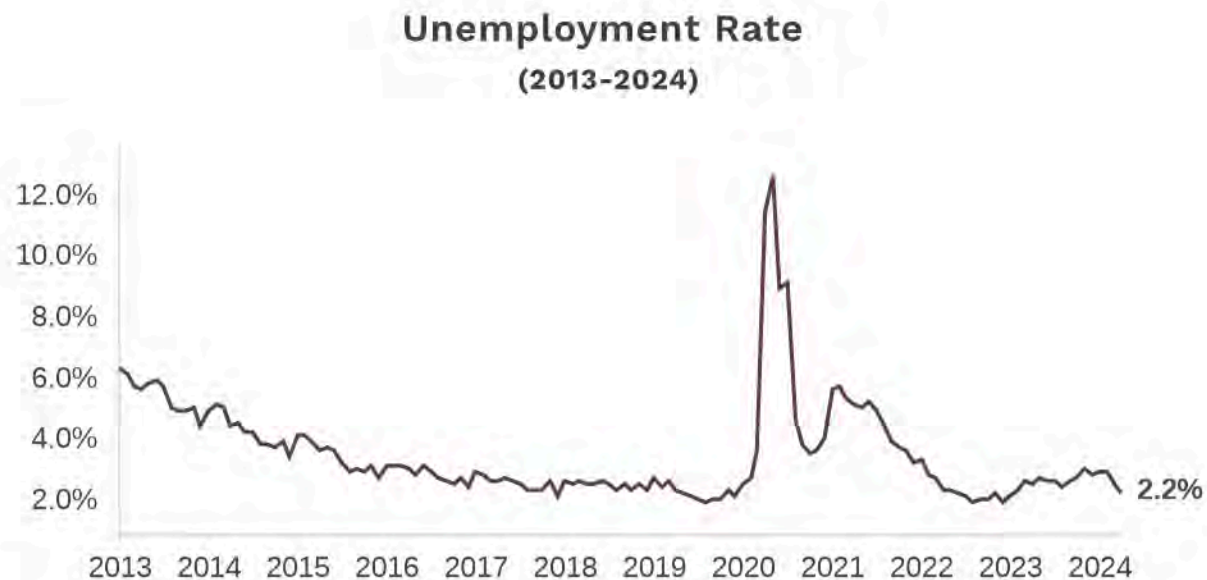
Portland city

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)

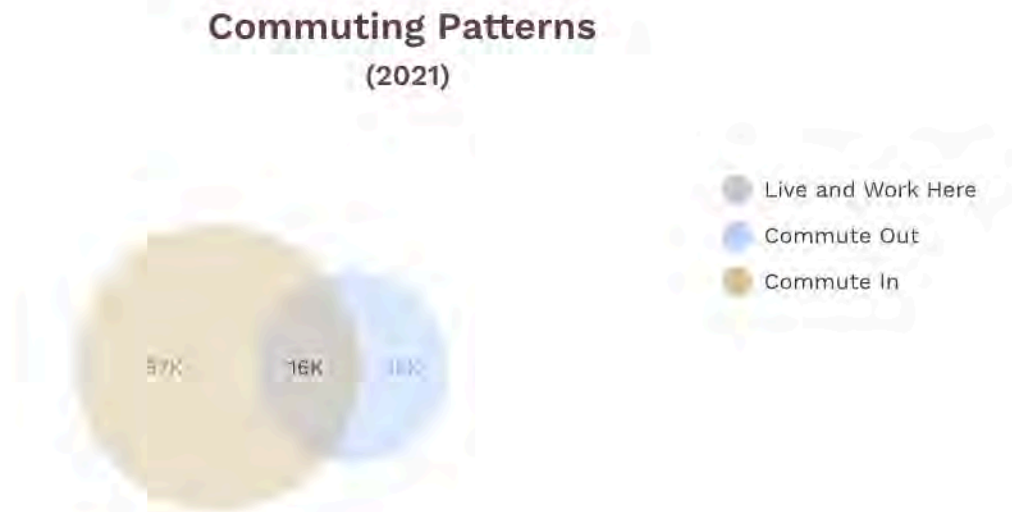


Source: Occupational Employment and Wage Statistics (OEWS, US Bureau of Labor Statistics (BLS))

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.

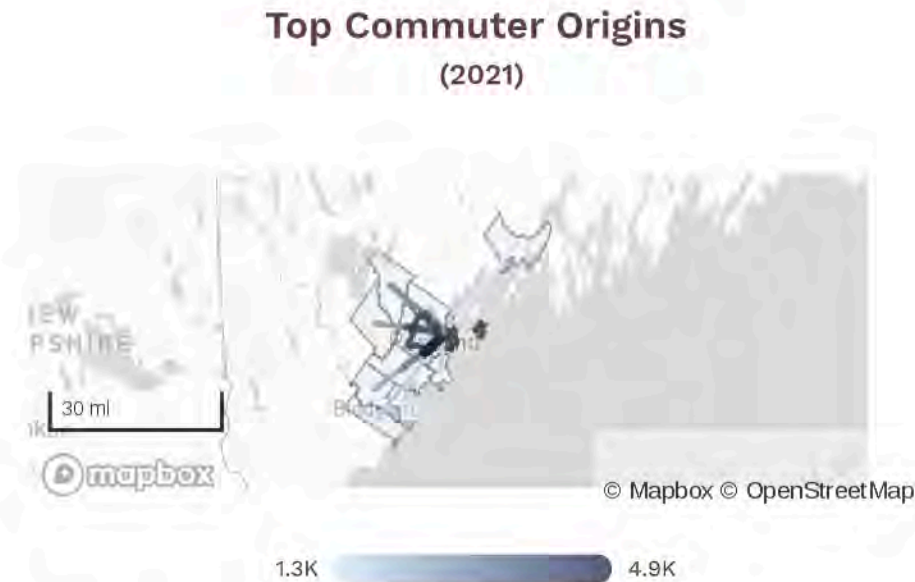


Note: The latest year of this dataset is 2021.

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)**

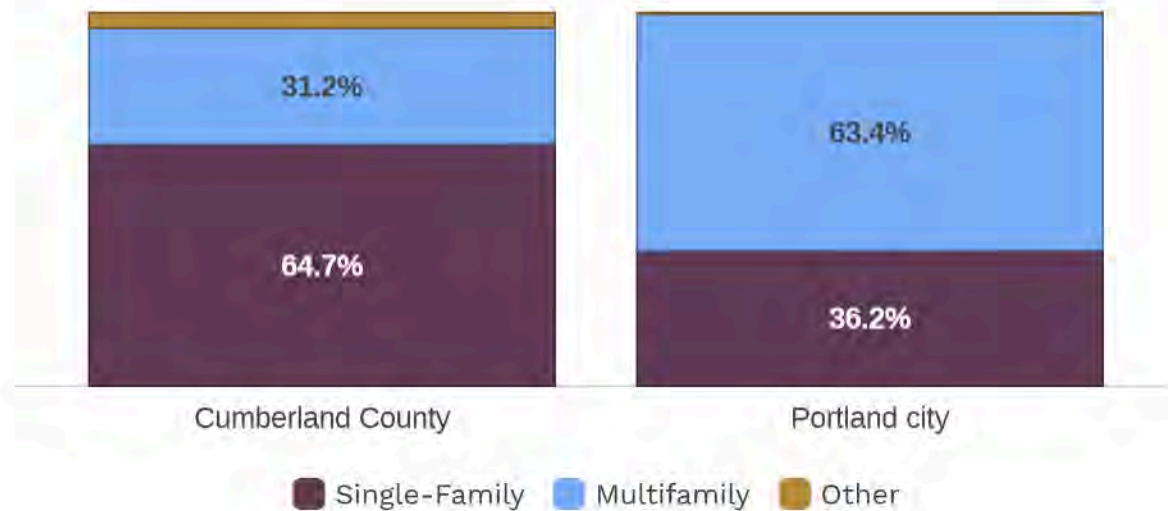


Source: American Community Survey (ACS), US Census Bureau

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)



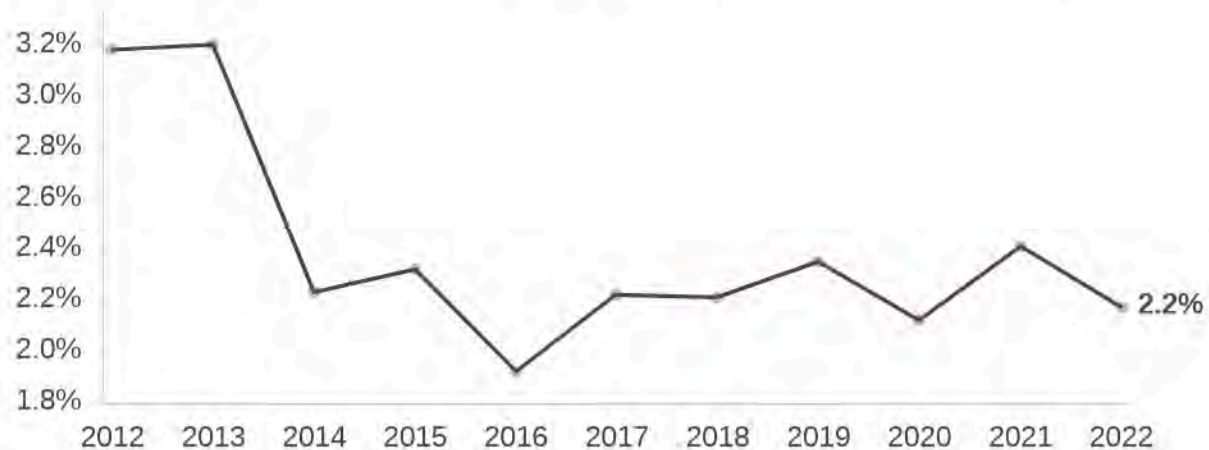
"Other Vacant" may include homes foreclosed on, in need of repair, or if the status is vacant and reason unknown.

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

Vacancy Indicators

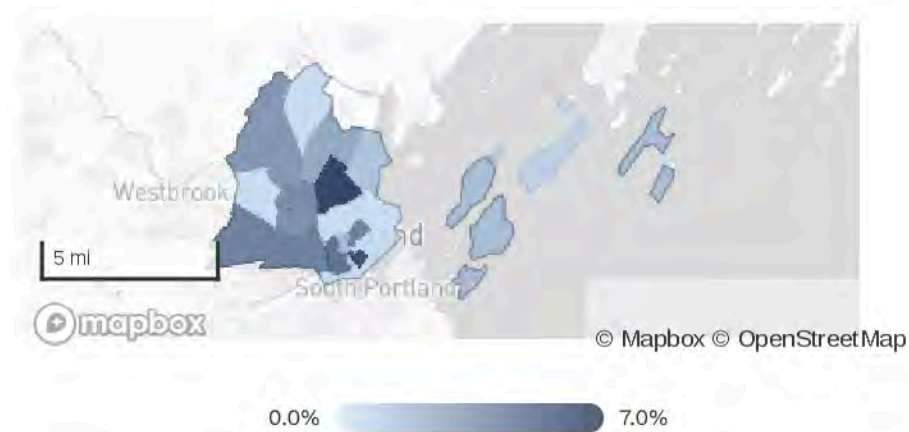
The share of vacant and available homes in Portland city decreased by 1.0%, or by 309 homes, between 2012 to 2022. This indicates that the housing market was more constrained in 2022 compared to 2012.

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



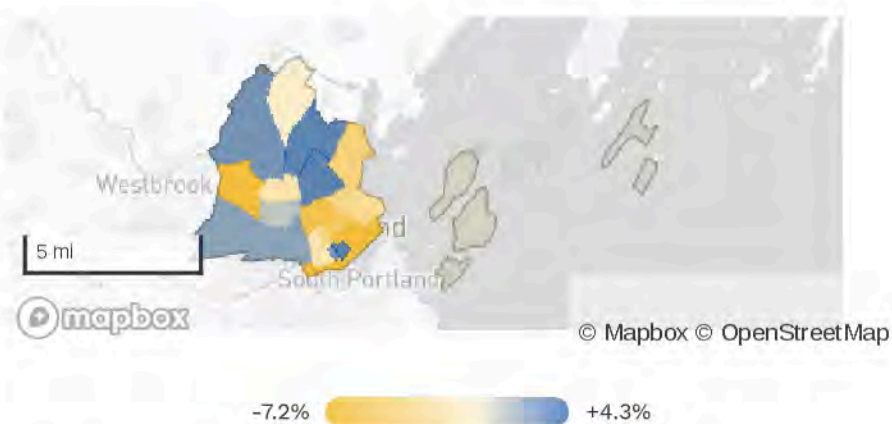
Source: American Community Survey (ACS), US Census Bureau

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)

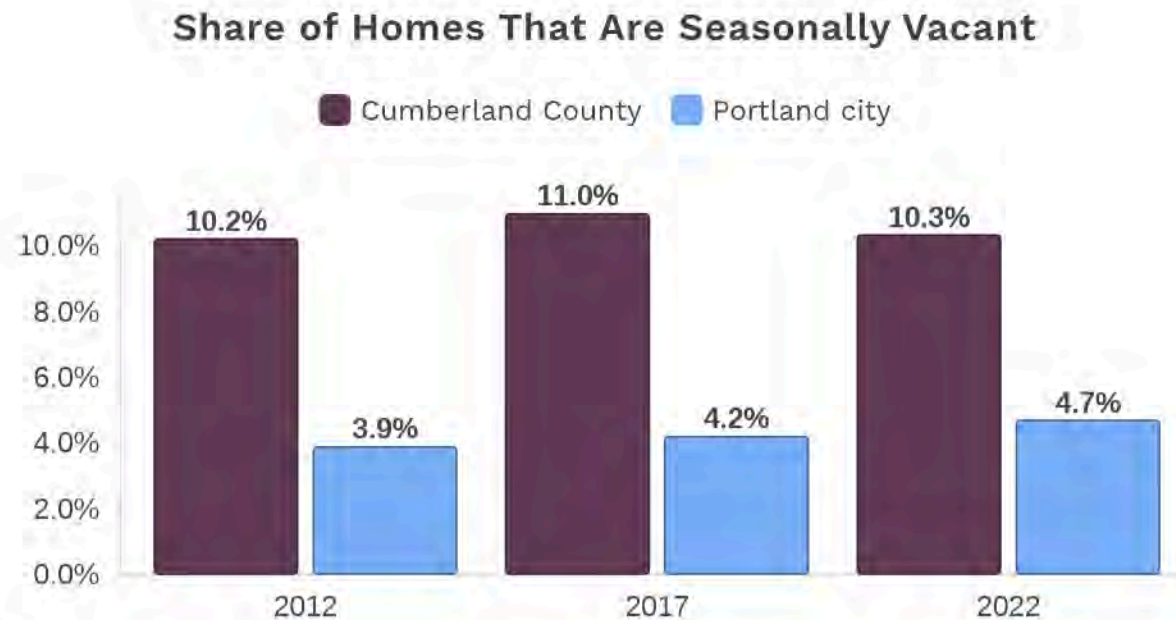


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk.

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."

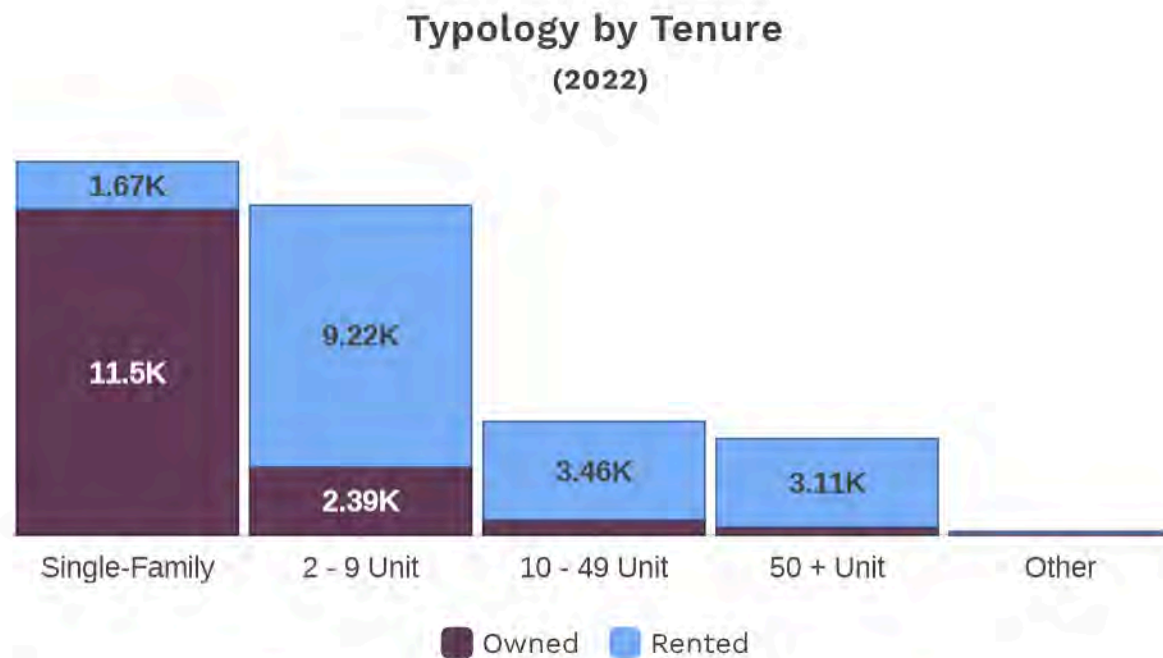
Regional Comparison of the Seasonal Vacancy Rate (2022)



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

Typology by Tenure

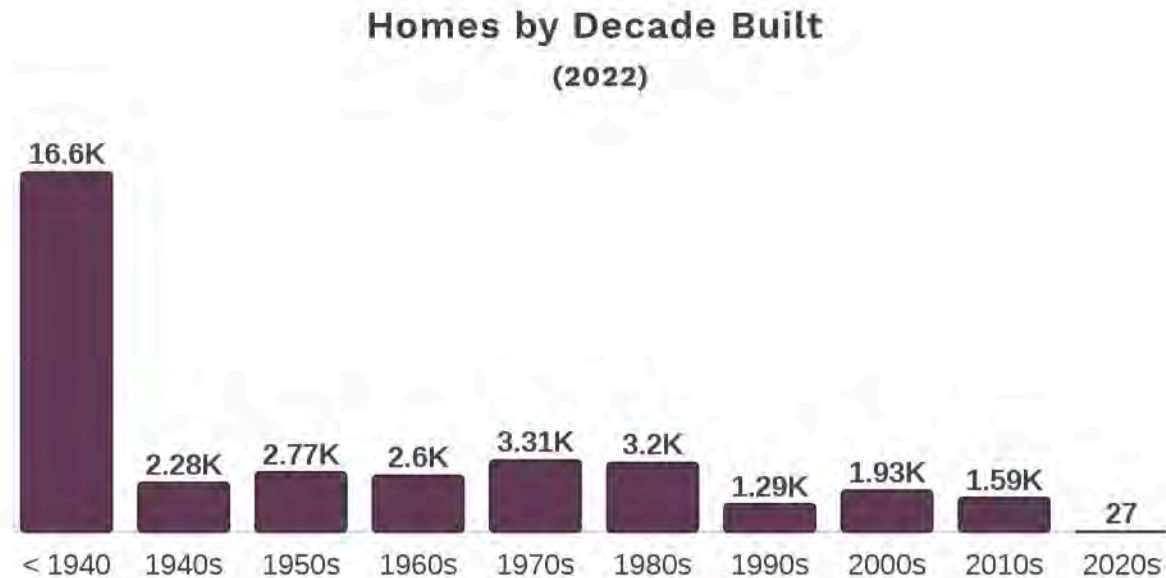
In 2022, 1,667 single family homes in Portland city were occupied by renters. For homes occupied by owners, the majority were single family, with 11,474 homes.



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

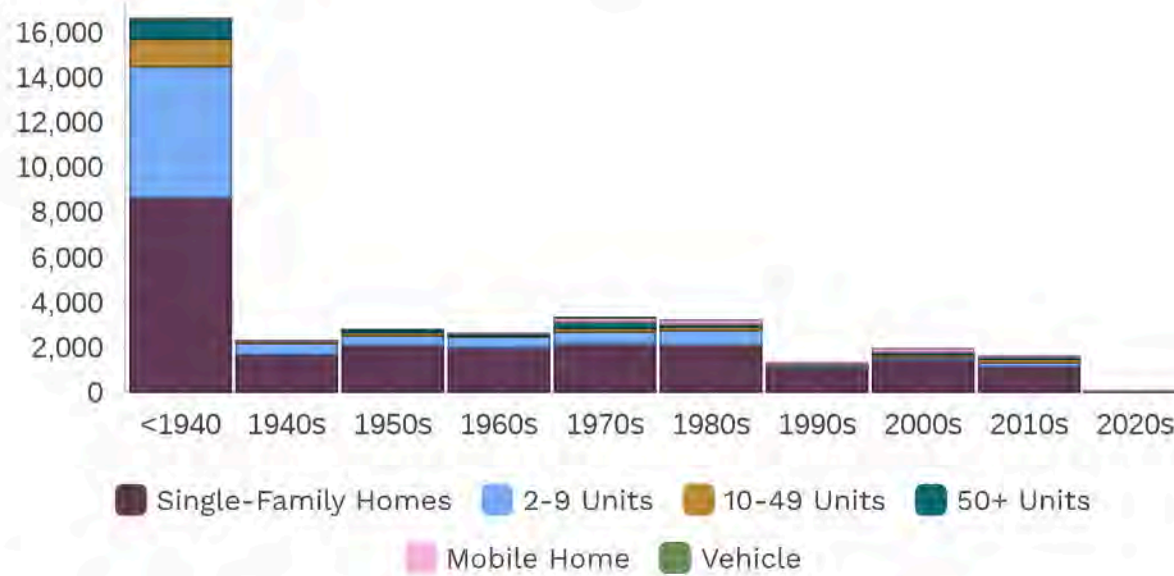
Homes by Decade Built

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)

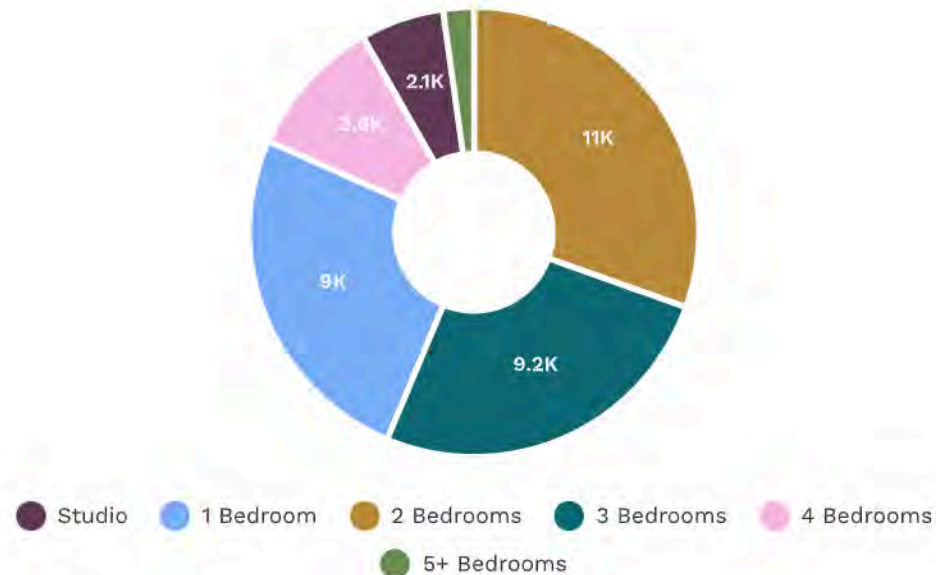


Source: Public Use Microdata Sample (PUMS), US Census Bureau

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

Homes by Number of Bedrooms

Homes by Number of Bedrooms
(2022)

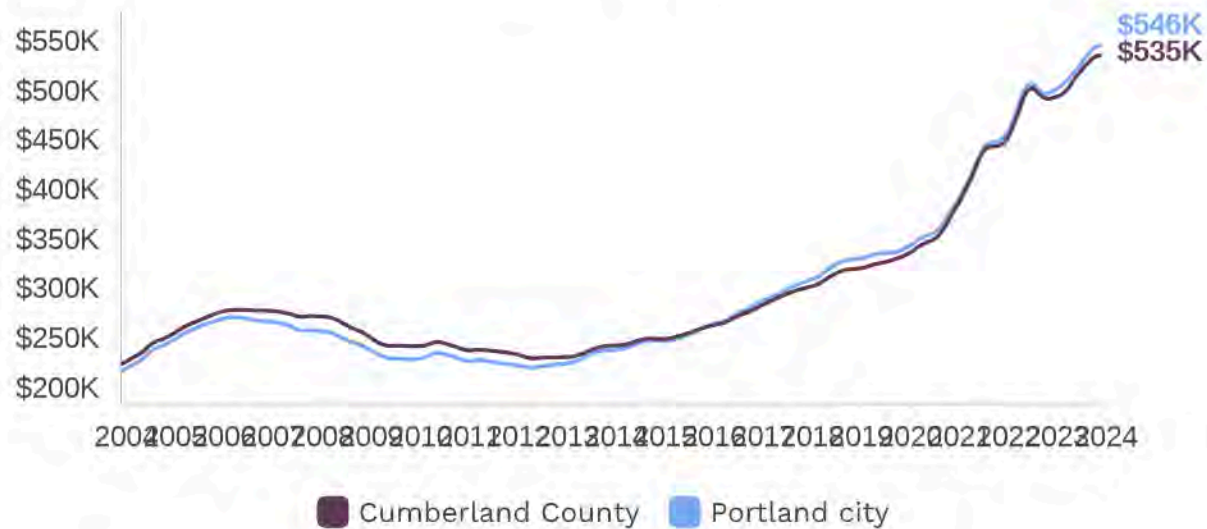


Source: American Community Survey (ACS), US Census Bureau

Home Values

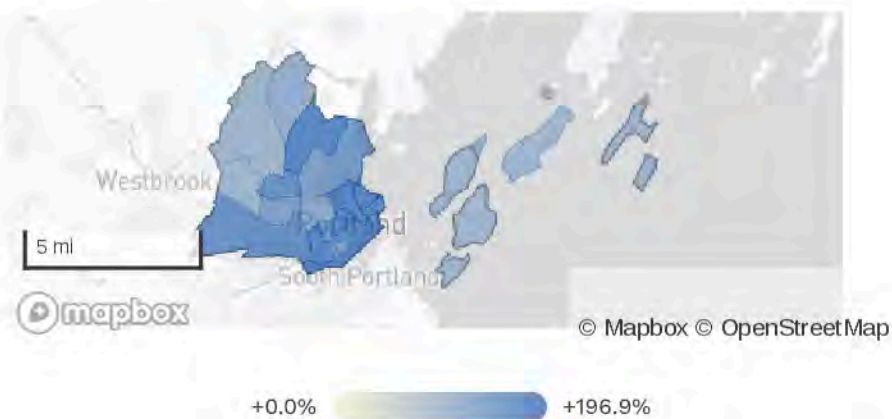
Home values in Portland city increased by 129.9% from 2013 to 2023, compared to home values across Cumberland County, which increased by 121.2%.

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)

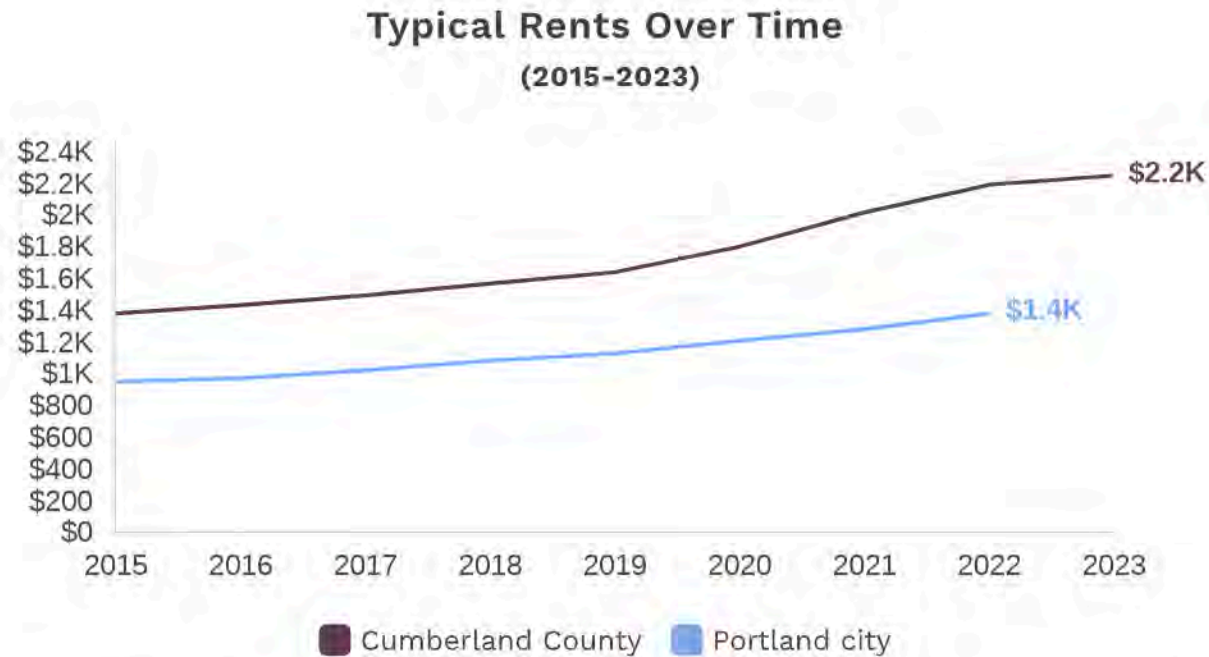


Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

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

Rents

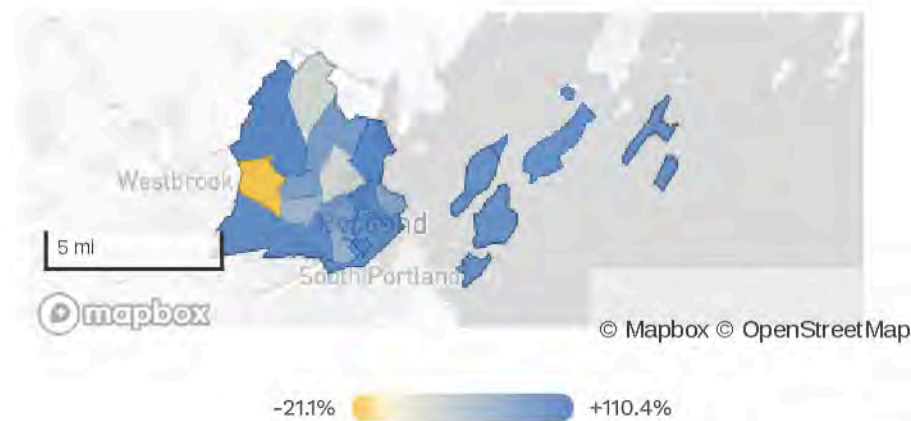
According to the ACS, the median gross rent in Portland city was \$1,377 in 2023. Rent increased by \$431 (45.6%) from 2015 to 2023.



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%.

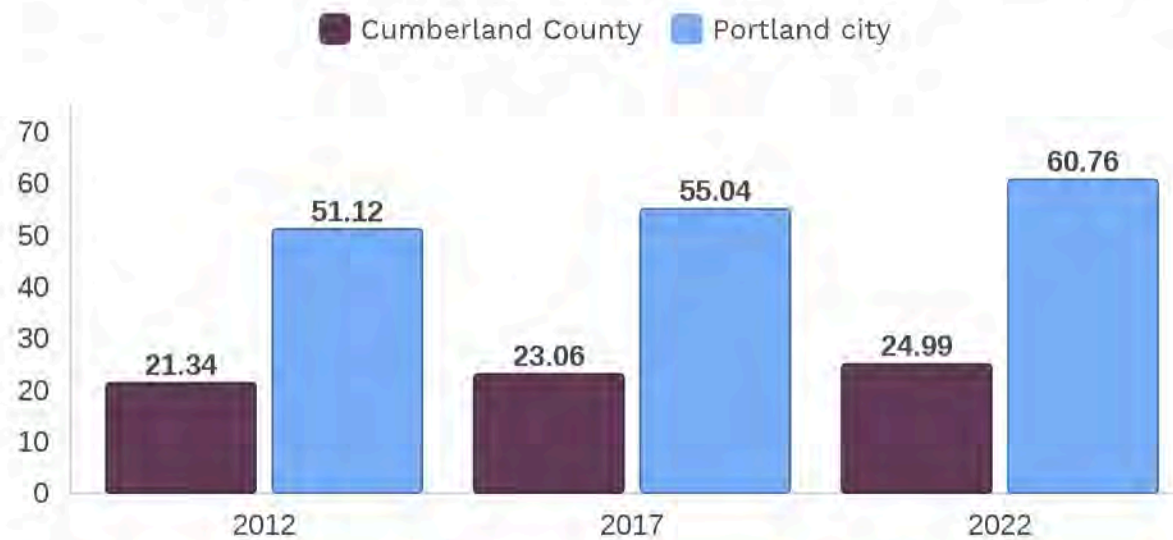
**Total Supply of Deed-Restricted Affordable Homes by Year
(2013-2023)**



Source: National Housing Preservation Database (NHPD)

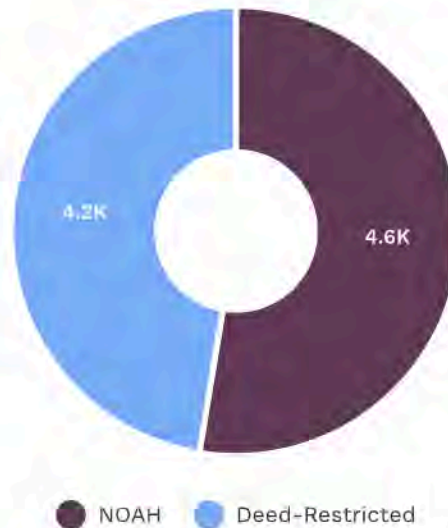
Note: Data reflect the total number of deed-restricted homes in each year with active or inconclusive subsidies based on the earliest start date and latest end date of each property's subsidies.

Deed-Restricted Affordable Homes per 1,000 Population



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

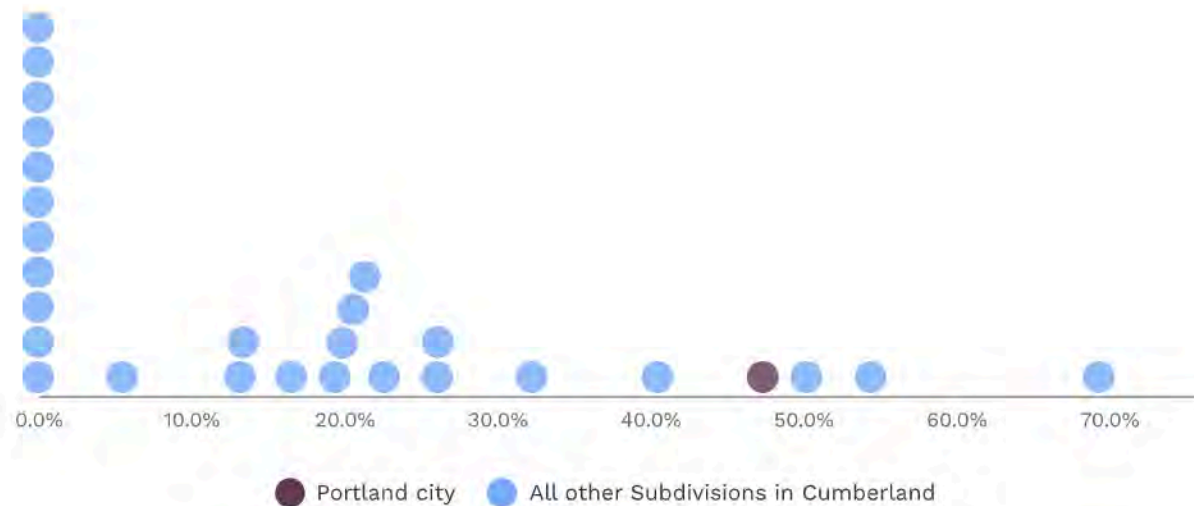
Rental Homes Affordable Under 60% AMI by Deed Restriction Status (2022)



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).

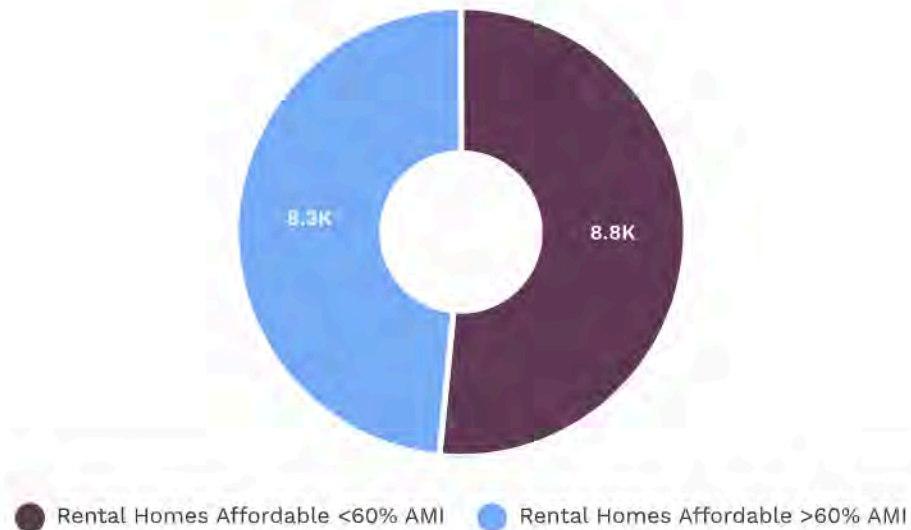
Share of Rental Homes Affordable <60% AMI That Are Deed-Restricted (2022)



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)

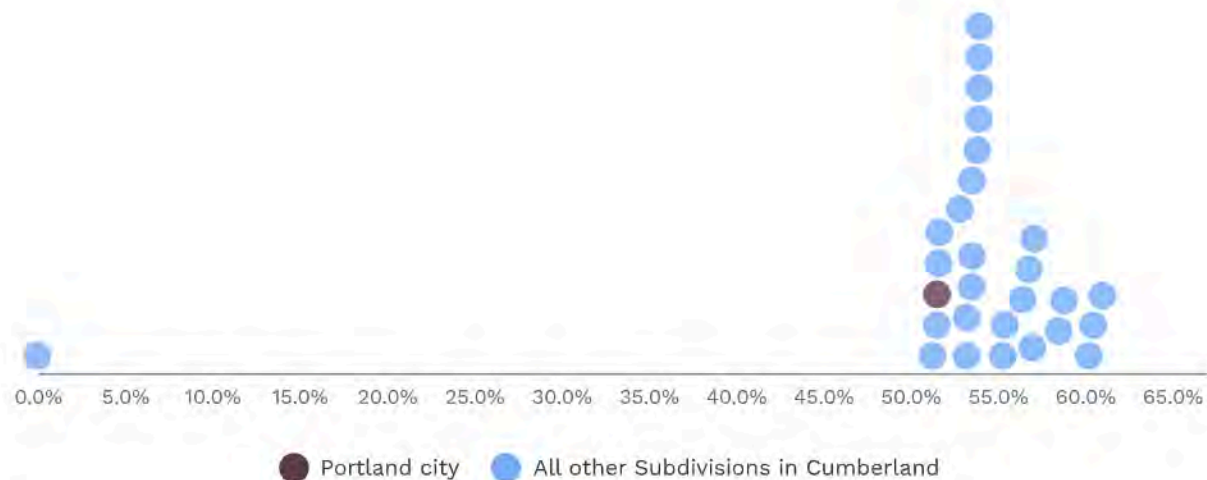


All rental homes includes all deed-restricted and unrestricted rental homes in the market.

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)**

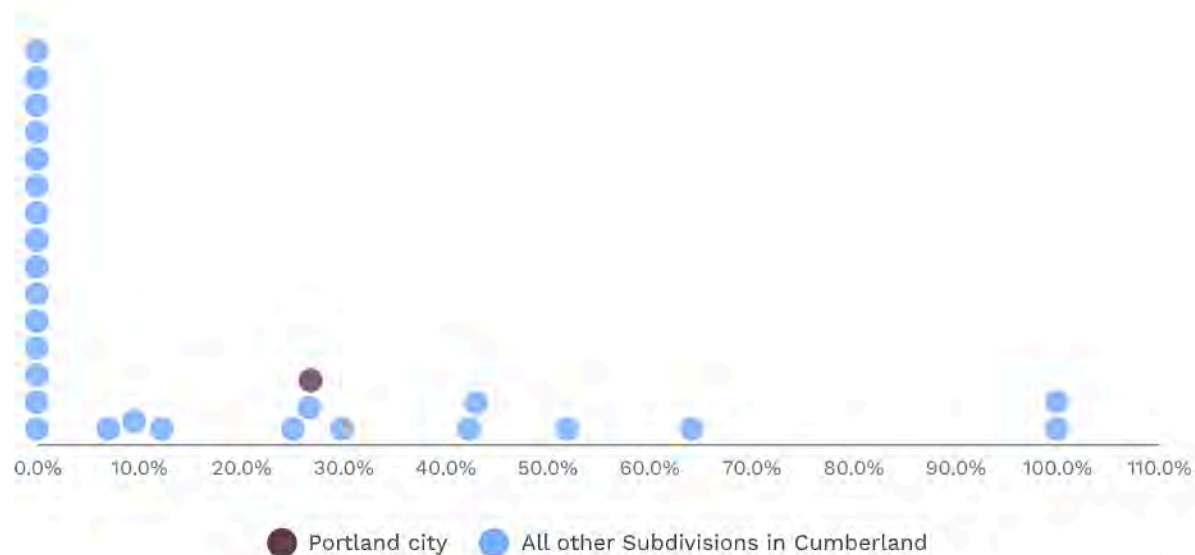


Source: HR&A analysis calculated using data from the American Community Survey (ACS); Public Use Microdata Sample (PUMS); and National Housing Preservation Database (NHPD).

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

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

Source Notes

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

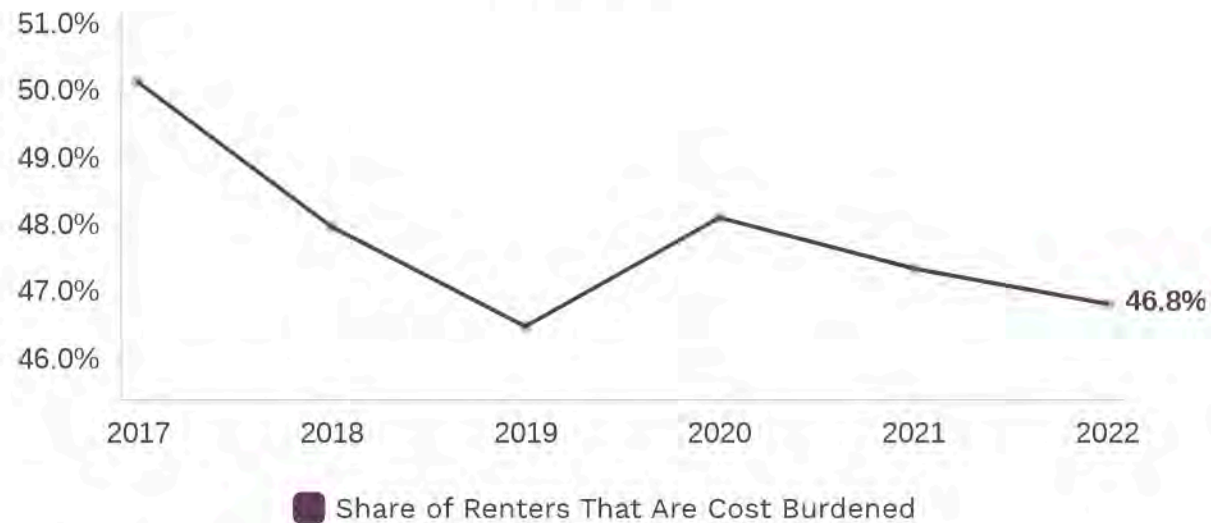


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Renter Cost Burden

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

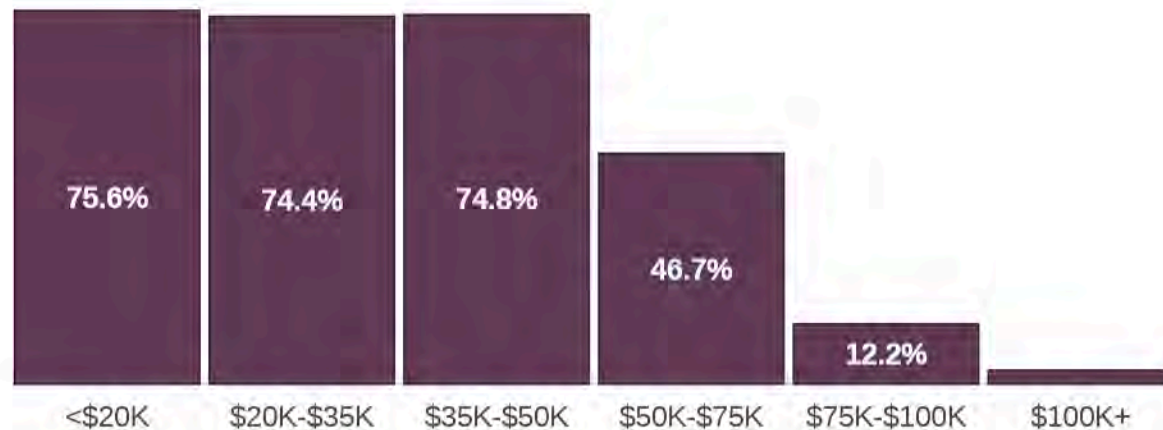


Source: American Community Survey (ACS), US Census Bureau

Renter Cost Burden by Income

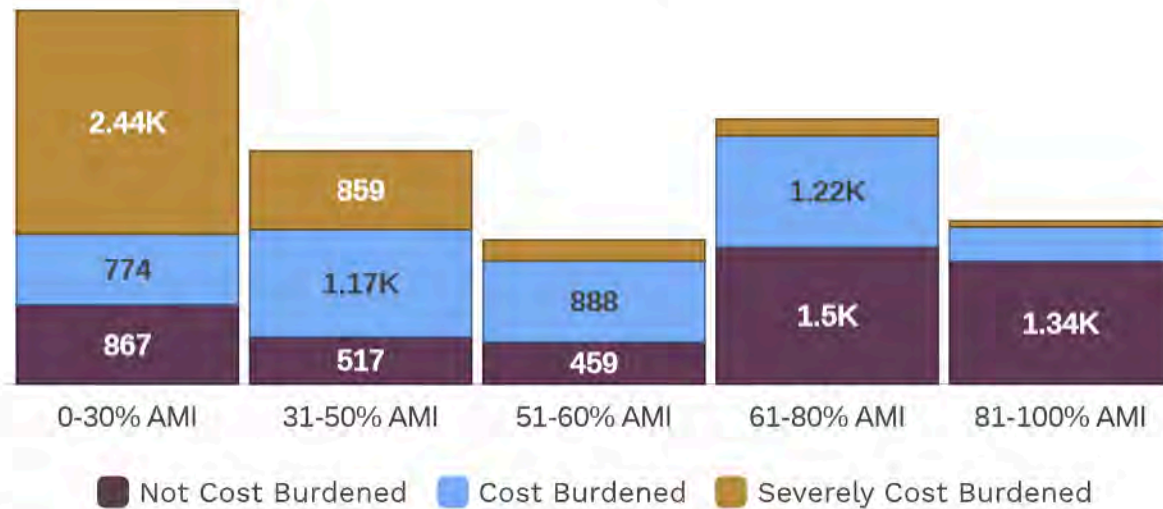
In 2022, 27.4% of renters in Portland city spent 30-50% of their income on housing (cost burdened), while 22.1% of renters spent more than 50% of their income on housing (severely cost burdened), for a total of 49.5% of all renters.

**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)

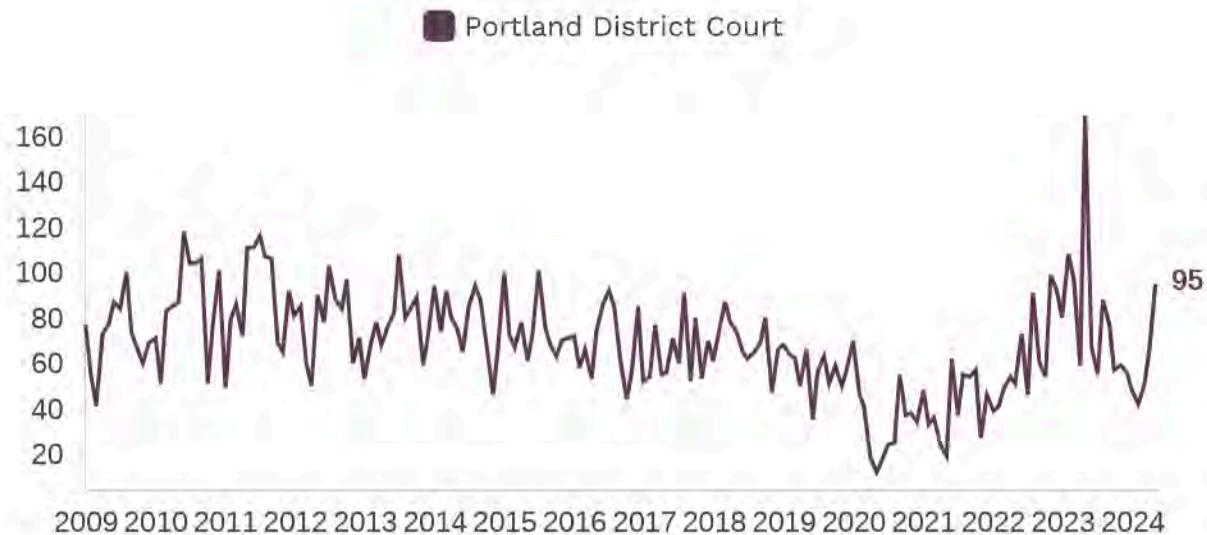
Cohort	Portland city ▲
Households of Other Races	43.4%
Households with Children	46.4%
All Renter Households	46.8%
Hispanic/Latino Households	47.9%
White Households	47.9%
Senior Households	54.7%
Black Households	64.3%
Asian Households	69.0%
Single-Parent Households	71.8%

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)**



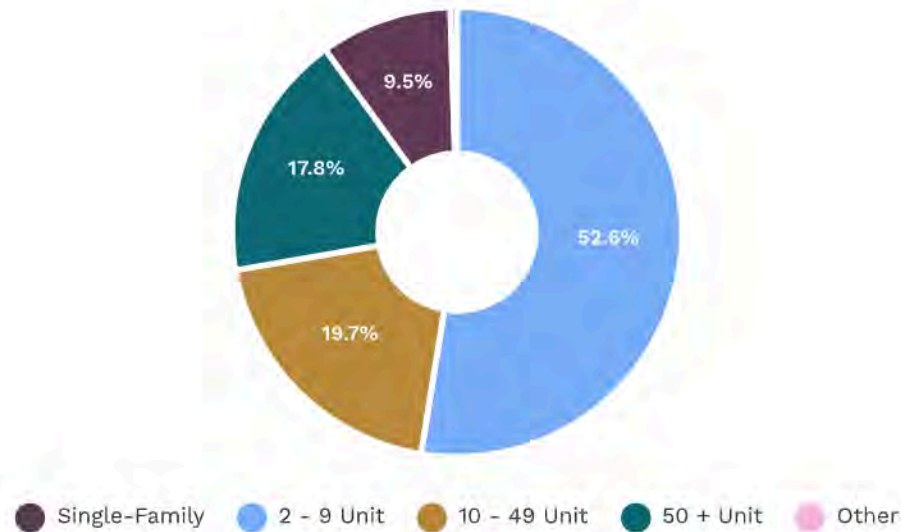
Source: State of Maine Judicial Branch

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.

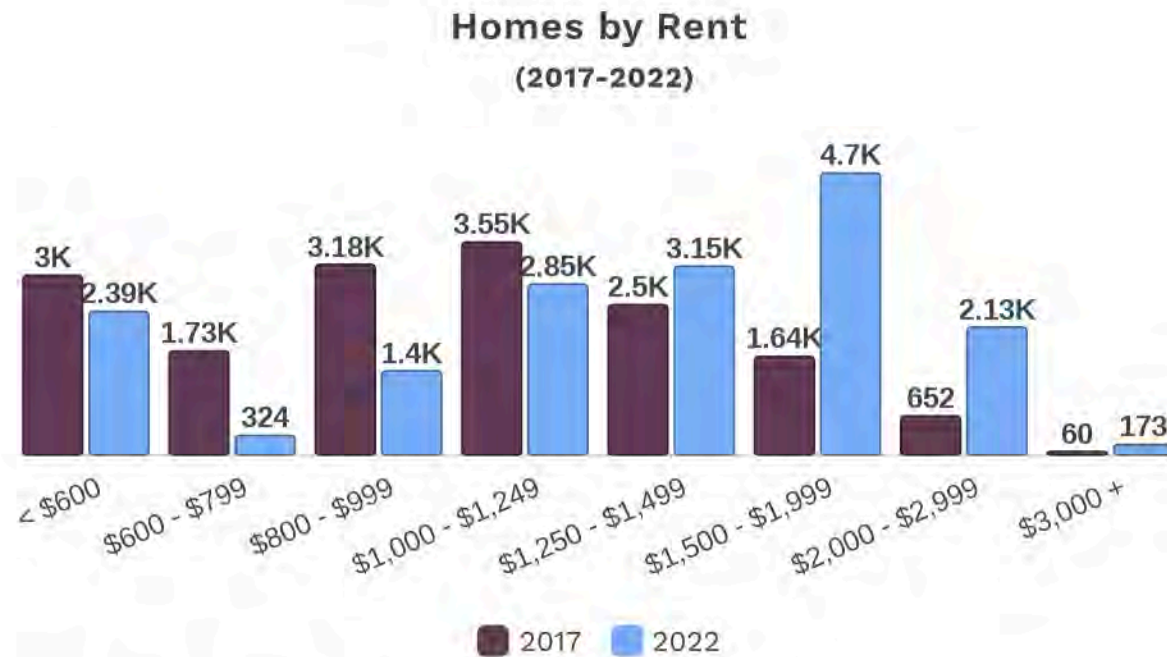
Rented Homes by Building Typology
(2022)



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

Homes by Rent

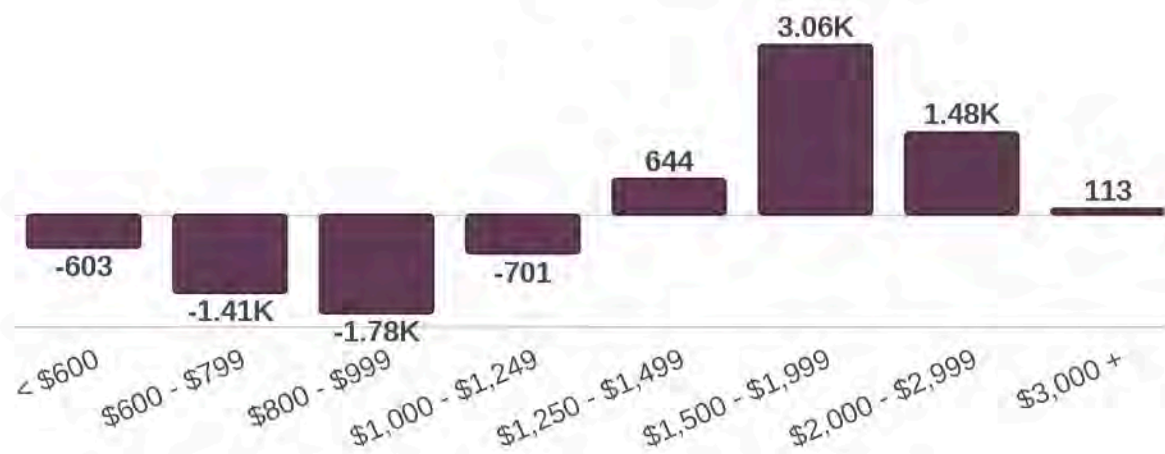
Between 2017 to 2022, the number of homes with rents below \$600 and between \$600-\$799 changed by -20.1% and -81.3% respectively.



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

Dollar values are nominal.

Change in Homes by Rent (2017-2022)

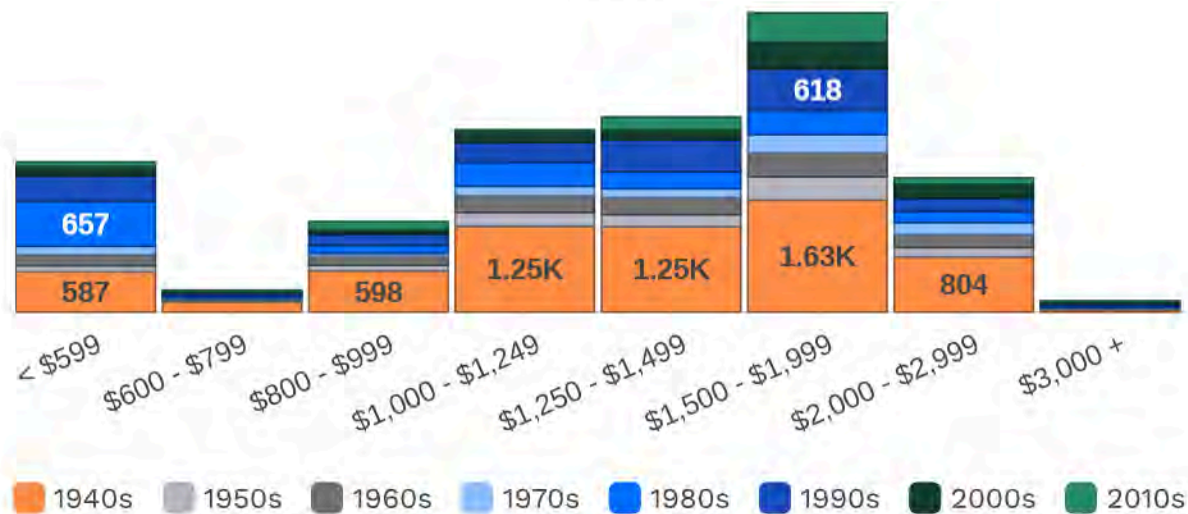


Source: American Community Survey (ACS), US Census Bureau

Dollar values are nominal.

Homes by Rent and Decade Built

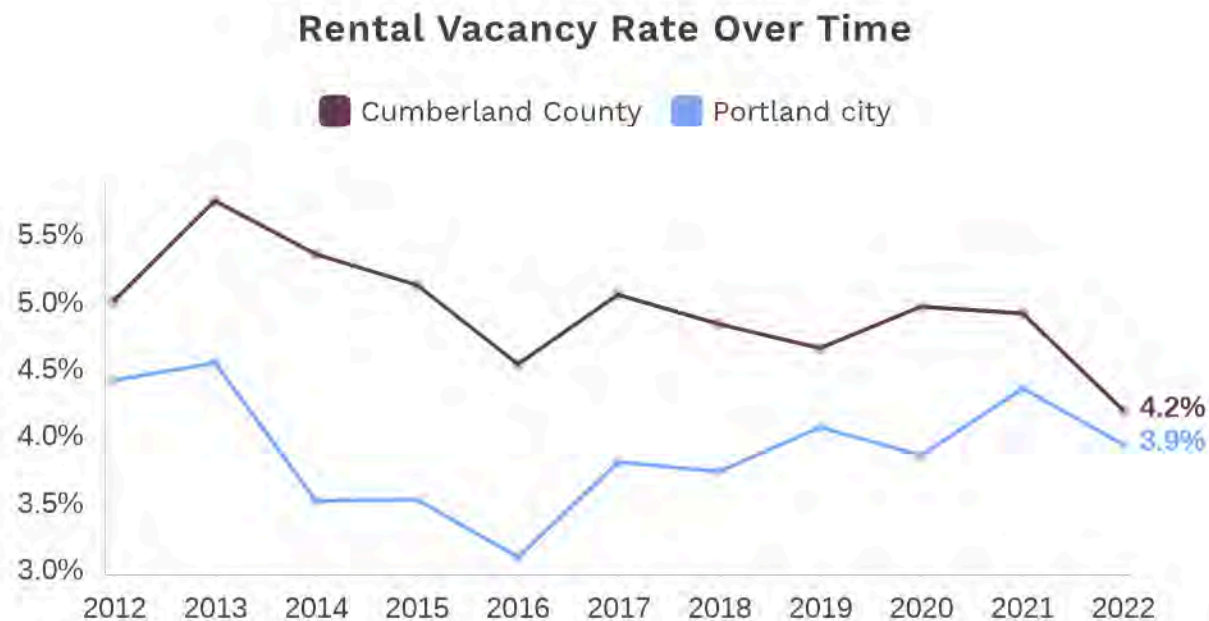
Homes by Rent and Decade Built
(2022)



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

Rental Vacancy Rate

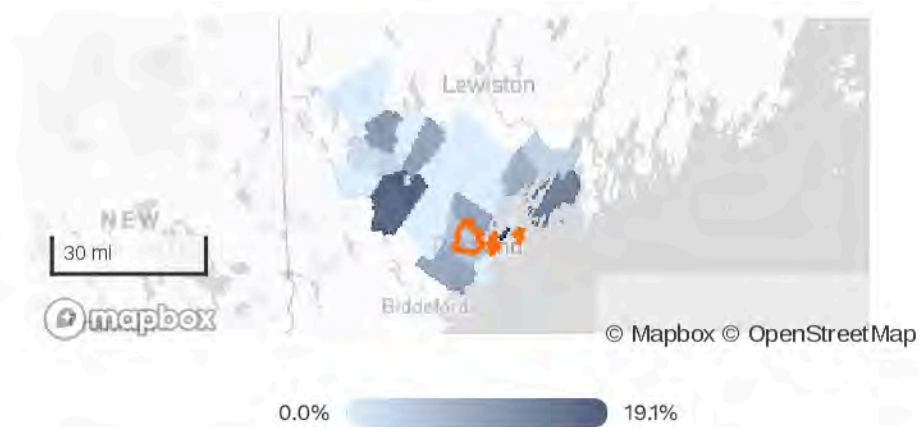
The rental vacancy rate measures the share of all rental housing that is vacant for rent and indicates the availability of rental housing for someone moving homes or moving into the community. In 2022, 3.9% of all rental homes in Portland city were vacant for rent. This reflects a tightening in the rental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

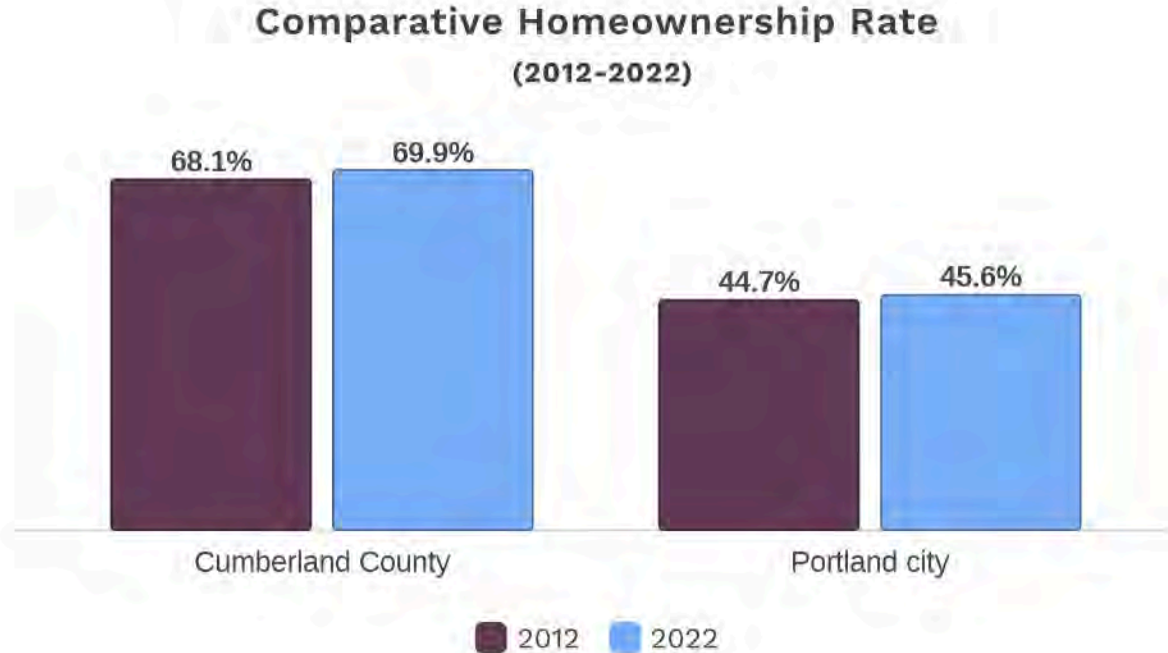
Portland city

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.

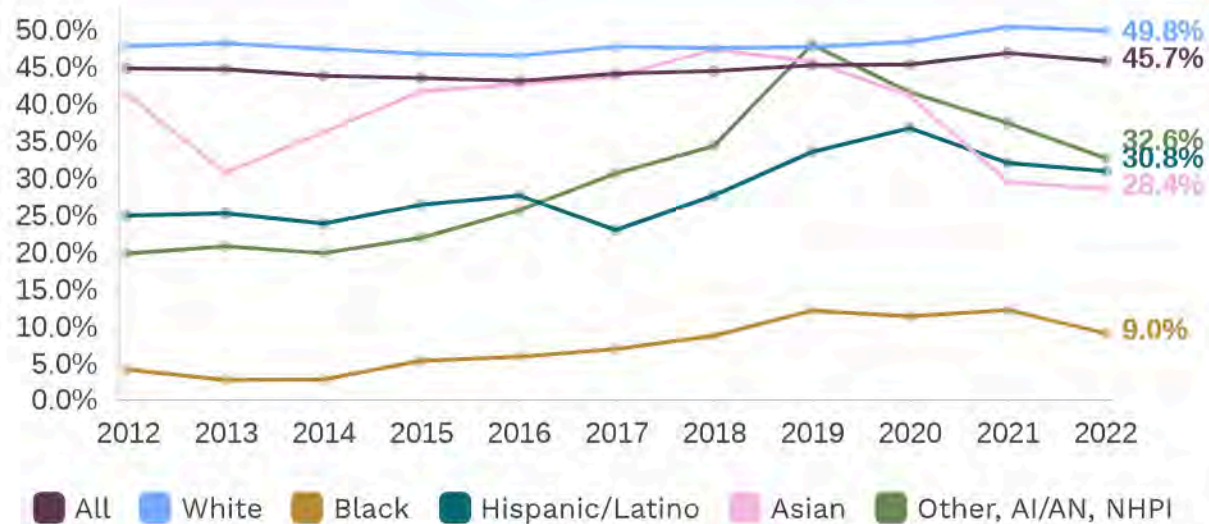
Homeownership Rate

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)

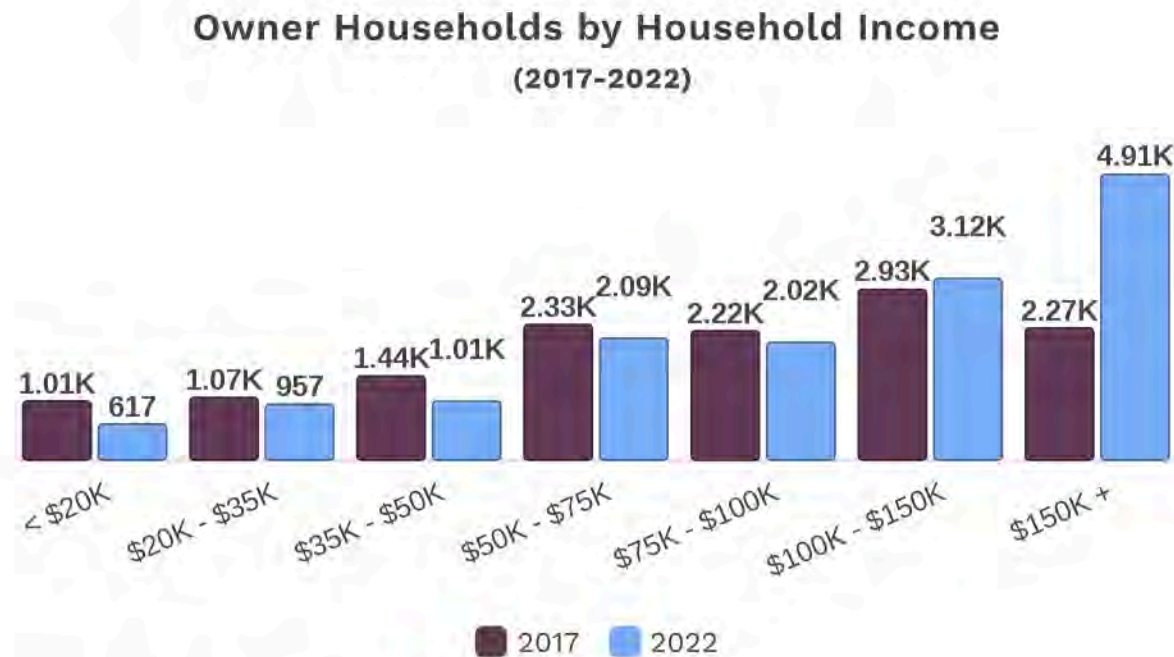


Source: American Community Survey (ACS), US Census Bureau

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

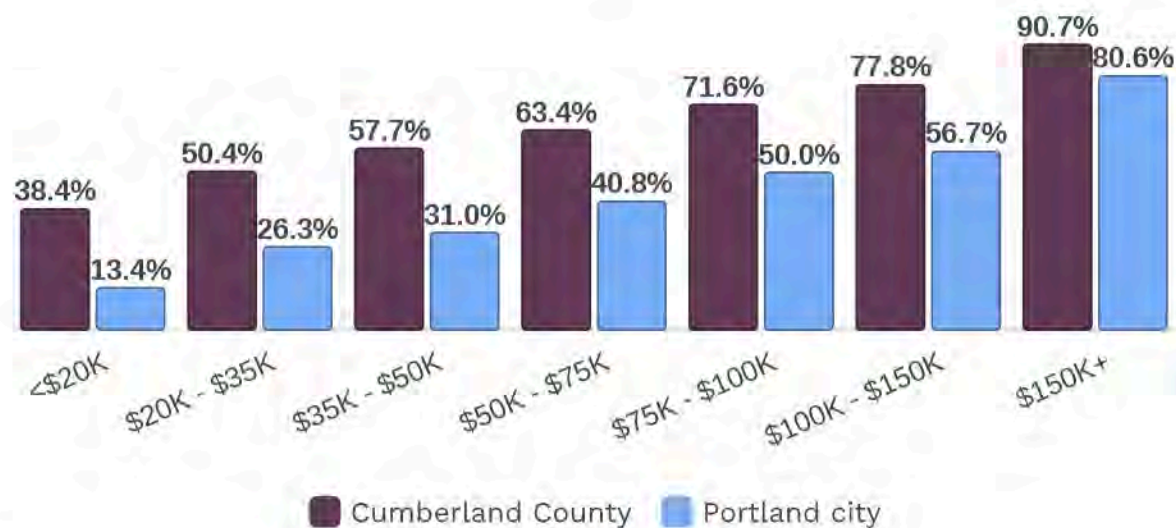
Households making more than \$150K had the highest rates of homeownership in Portland city in 2022 at 33.3%. For households making \$35K - 50K, the homeownership rate was 6.8% and has decreased from 12.6% in 2012.



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

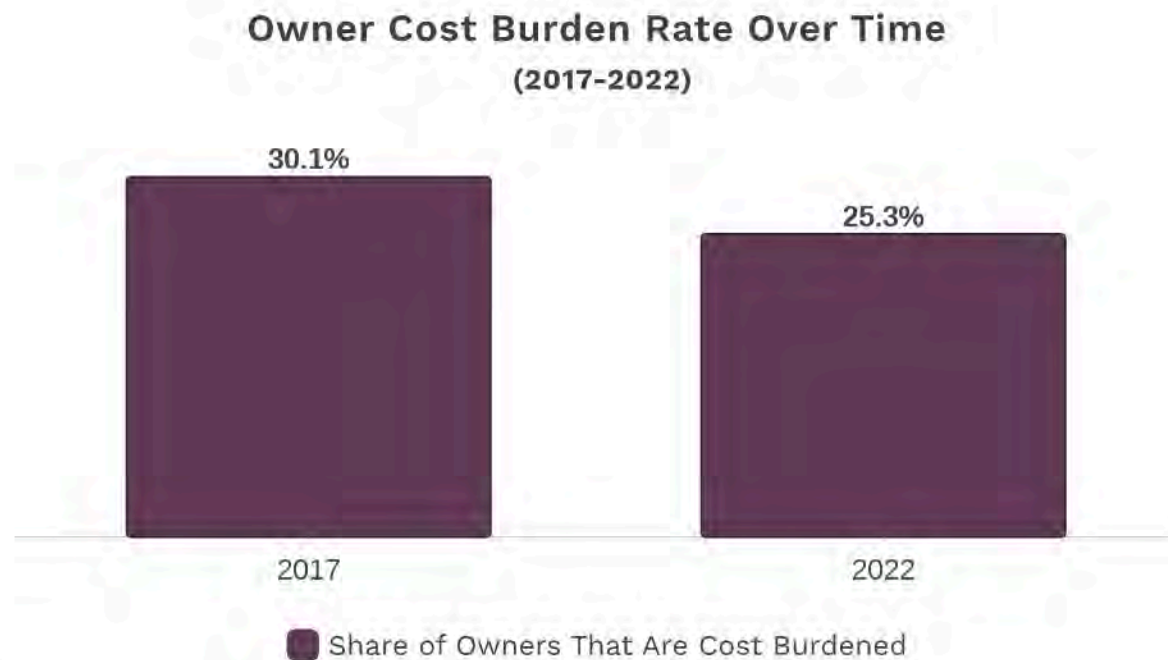
Dollar values are nominal.

Comparative Homeownership Rate by Household Income (2022)



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

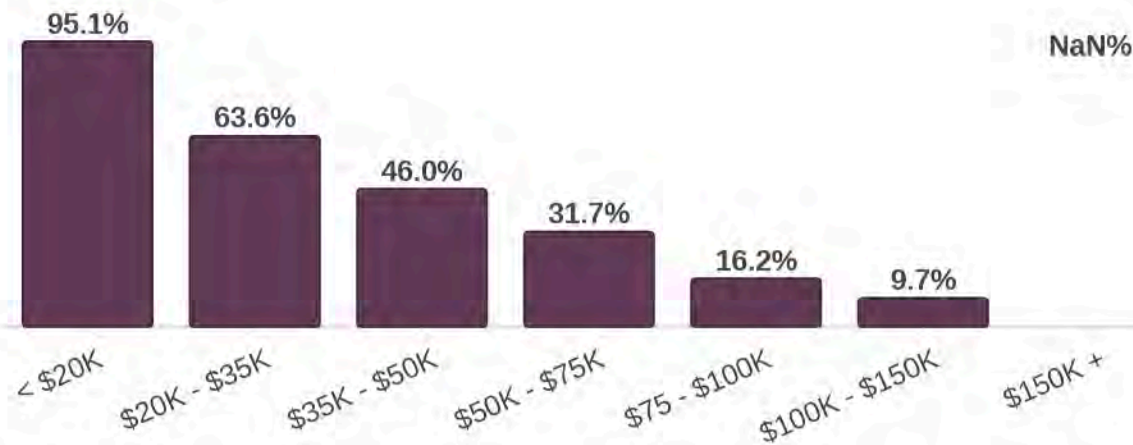
Owner Cost Burden



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)

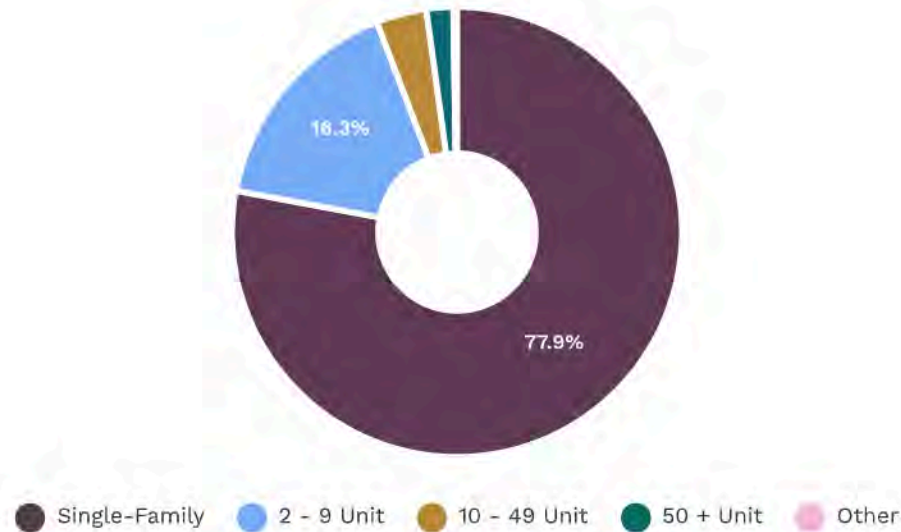
Cohort	Portland city ▲
Households with Children	17.3%
White Households	21.6%
All Owner Households	25.3%
Households of Other Races	26.3%
Hispanic/Latino Households	26.8%
Senior Households	27.8%
Black Households	35.8%
Asian Households	37.3%
Single-Parent Households	56.5%

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)

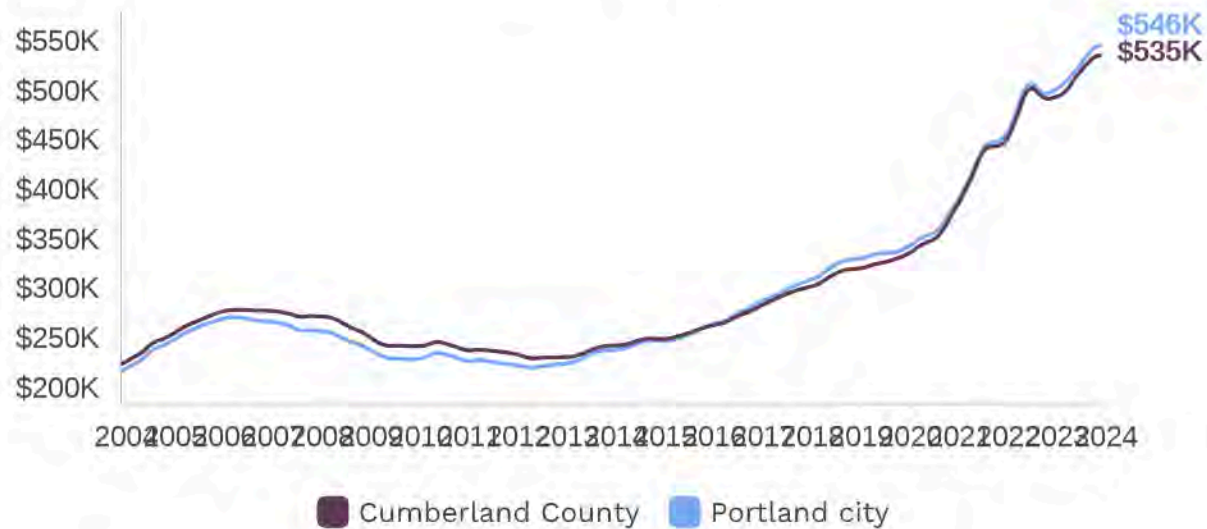


Source: American Community Survey (ACS), US Census Bureau

Home Values

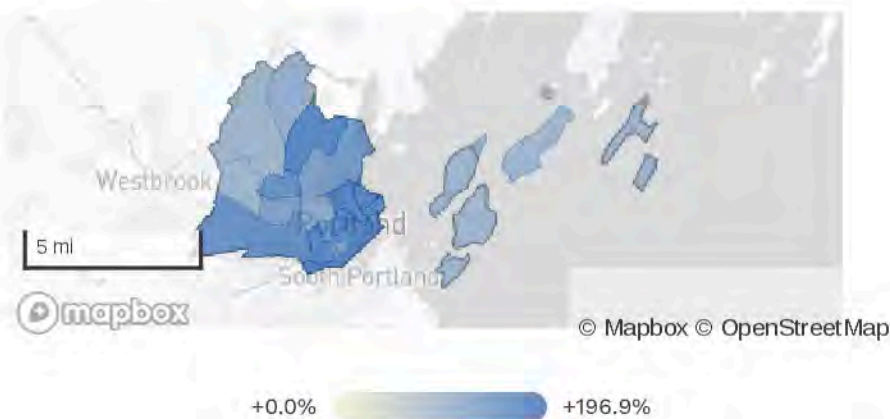
Home values in Portland city increased by 144.1% from 2013 to 2023, compared to home values across Cumberland County, which increased by 132.5%.

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)



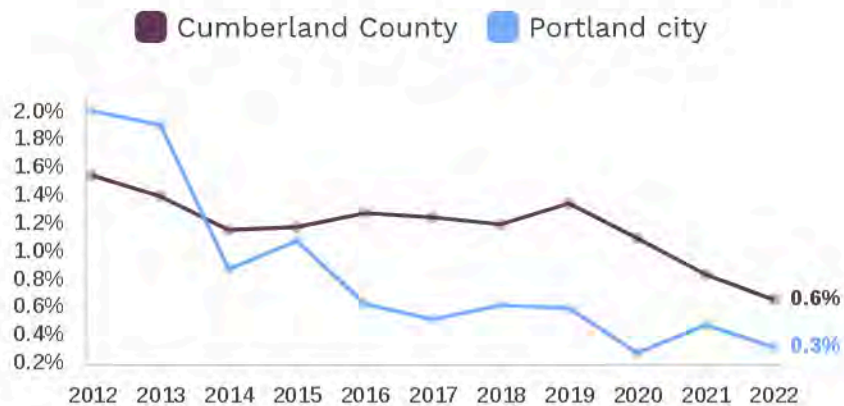
Where shown, pre-2020 tract-level data has been mapped onto 2020 vintage census tracts using a tract-to-tract crosswalk, using the number of owner-occupied homes as weights. Dollar values are nominal.

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

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%.

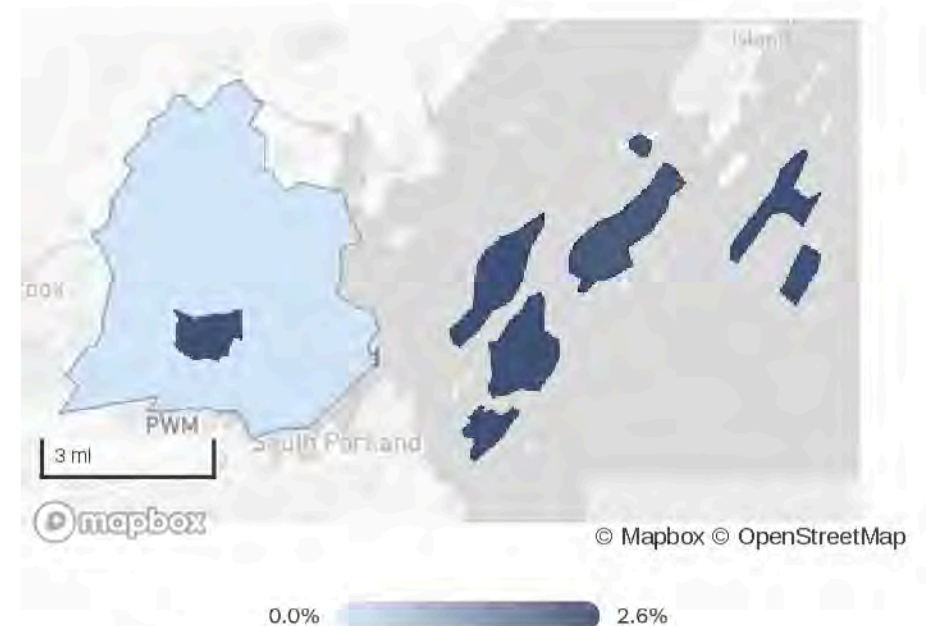
Homeowner Vacancy Rate Over Time



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

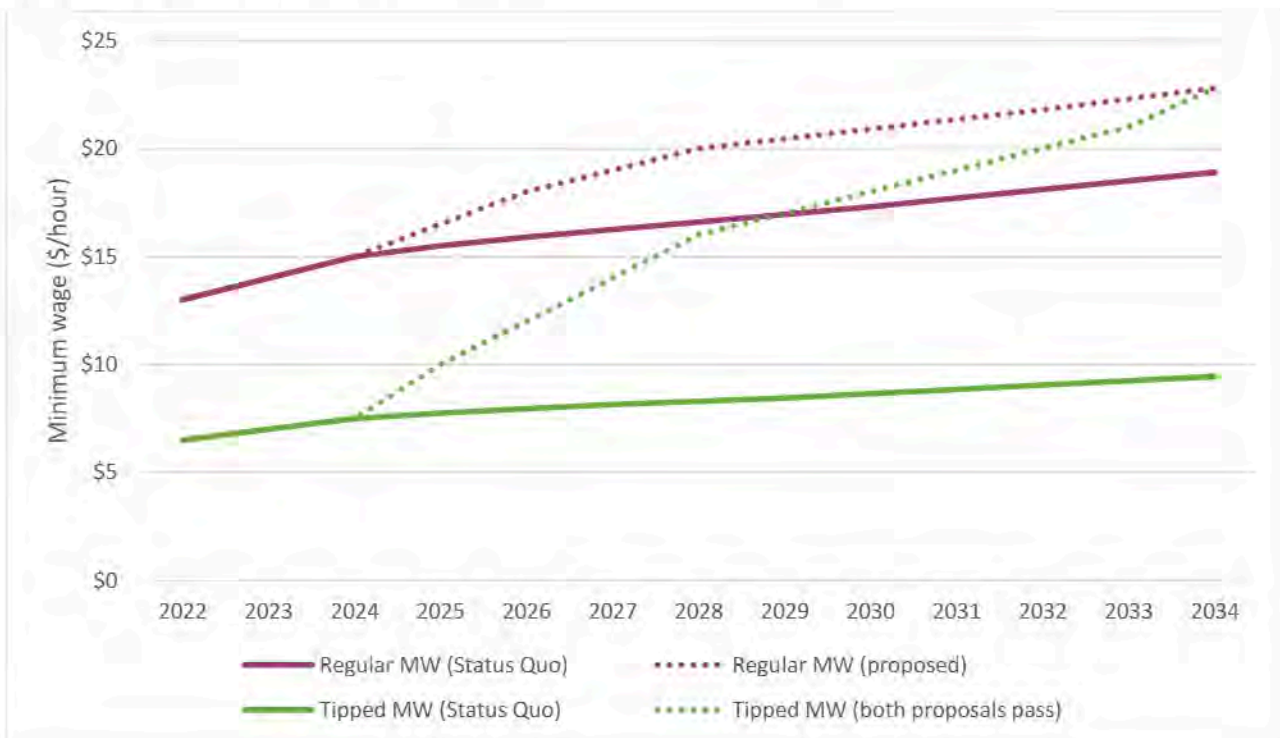
August 12, 2024

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: May 16, 2025

Re: Fiscal Impact of Proposed \$20 Minimum Wage - Updated May 2025 for New Start Date and Higher Effective Date Minimum Wage

Executive Summary: This memo is intended to estimate the fiscal impact of the staggered increase to a \$20 minimum wage on the City of Portland as proposed by the "Increase Minimum Wage to \$20" proposal currently in front of the Housing and Economic Development Committee. The overall City mill rate is split into three portions, City General Fund (currently \$6.57), Cumberland County Tax (\$0.56) and Portland Public Schools (currently \$7.88), for a combined FY25 overall mill rate of \$15.01. This memo covers the impact to the City portion of the mill rate only (the \$6.57, 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 \$17 - \$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 versus 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 is included below. The estimated addition to just the municipal portion of the mill rate is 67 cents over the three year period required for a fiscal impact note. For a homeowner with a home valued at \$500,000, they would pay an estimated additional \$333 over the three year period covered by the fiscal impact note (FY27, FY28, FY29). 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 include review performed by the City's Finance Committee with opportunities for public comment.

FISCAL IMPACT NOTE - BY FISCAL YEAR	2026		2027		2028		2029	
	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		\$0		\$3,142,900		\$3,326,420		\$3,632,607
LESS: TOTAL NEW ITEM ANNUAL REVENUES		\$0		\$0		\$0		\$0
=NEW ITEM NET TAX RATE IMPACT PROJECTION	\$0	\$0	\$3,142,900	\$3,142,900	\$3,326,420	\$3,326,420	\$3,632,607	\$3,632,607
New Program Impact to the Tax Rate	\$0.0000	\$0.0000	\$0.2075	\$0.2075	\$0.2196	\$0.2196	\$0.2399	\$0.2399
New Program % Impact on Tax Rate	0.0000%	0.0000%	3.1586%	1.3825%	3.3430%	1.4633%	3.6508%	1.5980%
Tax Rate Including New Program	\$15.01	\$15.01	\$15.22	\$15.22	\$15.23	\$15.23	\$15.25	\$15.25

Additional Information and Calculation Assumptions:

For those who have not had the chance to see the latest version of the proposal, it includes a new minimum wage of \$17 per hour effective 7/1/26 due to concerns raised by City staff around required implementation of a new minimum wage in the middle of a fiscal year. The revised proposal would continue to increase minimum wages annually, to \$18.00 per hour effective 1/1/27, to \$19.00 per hour effective 1/1/28, and to \$20.00 per hour effective 1/1/29. After 2029, future increases would be indexed to inflation as measured by the Consumer Price Index for All Urban Consumers. This memo only calculates the fiscal impact for a three year period (in this case FY27, FY28, and FY29). Please 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. Based on rates of pay for the most recently completed fiscal year, the City has just over 610 employees who earned between \$15 and \$20 per hour for the period ending 6/30/24, primarily part time, seasonal and temporary employees. The City also had 368 employees in the \$20 - \$25 per hour wage bands, 377 employees in the \$25 - \$30 per hour wage bands, and 691 employees 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 for the second half of 2026, another \$1 increase in 2027, another \$1 increase in 2028 with an additional \$1 increase in 2029 - a total of a \$4.50 increase from the current minimum wage over the phase in period.

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 that they would request identical dollar amount increases in each calendar year vs minimum wage (\$1.50, \$1.00, \$1.00 and \$1.00 for 2026 through 2029 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 ½ of the dollar increases per calendar year (\$0.75, \$0.50, \$0.50 and \$0.50 for 2026 through 2029 respectively) - so there will be additional wage compression and a smaller difference between different job grades / different skill level positions.

In total for FY2027, the estimated fiscal impact to wages is expected to result in an additional cost of \$3.1M. For FY2028, that estimated impact rises to \$3.3M. For FY2029, the estimated impact rises to \$3.6M. The additional costs in the fiscal impact note are shown annually, and reflect the estimated additional amount of funds that would need to be collected from taxpayers on an annual basis. The total impact over the three year period is an additional required collection of property taxes of an estimated \$10.1M. These cost increases are for the City / municipal portion of the mill rate alone, and trigger an increase by year of 21 cents for 2027, 22 cents for 2028, 24 cents for 2029. 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. If a more detailed cost analysis is desired by

City Council, with a uniform set of assumptions for potential impact to the City, County and Schools, a detailed Finance Committee review of the proposal would be appropriate.

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 <ljp@portlandmaine.gov>

Raising minimum wage to \$20/hr

Finn <visualrabbithole@gmail.com>

Thu, May 15, 2025 at 8:53 PM

To: edd@portlandmaine.gov

Hi there,

The direct opposition you are going to have is with businesses that rely on zero out checks. Employees work straight for tips and then collected zeroed checks. Which is and isn't tax evasion, but it's also a way for businesses to avoid paying people benefits if you keep em under 29.5/31 hrs.

What about kitchens that pay head chefs \$18/hr plus a weekly 3% bonus off food sales tips. There's a lot of pay structures that have existed for too long. Every if not almost every business is set up entirely different. When a business says \$28/hr for a cashier that's a total misrepresentation. Yeah you get \$28/hr if they make that much instead it'll be \$12.78/hr after taxes based on a \$15/hr check.

This however for the \$20/hr minimum benefits people who manage the draw bridge is illegal to pay someone \$16/hr! That's just so corrupt. Plus to be honest does the state itself even have the allocated resources to pay employees that much.

We're not against it, but we keep trying to have this and its not going to work. In cannabis you cant \$20/hr cuz it could be cost prohibitive.

My short and long of it all is that we want this, but fear it will not be implemented properly while making them hostile environments of the business.

Thank you,

Andrew Burhoe



Lori Paulette <ljp@portlandmaine.gov>

No increase to minimum wage unless statewide

Michael Fallon <mpfventure@gmail.com>

Thu, May 15, 2025 at 1:04 PM

To: edd@portlandmaine.gov

I support raising the minimum wage—it's essential for workers to earn a living wage. But it needs to happen at the statewide level. Raising Portland's wage alone puts small businesses at a disadvantage, forcing them to compete with large retailers like Walmart and Costco just across the border with lower labor costs. A statewide increase would support workers while keeping the playing field fair for local businesses.

Michael Pesa-Fallon



Lori Paulette <ljp@portlandmaine.gov>

Portland Non-Profits

Ann-Marie Mayberry <ammayberry@gmsme.org>

Fri, May 16, 2025 at 6:57 PM

To: "edd@portlandmaine.gov" <edd@portlandmaine.gov>, "dlibner@portlandmaine.gov" <dlibner@portlandmaine.gov>, "ksykes@portlandmaine.gov" <ksykes@portlandmaine.gov>, "smichniewicz@portlandmaine.gov" <smichniewicz@portlandmaine.gov>, "rphillips@portlandmaine.gov" <rphillips@portlandmaine.gov>, "pali@portlandmaine.gov" <pali@portlandmaine.gov>

Portland Non-Profits

May 16, 2025

Members of the Housing & EDC Committee: Councilors Ali, Michniewicz, Phillips, and Sykes,

Nonprofits maintain and promote the public good, providing many essential, high impact and community-based services. By definition, charitable nonprofits ensure that “profit” is reinvested in community benefits. Through this work, we are committed to increasing resiliency by supporting the needs of our communities.

We are writing today to oppose the proposed minimum wage ordinance that would make Portland’s one of the [highest in the country](#). Many nonprofits, particularly those in social services, healthcare, and mental health fields, rely on Medicaid, Medicare, federal grants, and government reimbursement to operate. At a time when these funding sources are at risk, significant grant funding cuts and layoffs, and comprehensive rising costs and labor shortages, now is not the time to implement such a steep increase.

Currently in Congress, through the budget reconciliation process, the House Energy & Commerce Committee has been directed to find **\$880 Billion in reductions** – with Medicaid being a prime target. The Trump White House Executive Orders and administrative actions that are negatively impacting nonprofits in Maine. In Augusta, the Medicaid budget gap of **\$118 million**, and an additional \$450 million gap for the next biennium budget, is forcing reduced payments to hospitals with other essential providers in queue to lose funding as well.

Negative impacts of this ordinance in Portland:

- **Wage Compression and Rising Labor Costs:** Employers pay wages based on ladders. If you raise the bottom rung, you inherently must raise the rungs above it as well. This then creates significantly more cost to the wage increase.

Nowhere is this clearer than the financial impact memo prepared by the City Finance Director last year. In the memo, he noted that “in addition to the direct cost of increased wages for municipal workers currently earning under \$16.50-\$20 per hour, there will also be impacts to wages for City workers currently earning just above that threshold.” That same principle of employee fairness applies to our organizations as well.

- **Potential Curtailment and Elimination of Essential Social Services:** 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 layoff workers or close, reducing access to healthcare, childcare, and other essential services for our community.

We are already seeing this across the state: In March, MaineGeneral announced its plans to [lay off 100 employees](#) over MaineCare payment delays, as well as the closure of essential adult behavioral health services in early May. Similarly, Community Clinical Services in Lewiston announced it will [lay off over 30 percent of staff](#) due to MaineCare funding issues beginning on May 1st 2025, and Northern Light's Inland Hospital in Waterville is scheduled to close in June.

- **Harm to Local Businesses and Jobs:** Most businesses in Portland are small, locally owned, or nonprofits. Portland is the social service hub of the state. An ordinance like this helps support national corporate chains who can absorb the costs, while harming locally owned and operated businesses.

Nonprofit services that rely upon government payment sources are struggling to remain viable, and can ill-afford further negative impacts on their bottom lines. This proposal will harm nonprofits and the services we offer, forcing more layoffs, and reducing community services. Our organizations ask that the City's Housing & EDC Committee **reject** this proposal and continuing implementing Portland's current minimum wage ordinance which already increases with 100% of inflation on an annual basis.

Thank you,

Signed:

Cheverus High School – [About Cheverus](#)
Community Housing of Maine – [About CHOM](#)
Group Main Stream – [About us](#)
University of New England – [Our Mission](#)
The Cedars – [About us](#)
Maine Association of Community Service Providers
Maine Independent Colleges Association
MaineHealth – [Our Mission, Vision, and Values](#)
Martin's Point Health Care – [Meet Martin's Point](#)
Port Resources – [Our Story](#)
Portland Museum of Art – [About PMA](#)

Get [Outlook for iOS](#)

Portlanders for a Thriving Community

May 16, 2025

Re: Opposition to Proposed \$20/hour Minimum Wage

Mayor Dion and Members of the Portland City Council,

As 48 Portland-based small businesses and nonprofit organizations, we are deeply concerned about the proposed ordinance to increase the citywide minimum wage to \$20 per hour. We urge you to oppose this measure and consider the significant, lasting consequences it would have on our city's economic health and the vital services our organizations provide.

When this item was referred to the committee last summer, there was a clear commitment to hold robust community consultation with all affected stakeholders. Unfortunately, that has not happened. The committee has held no meaningful discussions on the rationale behind the specific \$20/hr figure, nor has it produced any public framework to address how the city will manage the significant financial, service, and staffing impacts of this ordinance.

This proposal would make Portland the first city on the east coast to implement a universal \$20 minimum wage—an increase of nearly 30% over the current \$15.50 hourly rate. We are proud to support our workers with fair wages, but this sudden increase—introduced without a clear plan for implementation—poses real and immediate risks to our city's economy, essential services, and taxpayers

Essential Services in Jeopardy

Many of our city's vitally important nonprofit organizations—childcare centers, health clinics, human service nonprofits, and local community providers—operate under state and federal reimbursement rates that will not increase to accommodate higher labor costs. Without corresponding adjustments to those reimbursement rates, they will face impossible decisions: reduce services, lay off staff, or shut down altogether. These aren't just operational challenges, they're real threats to the wellbeing of Portland families.

Nowhere is this more acute than in childcare. Recent state investments had finally lifted average wages in this sector above \$16 per hour. But with up to \$30 million in funding cuts proposed by Governor Mills, those gains are at risk of being erased. If those cuts go through, average wages will fall below \$16 again, just as this ordinance would require providers to pay \$20. We support better pay for childcare workers but ignoring these fiscal realities will only deepen Portland's childcare crisis.

Federal Uncertainty and Rising Costs from Tariffs

This proposal comes at a time of extraordinary economic uncertainty on the national stage. The return of the Trump administration has brought significant policy shifts, especially in healthcare and social service funding—creating serious concerns for nonprofit and service providers reliant on federal funding. At the same time, unpredictable tariffs and trade disputes are driving up the cost of goods and materials that small businesses depend on. These pressures, combined with historic inflation, are creating an environment where a sudden, sharp wage increase could tip many local employers into crisis.

A Disproportionate Burden on Local Employers

While large national corporations may be able to absorb the costs of a \$20 wage by spreading them across operations in other markets, Portland's small, independent businesses and nonprofits do not have that

Portlanders for a Thriving Community

option. We are rooted here, operating on tight margins, and we face the full financial impact of this mandate. Portland's distinct local economy—one defined by small-scale entrepreneurship, community-based care and creative enterprise—is at risk.

Portland's Wage Policy Already Includes Inflation Adjustments

In 2020, Portland voters approved a phased increase to a \$15 minimum wage by 2024, with automatic adjustments for inflation thereafter. That policy is working as intended, ensuring steady wage growth while giving employers a predictable framework for planning. A jump to \$20 undermines that voter-approved process and will shock an already fragile system.

Rising Property Taxes Will Hit Residents Hardest

There has been no serious discussion about how this proposal will affect the city budget, or the residents who fund it. When this proposal was first analyzed in the summer of 2024, the City's Finance Director estimated it would cost the city over \$11 million per year when fully implemented. As you all know, the City of Portland is facing a nearly \$9 million budget shortfall for the upcoming fiscal year. Portland's homeowners and renters cannot afford another tax increase, especially one that may erase the very wage gains this policy is intended to create.

We ask that you stand with Portland's small businesses, nonprofits, and frontline service providers—those who make our city strong, vibrant, and equitable. We support fair wages, and this proposal goes too far, too fast, without the support systems to make it sustainable. Policies of this scale must be grounded in facts, built with community input, and supported by sustainable funding. Please vote no on the \$20 minimum wage ordinance.

Sincerely,

David's Restaurant
Eldredge Lumber & Hardware
Definitive Brewing Company
Fore Points Marina
CycleBar Portland
Granite Coast Properties
Casco Bay Food & Beverage
MPX
Northeast Air
Three Dollar Deweys
Thames Landing
Play It Again Sports
Work & Trust Services
Friends of the Kotzschmar Organ
Imagination Station Learning Center
Evo Kitchen & Bar

DiMillo's on the Water
Coffee By Design
Port Resources
Harbor Fish Market
McFarland Spring Corp.
Planet Fitness Portland
Gritty McDuff's Brewing
Palmer Spring
Green Clean Maine
Leavitt & Sons Deli
Black Elephant Hostel
Ramada Plaza Portland
Port City Architecture
Headlight Audio Visual
GEICO Portland
Old Port Card Works

Growing Tree Childcare
Portland Pilots Inc.
Springborn Staffing
Sparkling Clean
Goldfish Swim School
EA Fitness & Performance
Magnusson Balfour
Shipyard Brewing
Words @ Work
Flyte New Media
Fire On Fore
Dock Fore
Miss Portland Diner
VFW Post 6859
Twelve
Old Port Candy



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>

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>

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 <ljp@portlandmaine.gov>

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

Jim Brady <jameshbrady@gmail.com>

Mon, Mar 17, 2025 at 12:20 PM

To: edd@portlandmaine.gov

Cc: mdion@portlandmaine.gov

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

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

Date: March 16, 2025

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

Members of Housing and Economic Development Committee,

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

1. Wage Compression and Rising Labor Costs

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

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

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

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

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

Consider this comparison:

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

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

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

4. Harm to Local Businesses and Jobs

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

5. Focus on Housing Supply to Reduce Living Costs

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

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

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

Thank you for your time and consideration.

Sincerely,

Jim Brady

Fathom Companies, President

Fathom Companies

www.fathomcompanies.com

80 Exchange Street, suite 400

Portland, ME 04101

jbrady@fathomcompanies.com

jameshbrady@gmail.com



Lori Paulette <ljp@portlandmaine.gov>

\$20/hrs or drop rents

James Cagney IV <jcagneyiv@gmail.com>

Mon, Mar 17, 2025 at 2:53 PM

To: edd@portlandmaine.gov

To whom it may concern,

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

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

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

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

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

Thank you.



Lori Paulette <ljn@portlandmaine.gov>

Minimum Wage

Jackson Holbrook <jackson.holbroo@gmail.com>

Mon, Mar 17, 2025 at 2:59 PM

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

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



Lori Paulette <ljp@portlandmaine.gov>

Say Resurgam to the minimum wage

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

Mon, Mar 17, 2025 at 3:21 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hello,

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

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

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

Thank you for your time and consideration,

In solidarity with ,

Michael LeComte



Lori Paulette <ljp@portlandmaine.gov>

Order 25-24 Comment

Rich Brooks <rich@takeflyte.com>

Mon, Mar 17, 2025 at 11:27 AM

To: edd@portlandmaine.gov

Dear Committee Members,

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

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

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

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

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

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

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

--

Rich Brooks



flyte new media
207.523.5141
takeflyte.com



Lori Paulette <ljn@portlandmaine.gov>

Raise the minimum wage

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

Mon, Mar 17, 2025 at 3:44 PM

Dear Committee Members,

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

Thank you,

Rania Campbell-Bussiere
Portland resident



Lori Paulette <ljp@portlandmaine.gov>

Order 25-24 Comment

Steven Quattrucci <steve@montesportland.com>

Mon, Mar 17, 2025 at 10:11 AM

To: edd@portlandmaine.gov

Dear Committee Members --

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

Best wishes,
Steve

--

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



Lori Paulette <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 <ljn@portlandmaine.gov>

Order 24-25/25

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

Tue, Mar 18, 2025 at 10:53 AM

Hello,

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

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

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

Rachel Iafolla
167 Danforth

Sent from my iPad



Lori Paulette <ljp@portlandmaine.gov>

Minimum Wage Increase

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

Tue, Mar 18, 2025 at 11:23 AM

Dear Committee,

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

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

Thank you,
Elliott Eno



Lori Paulette <ljn@portlandmaine.gov>

Worker pay - \$20/hour

Gregory LeGore <gl314159@gmail.com>

Tue, Mar 18, 2025 at 12:47 PM

To: edd@portlandmaine.gov

Cc: Greg LeGore <gl314159@gmail.com>

Hello,

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

Thank you,

Greg LeGore

46 Carriage LN, Brunswick, ME 04011

703.727.6231

gl314159@gmail.com



Lori Paulette <ljp@portlandmaine.gov>

Writing in support of \$20/hour minimum wage

Shannon Wade <shannonpwade@gmail.com>

Tue, Mar 18, 2025 at 3:13 PM

To: edd@portlandmaine.gov

Hi there,

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

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

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

Thank you,
Shannon Wade
District 2 constituent

Shannon Wade

she/her/hers

<https://tinyurl.com/shannonpwade>



Lori Paulette <ljp@portlandmaine.gov>

Minimum Wage

Charlie Constantineau <cconstantineau@live.com>

Mon, Mar 17, 2025 at 5:14 PM

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

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

Good evening,

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

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

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

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

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

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

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

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



Lori Paulette <ljp@portlandmaine.gov>

Raise Minimum Wage

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

Mon, Mar 17, 2025 at 9:22 PM

Hello,

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

Thank you.

Sincerely,

Caitlin Enz
Resident of Portland, Maine, 04102



Lori Paulette <ljn@portlandmaine.gov>

Minimum wage hearing

Ellen Brown <browne4321@gmail.com>

Tue, Mar 18, 2025 at 10:34 AM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

Hi,

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

Thank you for your time,

Ellen Brown



Lori Paulette <ljp@portlandmaine.gov>

Support for minimum wage increase

Jeannette <jeannetteberman91@gmail.com>

Tue, Mar 18, 2025 at 9:29 AM

To: edd@portlandmaine.gov

Good morning,

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

Best,
Jeannette Berman
159 Grant St, Portland



Lori Paulette <ljp@portlandmaine.gov>

Support for a \$20/hr minimum wage

Jack Haskell <jack.haskell555@gmail.com>

Mon, Mar 17, 2025 at 4:07 PM

To: edd@portlandmaine.gov

Cc: ivableportland@mainedsa.org

Hi folks,

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

1) The cost of living in Portland is high:

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

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

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

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

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

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

-Jack



Lori Paulette <ljp@portlandmaine.gov>

\$20 Minimum Wage

Jaimee Lambert <jaimeemlambert@gmail.com>

Mon, Mar 17, 2025 at 5:22 PM

To: edd@portlandmaine.gov

Cc: livableportland@mainedsa.org

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

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

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

Thank you for your time,
Jaimee

--

Jaimee Lambert she/her

15 Libby Street

Portland, Maine 04103



Lori Paulette <ljp@portlandmaine.gov>

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

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

Tue, Mar 18, 2025 at 10:30 AM

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

Thank you,

Karen

Dear Mr. Mayor and City Councilors,

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

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

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

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

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

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

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

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

Sincerely,

Karen MacDonald-Fowler

16 Longmeadow Drive

Gorham, ME 04038

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

Port Resources
280 B Gannett Drive
South Portland, Maine 04106

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

kmacdonald-fowler@portresources.org

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

Please Visit Our Website at www.portresources.org



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Lori Paulette <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

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Thank you,

Karen

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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



Lori Paulette <ljp@portlandmaine.gov>

My Public Comment For Minimum Wage Proposal

Evan Amell <evan@eafitnessandperformance.com>

Tue, May 20, 2025 at 2:34 PM

To: edd@portlandmaine.gov

Hello,

I realize that my message is too late to be put in for public comment for tonight's meeting regarding the minimum wage proposal. I was informed just this afternoon that public comment on zoom isn't going to be mandatory on the agenda which I know no one will see, but I just wanted someone from the city of Portland to hear my short piece on this issue.

As a small business owner myself, I want to address this proposal that sounds good on paper but could have serious unintended consequences by raising Portland's minimum wage to \$20 an hour.

First, let's consider the small businesses that form the backbone of our local economy. 99.2% statewide. Restaurants, shops, and family-run services are already navigating rising costs—rent, utilities, and supply chain disruptions. Increasing the minimum wage to \$20 could force many of them to reduce hours, cut staff, or worse—close their doors entirely. When small businesses shut down, we don't just lose jobs—we lose community.

Second, we must recognize that higher wages don't happen in a vacuum. When labor costs go up, so do prices. It's not as simple as "more wages means people will be able to afford more". I wish it was but it's not. This means groceries, meals, and everyday services could get more expensive. Ironically, this price inflation could erode the purchasing power of the very people we're trying to help. A \$20 minimum wage might not feel like much if your rent, food, and childcare costs all spike in response along with forced reduced hours because the employers can't afford to keep the same hours for their employees. It ultimately causes a downstream effect that not a lot of people are considering on this issue.

Third, this proposal doesn't account for regional economic realities. Portland is not New York City or San Francisco. A one-size-fits-all number ignores our city's unique job market and cost of living. There are smarter ways to support low-income workers—such as targeted tax credits, workforce training programs, and affordable housing initiatives—without destabilizing the local economy.

This is not about being against fair wages—it's about being realistic and responsible. Let's support our workers, yes, but let's do it in a way that ensures our businesses survive, our prices stay manageable, and our local economy remains stable.

Thank you for reading this.

Evan Amell



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

MEETING DATE

May 20, 2025

AGENDA ITEM

Commercial Vacancy Ordinance

PURPOSE

Staff are seeking recommendation from the Housing and Economic Development Committee (HEDC) regarding a commercial vacancy ordinance that will encourage economic vibrancy and promote the active uses of commercial spaces in downtown Portland. Staff hopes that the proposed ordinance will serve as one of several proposed solutions to collaborate with local stakeholders to address ongoing commercial vacancy downtown.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

This item supports the HEDC Commercial Vacancy Program included on its 2025 workplan.

BACKGROUND/ANALYSIS

Since the Spring of 2024, the HED Director and staff have participated in a working group focused on neighborhood vibrancy in the Arts District. At the August 2024 HEDC meeting, staff provided information and options that the City could undertake to disincentivize commercial vacancies and activate downtown Portland, including a commercial vacancy ordinance. Based on support from Committee members at that meeting, HED Director and staff presented a draft policy at the April 15, 2025 HEDC meeting.

The ordinance will promote the use of vacant space, encourage communication and collaboration between owners of vacant property and seekers of commercial space, collect data to inform future programs, and result in increased collaboration with Portland's artist community to provide active utilization of vacant space with a preference for locally sourced art. The ordinance will be geographically limited to the City's Pedestrian Activities District (PAD) Overlay Zone



FIGURE 8-11. PEDESTRIAN ACTIVITIES DISTRICT (PAD) OVERLAY

(see image)), which ensures that key areas within the City are 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, or some combination of both.

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 - Councilor Sykes Memo of 5/13/2025

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.



To: Pious Ali, Chair and Members of the Housing and Economic Development Committee

From: Kate Sykes, Councilor Dist. 5

Date: May 13, 2025

RE: Recommended Amendments – Commercial Vacancy Ordinance

Dear Greg and Michael,

Thank you both for your work on the draft Commercial Vacancy Ordinance and for your openness to further discussion as this policy moves forward. Following our committee meeting last night, I wanted to follow up with a set of amendments and suggestions that reflect my prior comments, as well as some new concerns raised in public comment and through communications the council has received from residents, property owners, and businesses in Monument Square over the last few days.

I believe this ordinance has the potential to become a cornerstone of Portland’s broader strategy for downtown revitalization. I’ve begun thinking of it as the “Portland Commons” initiative, because it captures a specific vision for reclaiming empty space for public benefit, economic vitality, and cultural activation. I also think it helps distinguish the program from a broader citywide vacancy policy that some councilors may wish to pursue separately.

Summary of Proposed Amendments

1. Steepen Fee Escalation

Proposed Fee Schedule for Vacant Commercial Properties

Vacancy Duration	Base Fee	Additional Notes
3–12 months	\$250	Initial grace period with modest fee; encourages owners to take early action.
1–2 years	\$1,000	Escalation begins; signals growing urgency to activate space.
2–3 years	\$2,000	Maintains pressure; doubles previous year to prevent stagnation.
3–5 years	\$3,500	Reflects significant concern over long-term vacancy.
5–10 years	\$5,000	Aligns with the current draft but kicks in earlier.
10+ years	\$7,500 + \$1,000/year	Raises ongoing stakes; annual surcharge continues beyond 10 years.

Rationale:

- *Stronger early escalation encourages owners to lease or activate their properties within the first 24 months rather than holding out.*
- *Doubling fees in mid-range periods (1–3 years) sends a clear message that holding properties off the market will not be passively tolerated, and that the City expects active engagement in neighborhood vitality.*

2. Apply Supplemental Fee Adjustments

- **Add a Size-Based and/or Location-Based Adjustment:** Add a \$0.50–\$1.00 per square foot surcharge annually for properties larger than 1,000 sq. ft., and/or a \$25–\$50 per linear foot of street frontage fee for high-visibility locations near public property such as Congress Square Park, Monument Square, Longfellow Square, etc. where we may want to focus activation.
- **Add a Noncompliance Penalty:** \$1,000–\$5,000 fine for failure to register or pay fee within 60 days of due date.
- **Enable Lien Authority:** Allow lien placement on unpaid accounts after 90 days to ensure enforcement and collection through standard municipal mechanisms.

Rationale:

- *A size-based/location-based component discourages speculative vacancy of large, impactful properties by aligning the fee structure with the visibility, scale, and potential harm such vacant properties pose to Portland's most walkable, high-traffic corridors and parks.*
- *Establishes a noncompliance penalty that is stronger than the base registration fee itself, addressing a concern raised in public comment and reinforcing the seriousness of the City's expectations. Without this, the financial consequence of ignoring the ordinance could be negligible.*
- *Enables meaningful enforcement by allowing the City to place liens on delinquent properties, ensuring compliance through established municipal mechanisms and avoiding prolonged nonpayment that undercuts the ordinance's credibility.*

3. Registry Requirements

- **Require launch of registry within 90 days of ordinance passage**
- **Mandate quarterly updates with property status, exemptions, and fee tier**

Rationale:

- *Builds public trust through timely transparency and information-sharing.*
- *Enables better enforcement by giving staff and the public a real-time picture of vacant properties.*
- *Reinforces the ordinance's intent by tracking compliance and surfacing patterns of long-term vacancy across the PAD zone.*

4. Strengthen Waiver and Enforcement Transparency

- **Require written rationale for waivers**

- Publish all waivers and enforcement actions in the registry

Rationale:

- *Ensures consistent decision-making and protects against arbitrary or opaque exemptions.*
- *Gives Council and the public oversight into how the ordinance is being implemented.*
- *Reinforces fairness and accountability across all property owners and commercial spaces.*

5. Add Pop-Up Occupancy as a Waiver Category

Suggested language: “Waivers may be granted for properties under short-term license agreements (30–365 days) with local vendors, artists, entrepreneurs, nonprofits, or cultural groups for purposes of temporary retail, art exhibition, food vending, or civic programming.”

Rationale:

- *This lowers the barrier to creative, non-permanent occupancy, especially for newer entrepreneurs who can’t commit to long leases.*

6. Enable “Portland Commons” Activation Strategy

Include language authorizing the City to:

- Facilitate a public registry of short-term vendors and activation partners
- Provide templated license agreements for short-term use
- Partner with the Portland Development Corporation (PDC) as a coordinating body for pilot projects, including vendor recruitment and mini-grants
- Use TIF, CDBG, or other grant funds to subsidize infrastructure and startup costs for pop-up programs

Rationale:

- *Supports small-scale entrepreneurship*
- *Helps fill empty space quickly*
- *Builds a visible sense of momentum and restores public trust in the downtown core.*

7. Public Use Encouragement Clause

Suggested language: “The City may prioritize temporary occupancy for local businesses, cooperatives, public market vendors, and cultural organizations to promote economic opportunity and street-level vibrancy.”

Rationale:

- *Clarifies the City’s intent to promote community-centered activation and gives staff clear guidance when evaluating waivers and partnerships.*
- *Ensures access to vacant space isn’t limited to the highest bidder, supporting equity for small, local, or nonprofit enterprises.*

- *Aligns the ordinance with broader goals of public benefit, cultural vitality, and inclusive revitalization.*
- *Reinforces the “Portland Commons” vision by prioritizing uses that enrich civic life and draw the public into shared spaces.*

In conclusion

This ordinance is not only a policy mechanism—it is a cultural signal. It tells residents we are committed to revitalizing our downtown as a place of public life and shared opportunity. I look forward to seeing these amendments reflected in a revision of the proposed ordinance at our next committee meeting, as well as updates from staff on how they are exploring pathways to implement the pop-up provisions. I would also be interested in seeing an outline from the Portland Development Corporation for a pilot structure to activate the vendor registry, temporary use agreements, and related elements of the “Portland Commons” strategy.

Additionally, I am interested in exploring code changes needed to enable performance art vending in public space. This restriction is currently under discussion in Augusta, through LD 115: “An Act to Permit the Operation of Public Performances for Donations on Public Rights-of-way” spearheaded by Portland Representative Brennan. Loosening these restrictions would allow us to support one of the most accessible and culturally rich forms of street-level activation.

Thank you again for your hard work, and for considering these amendments.



To: Councilor Ali, Chair

Members of the Housing and Economic Development Committee

MEETING DATE

May 20, 2025

AGENDA ITEM

Affordable Housing and Tax Increment Financing Development Funding Requests for Front Street Phase 3 located at 33 W. Presumpscot Street.

PURPOSE

Portland Housing Development Corporation is requesting an Affordable Housing Tax Increment Financing and Credit Enhancement Agreement.

COMMITTEE WORK PLAN/CITY COUNCIL GOAL ALIGNMENT

Increase, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents. Council Goal 2: Housing Affordability

BACKGROUND/ANALYSIS

Portland Housing Development Corporation (PHDC) requested the creation of an Affordable Housing Tax Increment Financing (AHTIF) District and Credit Enhancement Agreement (CEA) for a project located at 33 W. Presumpscot Street. The proposed project would create eight (8) townhouse style condominiums. Six (6) of the units will be restricted and sold to households earning at or below 120% of the area median income (2-person household \$109,050; 4-person household \$155,750). Two (2) units will be sold as unrestricted market-rate units.

As part of the capital stack for the development of the project, PHDC has applied for a loan with the Genesis Community Loan Fund. Genesis will provide gap financing in the amount of \$370,000 to pay for construction costs. The tax revenue or captured valuation realized through the AHTIF CEA, will be used to pay the debt service on the Genesis loan. Under the terms of the CEA, captured revenue would return to the developer their actual costs paid on annual project debt service based on an annual maximum 75% capture rate for upwards of thirty (30) years and include a total captured revenue cumulative "cap" or maximum amount. The cap would be the total cumulative AHTIF CEA payment amount equal to the total actual debt service cost. When the cap is reached the AHTIF CEA expires.

FISCAL IMPACT

- When completed, the project's total assessed-value is estimated at \$3,586,320, which would yield \$53,830.66 in annual assessed property value in year one at the current FY25 millage rate;
- The total amount of tax revenue (captured valuation) to be returned to the project/developer will be capped at the total amount of debt service due on a \$370,000 loan from the Genesis Community Loan Fund.
- The approximate maximum total amount of tax revenue (captured revenue) to be returned the project/developer is \$1,606,206 over the 30-year term (or \$53,540 per year averaged over the 30-year term);

- The approximate total amount of tax revenue (aka non-captured valuation) that would be deposited into the general fund is \$535,402 over the 30-year term (or \$17,847 per year averaged over the 30-year term);
- If the project is not completed, the tax yield on this property remains at \$69,300. The tax revenue returned to the project/developer is \$0, and the amount of tax revenue that would be deposited into the general fund is \$69,300.
- With the tax sheltering benefits of TIF Districts, overall savings to the City during the term of the district averages an estimated annual amount of \$21,373+, or \$641,195+ over the life of the district.

CONCLUSIONS

As required by the City's Tax Increment Financing Policy, an underwriting analysis was completed. The underwriter recommends a 75% AHTIF with a maximum potential 30-year term. The actual term of TIF will be the date of complete repayment of the Genesis bridge loan (expected in approximately 15 years). This recommendation is conditioned upon satisfactory review of the following:

- A satisfactory appraisal supporting the per unit land price and the sales price;
- Financing commitments for all sources prior to closing on terms and conditions acceptable to the City of Portland.

TIF documents to require:

- All standard construction conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

City staff supports this recommendation.

Recommendations

1. Motion to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement agreement for the Front Street Phase 3 Project, with the terms as presented by staff.

PRIOR COMMITTEE REVIEW: N/A

PREPARED BY

Mary Davis
Division Director
Housing and Community Development Division

ATTACHMENTS

Attachment A – Front Street Phase 3 Project Description
Attachment B - TIF Model and Tax Sheltering Spreadsheets
Attachment C – Underwriting Analysis

B. Project Information

Completed by statarczuk@porthouse.org on 1/24/2025 11:34 AM

Case Id: 30597

Name: Portland Housing Development Corporation -

Address: 33 W Presumpscot Street, Portland, ME 04103

B. Project Information

Please provide the following information.

B.1. Property Address

33 W Presumpscot Street Portland, ME 04103

B.2. Project Name

Front Street Phase 3

B.3. Tax chart, block, and lot number

Tax Chart 167, Block E, Lot 9 & 10

B.4. Zoning Designation

RN3

B.5. Is the requested funding type HOME/HTF?

No

B.6. Requested amount of Affordable Housing Development Funding

\$0.00

B.7. Is the requested funding type AHTIF?

Yes

AHTIF Terms:

This application requests the creation of an AHTIF District and a Credit Enhancement Agreement to convey 75% of the incremental taxable revenue for the entire property to support construction costs for this homeownership development. The term requested is 30 years.

B.8. Total number of housing units to be constructed:

8

B.9. Total number of housing units to be rehabilitated:

0

B.10. Total Number of market rate units:

2

B.11. Total number of deed restricted units:

6

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B.12. Total number of Units at 120% AMI:

6

B.13. Total number of Units at 110% AMI:

0

B.14. Total number of Units at 100% AMI:

0

B.15. Total number of Units at 80% AMI:

0

B.16. Total number of Units at 60% AMI:

0

B.17. Total number of Units at 50% AMI:

0

B.18. Total number of Units at 40% AMI:

0

B.19. Housing Type

Condo

B.20. Total number of studio/efficiency units:

0

B.21. Total number of one-bedroom units:

0

B.22. Total number of two-bedroom units:

4

B.23. Total number of three-bedroom units

2

B.24. Total number of four-bedroom units

2

B.25. Total number of five-bedroom units

0

B.26. Property Manager

Condo Association

B.27. When is construction expected to begin?

05/01/2025

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B.28. Please use the box below to answer the remaining questions and provide a narrative description of the project that includes:

- **Description of municipal housing need and how the development addresses that need;**
- **Requested amount of Affordable Housing Development Funding;**
- **Description of how City's participation is financially necessary in order for the project to proceed;**
- **Description of allowed uses in the zone;**
- **Description of residential and non-residential uses in the area;**
- **Description of accessory uses relating to residential use, if any;**
- **Indicate if this project requires relocation of existing commercial or residential tenants;**
- **Description of relocation plan for persons temporarily or permanently displaced by development activities;**
- **Description of how the development is consistent with the Comprehensive Plan**
- **Description of how housing and facilities in the development will be operated after completion;**
- **Description of planned uses of tax increment revenues from the district (AHTIF projects only).**

PROJECT OVERVIEW Front Street Phase 3 consists of eight townhouse-style condominiums, six units will be restricted to households earning at or below 120% Area Median Income (AMI), and two units will be sold as unrestricted-market rate units. The development will consist of two buildings: one building containing six, two-story townhomes, and one building containing two, two-story townhomes. The site will include a small parking lot with eight parking spaces, one per unit. The project is located in the East Deering neighborhood of Portland Maine and is the third and final phase of the larger Front Street Redevelopment completed by Portland Housing Development Corporation. The first two phases include 105 affordable rental homes for families and seniors. This third phase will bring housing diversity to the neighborhood by providing homeownership opportunities, a need which was expressed by the neighborhood during early community meetings. Phases 1 and 2 are fully complete and occupied. Front Street Phase 3 has received all municipal and state land use approvals and the timeline for appeals has expired. The East Deering neighborhood mostly consists of residential uses ranging from single family homes to large multifamily complexes, and is in close proximity to a healthcare facility, regional park, and commercial activity along Washington Avenue. The new homes will be built at a high residential density, and the buildings will be constructed to an extremely high standard of energy efficiency. The development will be 100% electric. The condominiums will be owned by individual households. The eight households will collectively run their condominium association and either choose to self-manage or contract with a third-party. Ongoing use restrictions will be monitored by the City of Portland and MaineHousing, if awarded funding.

DESCRIPTION OF MUNICIPAL HOUSING NEED AND HOW THE DEVELOPMENT ADDRESSES THAT NEED Housing supply directly impacts economic growth and the region's ability to attract and retain workers and families that contribute to the economy and enhance the vibrancy of our communities. In recent years especially, low, and very low-income families have been facing increased daily challenges due to inflation pressures increasing the cost of daily goods such as groceries and gas. These same families have been entirely priced out of the housing market. Inflation, supply chain challenges, shortages in workforce, and increasing construction costs have made developing new housing units an increasingly difficult task year over year. In 2023, Maine State Housing Authority, alongside the Governor's Office of Policy Innovation and the Future, and the Department of Economic and Community Development released the State of Maine Housing Production Needs Study. This study identified a need for at least 84,000 new homes within the next seven years to meet anticipated demand. The Project proposed in this application is an 8 unit mixed-income homeownership development in the East Deering neighborhood. Six of the eight units will be restricted to households earning at or below 120% Area Median Income. The population that these units will serve is one that is often on the edge, making too much income to qualify for low-income subsidized rental housing, but not making enough to rent or purchase at market-rate prices. There is a shortage of affordable for-sale housing. It is particularly difficult for developers to produce for-sale units at an affordable price due to current cost of construction. Portland Housing

Development Corporation continues to make an effort to serve all types of households by providing a diversity of housing types and affordability in our community.

REQUESTED AMOUNT OF AFFORDABLE HOUSING DEVELOPMENT FUNDING This application is requesting the creation of an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement only.

DESCRIPTION OF HOW CITY'S PARTICIPATION IS FINANCIALLY NECESSARY IN ORDER FOR THE PROJECT TO PROCEED Should the project receive the proposed AHTIF, Portland Housing Development Corporation will partner with Genesis Community Loan Fund who have expressed interest in providing an AHTIF Bridge Loan. This AHTIF Bridge Loan will provide the necessary gap funding to make this deal feasible. The Genesis Loan will be used to pay for construction costs. Front Street Phase 3 has been awarded a \$1,000,000 U.S. EPA Brownfields Cleanup grant and a \$420,000 Congressional Appropriations grant and still faces a funding gap of approximately \$370,000 due to the high cost of construction and professional services associated with development. The City's participation is necessary to fill the remaining funding gap and make this project financially feasible. Without this funding, the project could not proceed as currently envisioned.

DESCRIPTION OF ALLOWED USES IN THE ZONE Front Street Phase 3 was approved by the Planning Board in 2019 as part of a phased site plan which included phase 1 and phase 2. At the time of Planning Board approval, the parcel was zoned as R5 and Multiplex development was permitted, allowing for multifamily residential development.

DESCRIPTION OF RESIDENTIAL AND NON-RESIDENTIAL USES IN THE AREA; Uses immediately surrounding the Front Street Phase 3 parcel include Front Street Phase 1 and 2, mixed-income rental housing for families and seniors, as well as single family residential properties. Payson Park is within walking distance to the southwest of the property providing recreational access, and Washington Ave's commercial uses to the northeast.

DESCRIPTION OF ACCESSORY USES RELATING TO RESIDENTIAL USE, IF ANY Not Applicable.

INDICATE IF THIS PROJECT REQUIRES RELOCATION OF EXISTING COMMERCIAL OR RESIDENTIAL TENANTS The Front Street Phase 3 parcel is currently a vacant lot and therefore no relocation is required for this project.

DESCRIPTION OF RELOCATION PLAN FOR PERSONS TEMPORARILY OR PERMANENTLY DISPLACED BY DEVELOPMENT ACTIVITIES Not Applicable.

DESCRIPTION OF HOW THE DEVELOPMENT IS CONSISTENT WITH THE COMPREHENSIVE PLAN Policy Guide:
Environment 7. Support Sustainable Land Use and Transportation Policies • "Plan for the mitigation and redevelopment of brownfields to support productive uses and a healthier environment for residents." – Front Street Phase 3 will include the redevelopment of a brownfields site. The project has received a \$1MM U.S. EPA Cleanup Grant for the cleanup of contaminated soils. Policy Guide: Housing 3. Remove Housing Barriers • "Evaluate whether current zoning allows for new development consistent with historic patterns of form, density, and/or use, as well as whether it allows for priority growth areas." – While the current zoning of the Front Street phase 3 parcel allows for substantial density, this project has been designed to provide a mix of housing types to the neighborhood. With larger-scale rental residential housing directly abutting this property, this development will serve as a transition to lower density housing on the other side of the neighborhood. 4. Promote Sustainability • "Encourage energy efficiency in new construction and rehabilitation of our housing stock." – Front Street Phase 3 will be built with extremely energy efficient building design, materials, and mechanical systems. This means the new buildings will be significantly more efficient than a code-built building. The buildings will be 100% electric. 9. Adapt Affordable Housing • "Pursue new opportunities for increased energy efficiency, increased densities, mixed incomes, and greater connectivity to surrounding neighborhoods." – The project will increase energy-efficiency of the community (see "4. Promote Sustainability" above). The project will increase residential densities of the community. The project will include two market rate units and six income restricted units which will contribute to the income diversity in the community.

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DESCRIPTION OF HOW HOUSING AND FACILITIES IN THE DEVELOPMENT WILL BE OPERATED AFTER COMPLETION The condominiums at Front Street Phase 3 will be owned by individual households. The eight households will collectively run their condominium association and either choose to self-manage or contract with a third-party. Ongoing use restrictions will be monitored by the City of Portland.

DESCRIPTION OF PLANNED USES OF TAX INCREMENT REVENUES FROM THE DISTRICT (AHTIF PROJECTS ONLY) This application requests the creation of an AHTIF District and a Credit Enhancement Agreement to convey 75% of the incremental taxable revenue for the entire property towards debt service coverage of the Genesis AHTIF Bridge Loan for a term of 30 years. This will allow the project to work with Genesis Community Loan Fund who will provide gap funding. In order to make the project financially feasible, this project requires multiple subsidy sources in addition to a AHTIF of no less than 75%.

Development Budget
33 West Presumpscot St Portland Maine

Sources of Funds:

Construction Sources:			
Lender	Amount (\$)	Rate (%)	Terms (mos.)
Construction Loan	\$ 2,495,600.00	7.50%	18
AHTIF Loan	\$ 370,000.00	6.50%	324
MH AHOP	\$ 468,747.00	0.00%	
CDS Congressional Earmark	\$ 420,000.00	N/A	
EPA Brownfields Grant	\$ 1,000,000.00	N/A	
Sponsor Equity - Seller Note	\$ 270,000.00	N/A	
Sponsor Equity - Deferred Developer Fee	\$ 250,000.00	N/A	
Construction Sources Total	\$ 5,274,347.00		

Permanent Sources:			
Lender	Amount (\$)	Rate (%)	Terms (mos.)
Net Proceeds of Home Sales	\$ 3,015,600.00		
AHTIF Loan	\$ 370,000.00	6.50%	
MH AHOP	\$ 468,747.00	0.00%	
CDS Congressional Earmark	\$ 420,000.00	N/A	
EPA Brownfields Grant	\$ 1,000,000.00	N/A	
Permanent Sources Total	\$ 5,274,347.00		

Use of Funds:

Description:	Costs (\$)
Land Acquisition	\$ 270,000.00
Site Infrastructure (sidewalks, utilities, brownfields, landscaping)	\$ 600,000.00
Professional Services (Consultants, Design, Engineering, Legal)	\$ 369,350.00
Financing Fees (Const. loan Interest, Title/Recording, AHTIF Reserve)	\$ 224,000.00
Soft Cost Contingency	\$ 60,000.00
Developer Overhead	\$ 250,000.00
Marketing & Broker Fee	\$ 120,624.00
Taxes & Insurance	\$ 47,500.00
Permits (specify)	
<i>Building Permit (City of Portland)</i>	\$ 30,000.00
<i>Impact Fees</i>	\$ 37,945.00
<i>CMP Fees</i>	\$ 25,000.00
<i>Other Permitting Fees</i>	\$ 29,200.00
Construction Costs (specify)	
<i>Construction Costs (MODULAR)</i>	\$ 2,714,915.00
<i>Inflation Contingency (10%)</i>	\$ 301,492.00
<i>Construction Contingency (5%)</i>	\$ 194,321.00
Total Development Costs	\$ 5,274,347.00

NOTE: Front Street Phase 3 is a Brownfields site. The site infrastructure line above accounts for additional costs associated with Brownfields soil.

City of Portland - TIF Model
 PHDC - Phase III of Front St. Development
[35 W. Presumpscot St., 167-E-9 and 10](#)
 OAV as of 3/31/2025: \$69,300
 4/4/2025

City of Portland- TIF Projection Table									
TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	% of Value Captured	Captured Valuation	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Business Project Account	Captured Revenue to Municipal Project Account	City Non- Captured General Fund Revenues
1	2025	\$3,517,020	75.00%	\$2,637,765	15.01	\$39,593	\$39,593	\$0	\$13,198
2	2026	\$3,517,020	75.00%	\$2,637,765	15.31	\$40,385	\$40,385	\$0	\$13,462
3	2027	\$3,517,020	75.00%	\$2,637,765	15.62	\$41,192	\$41,192	\$0	\$13,731
4	2028	\$3,517,020	75.00%	\$2,637,765	15.93	\$42,016	\$42,016	\$0	\$14,005
5	2029	\$3,517,020	75.00%	\$2,637,765	16.25	\$42,857	\$42,857	\$0	\$14,286
6	2030	\$3,517,020	75.00%	\$2,637,765	16.57	\$43,714	\$43,714	\$0	\$14,571
7	2031	\$3,517,020	75.00%	\$2,637,765	16.90	\$44,588	\$44,588	\$0	\$14,863
8	2032	\$3,517,020	75.00%	\$2,637,765	17.24	\$45,480	\$45,480	\$0	\$15,160
9	2033	\$3,517,020	75.00%	\$2,637,765	17.59	\$46,389	\$46,389	\$0	\$15,463
10	2034	\$3,517,020	75.00%	\$2,637,765	17.94	\$47,317	\$47,317	\$0	\$15,772
11	2035	\$3,517,020	75.00%	\$2,637,765	18.30	\$48,263	\$48,263	\$0	\$16,088
12	2036	\$3,517,020	75.00%	\$2,637,765	18.66	\$49,229	\$49,229	\$0	\$16,410
13	2037	\$3,517,020	75.00%	\$2,637,765	19.04	\$50,213	\$50,213	\$0	\$16,738
14	2038	\$3,517,020	75.00%	\$2,637,765	19.42	\$51,218	\$51,218	\$0	\$17,073
15	2039	\$3,517,020	75.00%	\$2,637,765	19.81	\$52,242	\$52,242	\$0	\$17,414
16	2040	\$3,517,020	75.00%	\$2,637,765	20.20	\$53,287	\$53,287	\$0	\$17,762
17	2041	\$3,517,020	75.00%	\$2,637,765	20.61	\$54,353	\$54,353	\$0	\$18,118
18	2042	\$3,517,020	75.00%	\$2,637,765	21.02	\$55,440	\$55,440	\$0	\$18,480
19	2043	\$3,517,020	75.00%	\$2,637,765	21.44	\$56,548	\$56,548	\$0	\$18,849
20	2044	\$3,517,020	75.00%	\$2,637,765	21.87	\$57,679	\$57,679	\$0	\$19,226
21	2045	\$3,517,020	75.00%	\$2,637,765	22.30	\$58,833	\$58,833	\$0	\$19,611
22	2046	\$3,517,020	75.00%	\$2,637,765	22.75	\$60,010	\$60,010	\$0	\$20,003
23	2047	\$3,517,020	75.00%	\$2,637,765	23.21	\$61,210	\$61,210	\$0	\$20,403
24	2048	\$3,517,020	75.00%	\$2,637,765	23.67	\$62,434	\$62,434	\$0	\$20,811
25	2049	\$3,517,020	75.00%	\$2,637,765	24.14	\$63,683	\$63,683	\$0	\$21,228
26	2050	\$3,517,020	75.00%	\$2,637,765	24.63	\$64,956	\$64,956	\$0	\$21,652
27	2051	\$3,517,020	75.00%	\$2,637,765	25.12	\$66,255	\$66,255	\$0	\$22,085
28	2052	\$3,517,020	75.00%	\$2,637,765	25.62	\$67,581	\$67,581	\$0	\$22,527
29	2053	\$3,517,020	75.00%	\$2,637,765	26.13	\$68,932	\$68,932	\$0	\$22,977
30	2054	\$3,517,020	75.00%	\$2,637,765	26.66	\$70,311	\$70,311	\$0	\$23,437
30 Year TIF Total		\$105,510,600		\$79,132,950		\$1,606,206	\$1,606,206	\$0	\$535,402
30 Year TIF Average		\$3,517,020		\$2,637,765		\$53,540	\$53,540		\$17,847

City of Portland - TIF Model
 PHDC - Phase III of Front St. Development
[35 W. Presumpscot St., 167-E-9 and 10](#)
 OAV as of 3/31/2025: \$69,300
 4/4/2025

Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: City of Portland- TIF Model							
75% Sheltered - 30 years - 75% to Developer Project Account - 25% to City General Fund							
TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2025	\$3,517,020	\$2,637,765	\$0	\$5,183	\$1,057	\$6,240
2	2026	\$3,517,020	\$2,637,765	\$0	\$5,183	\$1,056	\$6,239
3	2027	\$3,517,020	\$2,637,765	\$0	\$5,183	\$1,056	\$6,239
4	2028	\$3,517,020	\$2,637,765	\$5,821	\$5,183	\$1,056	\$12,060
5	2029	\$3,517,020	\$2,637,765	\$11,641	\$5,183	\$1,056	\$17,881
6	2030	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
7	2031	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
8	2032	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
9	2033	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
10	2034	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
11	2035	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
12	2036	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
13	2037	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
14	2038	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
15	2039	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
16	2040	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
17	2041	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
18	2042	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
19	2043	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
20	2044	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
21	2045	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
22	2046	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
23	2047	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
24	2048	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
25	2049	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
26	2050	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
27	2051	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
28	2052	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
29	2053	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
30	2054	\$3,517,020	\$2,637,765	\$17,462	\$5,183	\$1,056	\$23,701
30 Year TIF Total		\$105,510,600	\$79,132,950	\$454,012	\$155,491	\$31,693	\$641,195
30 Year TIF Average		\$3,517,020	\$2,637,765	\$15,134	\$5,183	\$1,056	\$21,373

To: Mary Davis, City of Portland
From: Anne Boynton, Urban Ventures, Inc.
Re: PHDC's Front Street Phase III
Date: 5/16/25

Portland Housing Development Corporation (PHDC) requests a 75%, 30-year Affordable Housing TIF to secure a construction loan for the proposed new construction of 8 units of for sale condominium housing, and 8 parking spots. Six units will be affordable townhomes and two units will be market rate. This is Phase III of the comprehensive development of Portland Housing Authority's Front Street property. Phase I & Phase II, which provided 105 units of affordable rental housing, have been successfully constructed and leased up. Phase III is responsive to the neighborhood's expressed desire for additional homeownership opportunities in the neighborhood. The site is currently vacant.

Using the City's TIF Model spreadsheets, the year 1 value of a 75% TIF would be \$39,593. This represents a \$6,599-year one subsidy per affordable residential unit. While the projected value of a 30-year TIF would be \$1,606,206, the TIF will be used to secure and repay a construction loan of \$370,000, and the TIF will terminate when the construction loan is fully retired. It is expected that the TIF will be retired approximately 15 years after unit occupancy.

Sources and Uses

Permanent Sources:		Permanent Uses:	
Net Proceeds of Unit Sales	\$3,015,600	Land Acquisition	\$270,000
TIF Loan (Genesis Fund)	\$370,000	Construction Hard Costs	\$3,314,915
Maine Housing AHOP	\$468,747	Hard & Soft Contingency	\$555,813
Congressional Earmark	\$420,000	Soft Costs (incl. sales costs)	\$883,619
EPA Brownfields	<u>\$1,000,000</u>	Developer Fee	<u>\$250,000</u>
Total Sources:	\$5,274,347	Total Uses:	\$5,274,347

Status of Sources: Norway Savings is expected to finance the construction loan of \$2,495,600, and has provided a term sheet for up to \$3 million, with a requirement of 3 income eligible presales prior to closing. Norway Savings is currently in underwriting. PHDC intends to borrow less from Norway Savings than their stated maximum due to market uncertainty.

The TIF will secure a long-term bridge loan from Genesis Fund. Genesis Fund has provided a letter of interest and term sheet and is in underwriting. Maine Housing recently awarded subsidy funds from the Affordable Homeownership Program (AHOP). The Congressional Earmark and the Brownfields funding were awarded in the prior administration. It is unclear if/how the change in administration will impact the accessibility of these funds.

Development Budget

Construction Costs:

Construction costs are based on an estimate for modular construction from Backyard ADU, plus an estimate for site work including infrastructure and brownfields remediation. Total construction cost divided among the 8 units is \$414,364, including the site work. Excluding site work, the unit construction costs are \$398,877 each for the two duplex units and \$319,527 each for the six townhouses.

Soft Costs:

Soft costs are moderate and within industry standard. More than typical engineering is necessary to address the brownfield site. Developer fee is \$250,000. This is a reasonable fee by industry standards, 5.1% of total development costs, excluding reserves and developer fee.

Contingency:

The hard cost contingency is budgeted at industry standard 5% of construction costs, plus an additional 10% "inflation contingency." This is not industry standard and adds an additional \$301,492 to the hard cost budget (an additional cost of \$37,686 per unit). Backyard ADU is carrying an additional \$118,172 in line items labeled "Overhead/Contingency" and "Modular Overhead/Contingency." This is 4.35% of their total cost. Though these additional layers of contingency are extraordinary, these are extraordinary times -- construction costs are extremely unpredictable due to rapidly changing federal policy and the volatility that creates in the market.

Soft cost contingency is \$60,000, which is 7.8% of soft costs. This should be adequate for the remaining soft costs. There are three additional reserves: \$12,000 condominium reserve, \$60,000 AHTIF reserve, and \$40,000 Warranty Reserve.

Acquisition:

The vacant site is owned by PHDC, acquired for \$275,000 in 2019. So PHDC is selling the land to the project for slightly less than what they paid, not including their carrying costs over the last 6 years. The land cost per unit is \$33,750. A satisfactory appraisal, with the land value separately evaluated, is a recommended condition of approval.

Market Analysis and Sales/Affordability Projections

The MaineHousing AHOP funds for the 2024 round commit PHDC to sell for a **maximum** sales price of \$378,000 per affordable unit, but provides incentives through the point scoring process for additional subsidy leveraged allowing decreases in the sales price to the homebuyer. PHDC plans to sell the units at \$298,500 for the affordable 2-bedroom units and \$358,000 for the affordable 4-bedroom units, substantially below the MH maximum and also below the City of Portland maximum affordable price. Considering the median sales price for a unit in City of Portland is in the \$600,000 range, it is safe to say these units will be "below market." PHDC has confirmed that Maine Housing will provide incentive points for the value of the TIF award, hence the TIF funding is an important part of a competitive score.

The maximum income level per household is \$137,760, which was 120% of AMI in 2024. Though demand is expected to be high for these units, sales will be on a “first paperwork completed” basis from all income eligible, prequalified buyers. So, while these units are affordable to households substantially below 120% of AMI, there is no additional income level targeting to households with incomes below 120%.

For subsequent sales (if the original purchaser decides to sell the property within the 15-year term) Maine Housing will require the 6 affordable units be sold:

- for a price under 70% of the maximum price in MH’s First Home Loan Program; and
- to a household with an income below 120% AMI.

Homeowners must agree to reside in the unit as their primary residence and not to rent the unit for short or long terms.

City of Portland TIF policy will require units sold during the duration of the TIF (estimated at approximately 15 years) to be sold at an affordable price, as calculated by a predetermined formula at that time.

Given the deep discount to market value, high demand for these units is expected despite potential buyer concern about these restrictions and the uncertainty they generate regarding resale of the unit.

Developer Financials

Portland Housing Authority has submitted audits for FY 2021, 2022, 2023 and 2024. The audits include primary (consolidated) entities, which include PHDC, and also report on “Discrete Component Units,” projects controlled by PHA but reflected separately in the audit. Their fiscal year ends 6/30.

For PHA (consolidated entities), 2024 was (yet another) very strong year operationally. Their audit as of 6/30/24 shows strong financial health, with current assets of \$33.5 million and current liabilities of \$3.1 mill, for a very strong current ratio of 10.82. The Quick Ratio (cash and cash equivalents divided by current liabilities) is a remarkably healthy 8.9. Net position is up \$19 million, to \$45 million, a 74.6% increase in net position from 2023 to 2024. PHA FY24 operating revenue was up a 16.8%. Non-operating revenue was \$18 million (an increase of 1,011% over ’23), primarily from HUD capital grants and gain on sale of Harbor Terrace. Operating expenses were up 19%, but revenues exceeded expenses by over \$19 million.

“Discrete Component Entities” (Bayside Anchor, 58 Boyd, and Washington Gardens) adds substantial additional net position to the already very strong financial picture. The combined net position of the “Discrete Component Entities” is \$15.5 million, bringing the total combined net position of PHA & Discrete Component Entities to over \$60.5 million. In 2024, “Discrete Component Entities” revenues exceeded expenses by \$3.8 million.

Managements income/expense reports as of February 28, 2025 (unaudited) suggest this year will be strong for PHA overall. Operating income is above budget, while operating expenses are below budget, with YTD net income of \$1.7 million. PHDC statements dated March 25, 2025, viewed as if it were a stand-alone entity (which it is not), show a rockier start to the year. Though rental income exceeded budget by 21% and expenses ran under budget by 13%, the YTD net income was -\$84,216. This was due to several budgeted developer fees that had not been received to date. Delayed developer fees can lead

to large swings in income between periods which can be challenging especially for small developers, but PHDC/PHA has the capital base and resources to thrive financially even when developer fee income is delayed.

Overall, PHA has very strong financial health. This developer has the financial capacity to intervene in a development facing unexpected set backs and/or cost over-runs to keep the development process moving forward. Their financial strength as an organization mitigates the risk of present market volatility.

Recommendations

The developer must at minimum meet three primary criteria for an AHTIF approval:

1. Community Need: "...site specific AHTIF designations must address an identified community need."

PHDC proposes 6 units of for sale housing for households with incomes up to 120% AMI, and 2 units of market rate housing. Affordable housing is identified as a community need in Portland's Plan 2030 and the City Council's 2025 Common Goals.

2. Financial Necessity: "The applicant must demonstrate the City's participation is financially necessary in order for the project to proceed."

The development budget shows that a TIF is needed to fill a gap in the financing package and therefore for the project to proceed. Given the extraordinary level of market uncertainty due to federal policy volatility, PHDC is reluctant to take on additional conventional debt and the unit sales prices are constrained by the MH funding. The TIF secures/repays a bridge loan which provides for extraordinary contingency for extraordinary times.

3. Financial Capacity: "The applicant must demonstrate financial capacity to support their project."

PHA & PHDC have demonstrated financial capacity to support their project through the following:

- financing commitments (all projected sources have either committed or expressed written interest with suggested terms), and
- very strong organizational financials (see Developer Financials above)

I recommend a 75% AHTIF with a maximum potential 30-year term. The actual term of TIF will be the date of complete repayment of the Genesis construction loan (expected in approximately 15 years). This recommendation is conditioned upon satisfactory review of the following:

- A satisfactory appraisal supporting the per unit land price and the sales price;
- Financing commitments for all sources prior to closing on terms and conditions acceptable to the City of Portland.

TIF documents to require:

- All standard construction conditions, including satisfactory review of final contract with GC consistent with budgeted estimates, and total contractor overhead, profit and general conditions of not to exceed 14% of net construction costs.

Development Budget with Permanent Sources

Date 5/16/2025
 Project Name Front St Phase III
 Project Address 33 West Presumpscot St
 Developer/Sponsor PHDC

Total Units 8
 Total Square Feet 9,400

	Initial Application Values		
	Total	Per Unit	Per Sq Ft
Sources of Funds -- Construction			
Conventional Construction Financing - 1st Lien	\$2,495,600	\$311,950	\$265
Genesis Fund: Affordable Housing TIF loan	\$370,000	\$46,250	\$39
Maine Housing AHOP	\$468,747	\$58,593	\$50
Congressional Earmark	\$420,000	\$52,500	\$45
EPA Brownfields	\$1,000,000	\$125,000	\$106
Seller Note	\$270,000	\$33,750	\$29
Deferred Developer Fee	\$250,000	\$31,250	\$27
Total Sources of Funds	\$5,274,347	\$659,293	\$561

Sources of Funds -- Permanent			
Net Proceeds of Home Sales	\$3,015,600	\$376,950	\$321
Genesis Fund: Affordable Housing TIF loan	\$370,000	\$46,250	\$39
Maine Housing AHOP	\$468,747	\$58,593	\$50
Congressional Earmark	\$420,000	\$52,500	\$45
EPA Brownfields	\$1,000,000	\$125,000	\$106
Other		\$0	\$0
Total Sources of Funds	\$5,274,347	\$659,293	\$561

Uses of Funds

Hard Costs			
Site Improvements	\$600,000	\$75,000	\$64
Rehabilitation		\$0	\$0
New Construction	\$2,714,915	\$339,364	\$289
Contractor's Profit, Overhead, & Gen. Requirements	0.0%	\$0	\$0
Hazardous Materials abatement (if contracted separately)		\$0	\$0
Demolition Cost (if contracted separately)		\$0	\$0
Bond Premium		\$0	\$0
Other		\$0	\$0
Hard Cost Contingency (% of hard costs)	15.0%	\$495,813	\$53
Total Hard Costs		\$3,810,728	\$405

Soft Costs				
Building Permit & Fees		\$122,145	\$15,268	\$13
Survey & Engineering		\$65,750	\$8,219	\$7
Design & Permitting (% of const exp)	3.9%	\$65,000	\$8,125	\$7
Borrower Legal (all closings, excluding syndication legal)		\$125,000	\$15,625	\$13
Title & Recording		\$30,000	\$3,750	\$3
Accounting			\$0	\$0
Construction Period Taxes and insurance		\$47,500	\$5,938	\$5
Construction Period Insurance			\$0	\$0
Other: FF&E, Security			\$0	\$0
Other: Brownfields Environmental Engineering		\$100,000	\$12,500	\$11
Total Soft Costs		\$555,395	\$69,424	\$59

Financing Costs				
Construction Loan Origination Fees			\$0	\$0
Construction Period Interest		\$65,000	\$8,125	\$7
Lender Inspection Fees			\$0	\$0
Letter of Credit Fee			\$0	\$0
Permanent Loan Fee			\$0	\$0
Construction Lender Legal			\$0	\$0
Other AHTIF fees and Genesis Loan Costs		\$15,000	\$1,875	\$2
Total Financing Costs		\$80,000	\$10,000	\$9

Miscellaneous				
Market Survey			\$0	\$0
Appraisal			\$0	\$0
Environmental Study			\$0	\$0
LIHTC Fees -- prepaid monitoring			\$0	\$0
Other: Commissioning			\$0	\$0
Relocation Costs			\$0	\$0
Other Radon testing & Commissioning		\$15,600	\$1,950	\$2
Soft Cost Contingency (% of soft costs excl Dev Fee)	9.22%	\$60,000	\$7,500	\$6
Total Miscellaneous:		\$75,600	\$9,450	\$17

Acquisition				
Acquisition: Buildings			\$0	\$0
Acquisition: Land		\$270,000	\$33,750	\$29
Acquisition: Legal			\$0	\$0
Other			\$0	\$0
Total Acquisition		\$270,000	\$33,750	\$29

Reserves and Developer Fee				
Operating Deficit Escrow			\$0	\$0
Prefunded Replacement Reserve			\$0	\$0
Taxes & Insurance Escrow			\$0	\$0
Developer Overhead		\$250,000	\$31,250	\$27
Developer Profit			\$0	\$0
Marketing & Brokerage Fees		\$120,624	\$15,078	\$13
Other Condo & AHTIF Reserves		\$112,000	\$14,000	\$12
Total Reserves and Developer Fee		\$482,624	\$60,328	\$51

Total Uses of Funds		\$5,274,347	\$659,293	\$570
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Developer Fee Analysis: Total Fees: \$250,000
(excluding reserves & developer fee) Percent TDC: 5.22%



TO: Mark Dion, Mayor
Members of the Portland City Council

Cc: Greg Watson, Director
Housing and Economic Development Department

FROM: Mary P. Davis, Division Director
Housing and Community Development Division
Rowen McAllister, HCD Program Manager
Housing and Community Development Division

DATE: May15, 2025

SUBJECT: Communication Item: HCD Budget Update – Final FY 2025-2026 HUD Allocations

When the City Council approved the HCD Budget on May 5, 2025, it was with the understanding that U.S. Department of Housing and Urban Development (HUD) had not released the 2025-2026 formula allocations for the CDBG, HOME and ESG programs. The City Council approved budgets were developed assuming level program funding. The 2025-2026 formula allocations were publicly announced by HUD on May 14, 2025.

	Estimated Allocation	Actual Allocation	Funding Difference
CDBG	\$1,833,541	\$1,807,636	(\$25,905)
HOME	\$839,923	\$800,654	(\$39,269)
ESG	\$161,998	\$161,146	(\$852)

Council Resolve 9-24/25 adopting and appropriating the CDBG, HOME and ESG funds, authorized proportional adjustments to the HCD budgets to match the actual allocation amounts.

CDBG

The City of Portland received \$1,807,636 for our CDBG program this year. This allocation is about 1.2% less than we were expecting. It is not uncommon for CDBG funding to increase or decrease slightly from year-to-year. However, given there was less funding than anticipated, staff had to adjust the awards voted on by the City Council at their meeting on May 5, 2025.

The attached document shows the updated award amounts, which have been proportionately decreased by 1.2% so the total CDBG award amounts match the total annual allocation. The only

exception to this is the Development Activities which remain funded at the level voted on by Council. This is due to a \$12,175.35 increase in contingency funds to make up the gap caused by the decrease in funds. Unfortunately, the Admin and Planning budget and the Social Service funding level are capped by HUD. Therefore, contingency funding cannot be used to offset the decrease in funding in those categories.

	Council Approved	Actual Amount	Difference
Admin and Planning	\$411,693	\$406,512	(\$5,181)
Social Services	\$613,317.03	\$604,768.38	(\$8,548.65)
Development Activities	\$913,454.97	\$901,279.62	(\$12,175.35)*

*Gap closed using additional contingency

HOME

The final HUD allocation for the HOME program was \$800,654, which was \$39,269 less than the budget estimate. As a result, the budget categories were decreased and the program allocations were adjusted.

	Council Approved*	Actual Amount	Difference
City Program Funding	\$522,767	\$498,695	(\$24,072)
Admin	\$91,886	\$87,959	(\$3,927)
TBRA	\$136,392	\$136,392	\$0
Affordable Housing Development	\$222,676	\$205,888	(\$16,788)
CHDO	\$71,813	\$68,456	(\$3,357)
County Program Funding **	\$448,816	\$433,619	(\$15,197)

*Including program income

**County Program Funding is not approved by the City Council; the County's Municipal Oversight Committee does allocation of County Funds.

Emergency Solutions Grant (ESG)

The final HUD allocation for the ESG program was \$161,146 which was \$852 less than the budget estimate. As a result, the funding category budgets were decreased as noted below.

	Council Approved	Actual Amount	Difference
Operations Homeless Health	\$0	\$0	\$0
Essential Services: Family Shelter	\$81,184	\$80,332	(\$852)
Homeless Prevention: Family Shelter	\$0	0	0
Homeless Prevention: Oxford Street	\$15,948	\$15,948	\$0
Rapid Rehousing: Oxford Street	\$54,277	\$54,277	\$0
Administrative and HMIS	\$10,589	\$10,589	\$0

HUD Allocation	\$1,807,636.00
Projected Program Income	\$74,924.00
Total HUD Funding (Actual)*	\$1,882,560.00
HUD Administrative Cap (20%)	\$376,512.00
City Admin TIF	\$30,000.00
Actual Administrative	\$406,512.00
HUD Social Service Cap (33%)	\$604,768.38
Cotton St Funds	\$20,000.00
Remaining COVID Response Waiver Funds	\$68,000.00
Actual Social Service	\$692,768.38
HUD Development Activities	\$901,279.62
Downtown TIF	\$90,000.00
Adjusted Contingency	\$86,720.38
Actual Development Activities	\$1,078,000.00
Total Actual Funding	\$2,177,280.38

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	*	\$411,693.00	\$406,512
										*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		\$248,000.00	\$248,000
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	*	\$200,000.00	\$200,000
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		\$205,000.00	\$205,000
30564	Cons.	EO	Youth and Family Outreach	Resource Hub	\$250,000.00	81.57	0.00	81.57	\$242,592.94	\$250,000.00		\$250,000.00	\$250,000
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		\$175,000.00	\$175,000
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		\$0.00	\$0
30546	Cons.	NI	Alpha One	Critical Access Ramp Program	\$50,000.00	71.00	0.00	71.00	\$0.00	\$0.00		\$0.00	\$0
30571	ED	EO	Upwards	Microenterprise Childcare Boost Program	\$80,000.00	70.71	1.00	69.71	\$0.00	\$0.00		\$0.00	\$0
30548	Cons.	EO	Catherine Morrill Day Nursery	Playground Ramp Replacement	\$155,000.00	66.29	0.00	66.29	\$0.00	\$0.00		\$0.00	\$0
30563	Cons.	NI	Port Resources	Group Home Repaving Projects	\$30,000.00	65.43	0.00	65.43	\$0.00	\$0.00		\$0.00	\$0
				Total Cost of Project Requests	\$1,605,500.00			Total:	\$913,454.97	\$1,078,000.00		\$1,078,000.00	\$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	\$123,194.12	\$121,693.00
30566	SS	ANGHP	Wayside Services Program	Direct Services Program	\$40,000.00	91.143	0.000	91.14	\$40,000.00	\$40,000.00	\$32,851.76	\$32,452.00
30554	SS	ANGHP	Hope Acts	Asylum Seeker Assistance	\$150,000.00	91.000	0.000	91.00	\$150,000.00	\$150,000.00	\$123,194.12	\$121,693.00
30545	SS	ANGHP	Portland Fire Department	Mobile Medical Outreach	\$50,000.00	90.000	0.000	90.00	\$50,000.00	\$50,000.00	\$0.00	\$0.00
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	\$82,666.23	\$81,659.00
30552	SS	ANGHP	Milestone Recovery	HOME Team	\$107,000.00	88.857	0.250	88.61	\$0.00	\$51,000.00	\$41,886.00	\$41,375.00
30550	SS	ANGHP	Preble Street	Joe Kreiser Teen Shelter	\$35,000.00	88.571	0.000	88.57	\$0.00	\$17,000.00	\$13,962.00	\$13,792.00
30570	SS	ANGHP	Preble Street	Emergency Food Programs	\$55,000.00	88.286	0.000	88.29	\$0.00	\$0.00	\$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	\$49,251.37	\$48,650.00
30543	SS	ANGHP	Spurwink	Ashlea's Place	\$144,419.00	87.143	0.000	87.14	\$0.00	\$0.00	\$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	\$0.00	\$0.00
30575	SS	ANGHP	Commonspace	Brackett Street Housing	\$68,000.00	84.714	0.000	84.71	\$0.00	\$0.00	\$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	\$98,260.86	\$97,063.00
30558	SS	ANGHP	MaineHealth	MaineHealth Food Pantry	\$68,105.00	84.286	0.000	84.29	\$3,021.91	\$23,021.91	\$18,907.76	\$18,677.00
30551	SS	EO	Youth and Family Outreach	Relocation for Expansion	\$60,000.00	83.714	0.000	83.71	\$0.00	\$0.00	\$0.00	\$0.00
30584	SS	ANGHP	Presentel Maine	Emergency Services & Food Assistance	\$142,632.20	82.286	0.250	82.04	\$0.00	\$0.00	\$117,142.83	\$115,714.38
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	\$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	\$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	\$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	\$0.00	\$0.00
				Total Cost of Project Requests	\$1,825,763.65			Total:	\$613,317.03	\$701,317.03	\$701,317.03	\$692,768.38
				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	Estimated New Project Set Aside (New applicants must score above 75 points to be eligible for funds)	\$122,663.41					*Indicates allocation of Cotton St Funding (\$20,000)		

Actual HUD Funding represents a 1.2% decrease from estimated. All totals have been proportionally