

Minutes

Remote Housing and Economic Development Committee

February 25, 2025

NOTE: This meeting was held via Zoom and can be viewed at this link:

<http://www.portlandmaine.gov/1695/Economic-Development-Committee> These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, February 25, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Councilor Pious Ali, and members Councilors Sarah Michniewicz, and Kate Sykes; Committee member Councilor Regina Phillips could not be present. Also present from the City Council was Councilor Wesley Pelletier. Present from the City staff were Housing and Economic Development Department Director Greg Watson, Housing and Community Development Division Director Mary Davis, Corporation Counsel Michael Goldman, Corporation Counsel Avery Dandreta, Assistant City Manager Dena Libner, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

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

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

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

Lambert Woods North, LLC

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

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

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

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

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

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

Fund Annual Plan and Affordable Housing Development and Tax Increment

Financing Application – to be presented by Victoria Volent

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Councilor Ali opened the meeting for public comment.

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

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

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

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

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

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

Respectfully, Lori Paulette and Victoria Volent