

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



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

CITY COUNCIL WORKSHOP

June 30, 2025 at 5:00 PM in Council Chambers

PARTICIPATION:

The City Council will conduct this meeting from Council Chambers, located on the second floor of City Hall. If you are not able to attend live either in person, a recording will be available in the [Agenda Center](#) following the meeting.

PORTLAND HOUSING AUTHORITY:

Project Funding

City Feed Offset Scarce Gap Funding

Amending the Green Building Ordinance

Environmental Issues

City Priorities and Feedback

EXECUTIVE SESSION:

Pursuant to 1 M.R.S. § 405(6)(E) the Council is expected to go into executive session to consult with its attorney concerning the City's legal rights and duties regarding operations at the Jetport.

ADJOURNMENT:

Office of Corporation Counsel

Michael Goldman, *Corporation Counsel*

Amy R. McNally, *Associate Corporation Counsel*

Nicole M. Albert, *Associate Corporation Counsel*

Rachel L. Millette, *Associate Corporation Counsel*

Avery A. Dandreta, *Associate Corporation Counsel*



MEMORANDUM

To: Mayor Mark Dion

From: Michael Goldman, Corporation Counsel

Date: December 6, 2024

Subject: Portland Housing Authority

This memo provides responses to the questions in your October 30, 2024 email to me in which you noted that some Council members are interested in holding a joint meeting with the Commissioners of the Portland Housing Authority. Your questions and my responses are set forth below. Please review and let me know if you need anything further from me.

Question 1: What is the statutory framework that enabled the creation of the Portland Housing Authority?

Answer 1: The Portland Housing Authority was created by a 1943 resolution of the City Council (copy attached; the “1943 Resolution”) made pursuant to Chapter 260 of the State of Maine Public Laws of 1943, which authorized the creation of municipal housing authorities. According to the 1943 Resolution, the PHA was established due to a shortage of housing for persons engaged and to be engaged in war industries and activities. Chapter 260 was later repealed and replaced with Chapter 201 in Title 30-A of the Maine Revised Statutes (the “Housing Authority Act” or the “Act”), which governs the Maine State Housing Authority, PHA, and other municipal housing authorities.

Question 2: Is PHA an extension of or subordinate to municipal government?

Answer 2: Pursuant to 30-A MRS 4721(1), PHA is not an extension of the City. It is a separate public body corporate and politic, which is authorized to transact business and exercise

its powers under the Housing Authority Act by virtue of the City Council's Resolution that established the PHA. The powers and duties of the PHA are vested in its commissioners under Sections 4723(1)(D) and 4741 of the Act.

Question 3. Does the governing state statute contemplate oversight of the Authority and or its Board of Directors by a municipality or in the alternative, a state agency?

Answer 3. As a general matter, the City Council does not control or oversee the activities of the PHA or its Commissioners. The Council's involvement is limited by the Housing Authority Act to the following:

- Under Sections 4721 (4) and 4723(1)(A) of the Housing Authority Act, the City Council is authorized to appoint PHA's commissioners. (See also Art II of the Amended And Restated Code of By-Laws of the Portland Housing Authority (May 5, 2022) (the "PHA Bylaws")).
- The City Council is authorized to remove commissioners from office for inefficiency, neglect of duty or misconduct in office after a hearing. (See Section 4725 of the Housing Authority Act and Article II of the PHA Bylaws).
- Under 4741(1), the commissioners of the PHA are required to provide the City Council an opportunity to review and discuss proposed development projects prior to submitting the plans to the appropriate municipal officers or agencies.
- Under Section 4721(5), unless the City Council and PHA Commissioners otherwise agree, the PHA is required to meet at least annually with the City Council. The Act does not specify the subject matter of those meetings.

Question 4. What is the nature of our authority, as a City, to enforce life safety codes upon the Authority for conditions existing in their buildings or upon their property?

Answer 4. The City's authority to enforce life safety codes upon the PHA for conditions in their buildings or otherwise on their properties is the same as any other property in the City and would be handled by the City's Permitting and Inspections Department. Pursuant to Section 4704 of the Housing Authority Act, "[a]ll projects of an authority are subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the area in which the project is located."

Question 5. Can the Council impose or direct operational or fiscal policy considerations upon the PHA Board of Directors?

Answer 5. No, not directly. See Questions 2 and 3 above. With that said, the City often makes loans to the PHA for construction and renovation of its properties. Those loan documents (along the MaineHousing's loan documents) include certain building maintenance obligations, homeless set aside requirements, and rent and income restrictions to ensure that the units are affordable to low income residents. It is important to recognize that in doing so, the City Council is acting in its capacity as a lender and mortgage holder on a particular property and not in its capacity as the legislative body that established the PHA.

Question 6. Is there an expressed rationale or directive, in statute or ordinance, underpinning the requirement of an annual meeting between both bodies?

Answer 6. No. See response to Question 3 above. Under Section 4721(5), unless the City Council and PHA Commissioners otherwise agree, the PHA is required to meet at least annually with the City Council. The Act does not specify the subject matter of those meetings. Given that PHA is a creature of statute, its powers and duties are limited to the enumerated list set forth in the Housing Authority Act. Accordingly, I think that it would be reasonable to limit the subjects to be discussed at any meeting to matters addressed by the Act.

Question 7. Is HUD legally required to inform the City of any investigative findings that may or may not have been arrived at, by their Agency, in a federal investigation of the PHA?

Answer 7. There is nothing in the Housing Authority Act that requires PHA or HUD to notify the City of any investigations. The question, then, is whether federal law or regulations governing HUD require HUD or PHA to notify the City of investigations. The answer to this question is going to depend on the type of inspection at issue. Notably, however, there are certain types of actions, like complaints about the condition of HUD- assisted housing or Title VIII fair housing complaints, where anyone can be a complainant, including the City. In such cases the City would be notified of any investigations as a party to the complaint. For investigations where the City is not the complainant, the City would not likely automatically receive notice of investigations. With that said, subject to exceptions for certain confidential information, investigation reports and other materials would be accessible to the City under state (FOAA) and federal (FOIA) freedom of access laws because PHA and HUD are subject to FOAA and FOIA, respectively.

Commissioners

Christian MilNeil, Chair
Shirley Peterson, Vice Chair
Kristin Blum, Commissioner
Monique Mutumwinka, Commissioner
Joan White, Commissioner
Diane Herrmann, Commissioner
Tim Wells, Commissioner



Brian Frost

Executive Director
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Portland, Maine 04101
Office: 207-773-4753
www.porthouse.org

Date: June 25, 2025
To: Mayor Mark Dion, City Manager and City Councilors
From: Brian Frost, Executive Director
Shirley Peterson, Chair, Board of Commissioners
Subject: **Annual Meeting of the Portland Housing Authority and City Council**

For the last 80 years the Portland Housing Authority (PHA) has managed our City's public housing and administered our Section 8 Voucher program. With drastic reductions in public housing funding, PHA spent the last ten years planning for and executing major redevelopment of our entire portfolio. Our portfolio of elderly and family apartment homes has been and will ALWAYS remain permanently affordable and non-profit-owned and managed.

PHA at a Glance

- **Expanded Portfolio:** In 2014, PHA owned and managed 996 units of public housing with no new construction in over 40 years. Today, PHA's portfolio has increased by nearly 50% to 1,491 housing units, serving approximately 3,500 Portland residents. This includes 567 public housing and 924 other permanently affordable units.
- **Voucher Program:** PHA administers over 2,000 vouchers across hundreds of properties, providing vital rental assistance to low-income households. This rental assistance is also critical for many larger multifamily affordable communities (i.e. Housing First, CHOM, Avesta, Developer's Collaborative, Saco Falls) and small 1-4 unit owner occupied properties locally.
- **Sustainability Leadership:** PHA has 5 properties with 976 solar panels that have saved over 1 million lbs. of CO2 to date. While six new buildings meet the Passive House design standard, all PHA projects result in high-performing, energy-efficient buildings.

PHA Five-Year Plan Goals

- Expand Affordable Apartment and Homeownership Opportunities
- Restructure Remaining Public Housing to Section 8 / LIHTC Platform
- Address Housing Equity, Discrimination and Foster Safe, Inclusive Communities
- Empower Residents through Education, Support and Opportunity
- Promote Resilience and Energy Efficiency in Building Design
- Enhance Communication, Resident Engagement and Organizational Efficiency
- Build Stronger Relationships and Partnerships

Recent Projects and Next Steps

PHA recently closed on the construction financing for the Riverton Park project and began construction on 64 new apartments and renovating 118, totaling 182 redeveloped housing units for the City. Harbor Terrace is months away from completing a major renovation of 120 elderly housing units in Portland's West End. In the next twelve months, PHA will close on financing and convert the 400 units of housing at Sagamore Village and Franklin Towers. Our COMB Block project will be the first phase of many in East Bayside demolishing 40 extremely outdated public housing units and building 174 new apartments in three buildings.

Challenges

1) Project Funding

Affordable housing projects always require multiple sources and intricate "capital stacks". The City of Portland has been an incredibly supportive and consistent partner on this front. Federal HOME funds, Jill C. Dusen Housing Trust Fund and Tax Increment Financing have all filled challenging funding gaps that enable PHA projects to proceed. In particular, TIFs have helped many PHA projects achieve feasibility and secure MaineHousing awards. The MaineHousing Qualified Allocation Plan (QAP) provides 3 valuable points for projects with a 30-year, 75% TIF.

A typical capital stack includes an allocation of LIHTCs from MaineHousing, MaineHousing Subsidy, Federal Home Loan Bank Affordable Housing Program subsidy, and City funding (HOME, HTF and AHTIF). A project may also include Efficiency Maine rebates, EPA Brownfields, State LIHTCs, or Historic Tax Credits, depending on the specific project. Funding sources are competitive and require projects to pledge various commitments to receive a competitive score. Our recently completed Front Street projects had no fewer than twelve separate sources of funding. We encourage the City to continue to support AHTIF funding and, where feasible, streamline requirements to minimize the potential for conflicting requirements between funding sources.

Operating costs continue to increase at a dramatic pace. Utility costs and insurance premiums lead the increases. Our properties house more formerly homeless households that need supportive services and families that need 4-, 5-, and 6-Bedroom apartments. These are more expensive to operate than other affordable housing in the City that typically has one- or two bedroom units. All our converted public housing and any new construction projects pay property taxes and some have TIFs.

2) City Fees Offset Scarce Gap Financing

Affordable housing projects face substantial City fees, including right-of-way infrastructure costs, transportation and recreation impact fees, planning board inspection fees, and building permit fees. A new fee was recently announced: affordable projects must now pay for legal fees associated with receiving City funding, TIF documents and consultant fees. A typical affordable

projects spends approximately \$250,000 on City fees, effectively reducing the net financial support from the City and making deals harder to pencil out. We urge the City to explore mechanisms to reduce or waive these fees on affordable projects, maximizing the impact of increasingly scarce gap financing. The Planning Department's decision to grant relief from their Performance Guarantee requirements was an excellent first step towards this goal.

3) Amending the Green Building Ordinance

The Green Building Ordinance is unnecessarily complex, requires onerous paperwork, and does not create more sustainable buildings in Portland. Instead, it's commonplace to seek waivers from GBO requirements. PHA projects already must meet the City's ambitious Energy "Stretch" Code and MaineHousing's rigorous energy-efficiency standards. These include prescriptive minimum standards for windows, envelope assemblies, HVAC systems, solar PV readiness, and blower-door airtightness tests. We encourage the City Council to consider amending the GBO to better align with current energy code and existing MaineHousing energy standards to speed the construction of more high-performance green buildings.

4) Environmental Issues

PHA's redeveloped land is not "free." Virtually every site, from Bayside Anchor and Front Street to the COMB Block projects have all had environmental mitigation and/or brownfields remediation. City staff have worked with PHA on environmental reviews. Ensuring timely demolition of properties that are vacated is often a challenge when We hope there can be better coordination with the City and MaineHousing for our Environmental Reviews that must occur prior to any development activity.

5) City Priorities and Feedback

End of Memo

Annual Meeting of the Portland Housing Authority and City Council

June 30th, 2025

PHA At a Glance

Expanded Portfolio

1,367 homes serving 3,500 residents

+37% increase in homes since 2014

Voucher Program

>2,000 vouchers supporting households and affordable communities

Leadership in Sustainability

976 solar panels

1M lbs. of CO2 saved to date

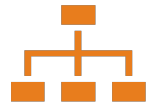
6 buildings meeting the Passive House design standard



PHA's Five-Year Plan



Expand affordable rental and homeownership opportunities



Restructure remaining public housing to Section 8/LIHTC



Empower residents through education, support, and opportunity



Promote resilience and **energy efficiency** in building design



Enhance **communication**, resident engagement, and efficiency



Build stronger **relationships** and partnerships

Housing Choice Vouchers (HCV) Overview

- PHA administers vouchers in 21 towns, including 4 islands in Casco Bay.
- 74% of participants live in Portland.
- Since June 27, 2024, we have admitted 112 new participants; 92 were previously unhoused.
- Administrative fees for vouchers are capped at 7-10% of total budget authority.
- No extra HUD funds are provided for services through vouchers.

**PBV partnerships with area agencies like those listed that provide services for the PBV units have been a successful model at PHA*

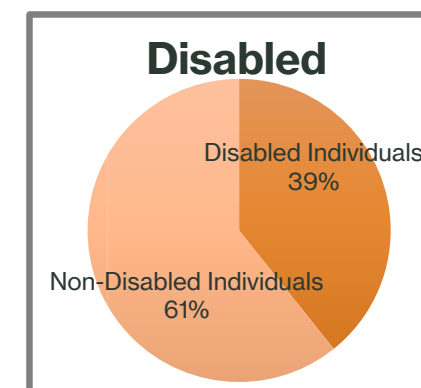
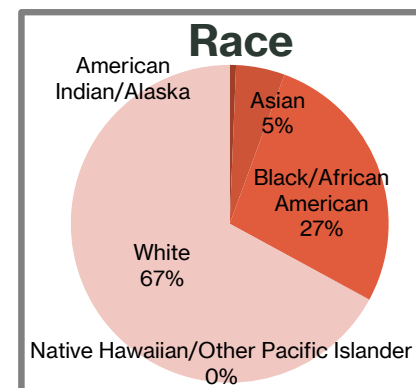
Scale, Specialty Vouchers & Partnerships	All State HA's (20)	PHA
Current Vouchers	12,064	2,072 (17% Of State Total VOs)
		+WHA/SPHA 3,518 (29%)
Mainstream (MSV)	814	57 (7%)
Foster Youth Initiative(FYI)/ Family Unification Program (FUP)	166	38 (23%)
Home Ownership (HO)	UNK	50
Veterans Affairs Supportive Housing (VASH)	246	88 (36%)
Emergency Housing Vouchers (EHV)	114	12 (11%)
Project Based Vouchers (PBV)	2534	728 (29%)
		Ex. Avesta, CHOM, 3 Housing First, Iris Network, STRIVE, & Shalom*
HCV		1099

Rising Costs, Demographics, & Impact

- Voucher Demographics: Single parent households, elderly and disabled
- 3911 Individuals - 2072 Households
- 30% Children under 18 - it is notable that PHA serves approximately 30% of the Portland Public School Population
- 20% Elderly
- 84% Extremely Low Income (ELI), which is at or below 30% of the Area Median Income (AMI).
 - For example, a 1-person household in Portland at ELI would be making less than \$27,300 gross annually. In comparison, an individual making minimum wage at a full-time job in Portland would bring in \$32,240 gross annually.
- 75% of all new Voucher admissions must be ELI.

	All State HA's	PHA
Per Unit Cost (PUC) 2020	\$623.96	\$887.44
(PUC) 2025	\$985.82 (Inc. 58%)	\$1382.56 (Inc. 56%)

PHA Growth	2014	2025
Total Monthly Housing Assistance Payments (HAP)	1.08M	2.9M (169% inc)
Vouchers	1637	2072 (27% inc)



*In comparison to State of Maine:
 W: 90.2%, B/AA:1.8%, As:1.2%,
 H/L: 2%, AI/AN:.9%, O:3.9%

Resident Services & Coordination

- **Service Coordination Impact:** From 7/1/24 to 6/30/25, 6 Social Service Coordinators provided 2,764 service units, addressing needs like eviction prevention and health assistance.
- **Community Collaborations:** PHA collaborated with 39 organizations (including Greater Portland Health Center and Boys & Girls Club) to meet tenant needs.
- **Resident Programming:** Conducted over 60 events focused on health, financial literacy, education, and community engagement.
- **FSS Initiative:** Supported by HUD, this program helped graduates accumulate \$5,000 to \$37,000 in assets for home purchases and education.
- **Resident Input Priority:** PHA maintains a Resident Advisory Board to provide feedback on policies and ensure resident perspectives influence programs.



PHA At a Glance

Portland Housing Development Corp. (PHDC)
501(c)4 non-profit development entity for PHA

Development Activity Since 2014

300 new construction units

338 renovated LIHTC units

534 current public housing units

169 Section 8 Program housing

26 Non-LIHTC/Non-PH units

1,367 TOTAL Owned/Managed units

New units in Pipeline: 319

Renovation Units in Pipeline: 569

Units under construction: 250



Front Street Ph 1

Sample “Capital Stack”

2015

Bayside Anchor – 45 family apartments

Sources:

MaineHousing subsidy -	\$ 645,725
MaineHousing debt -	\$1,550,788
City Fed HOME -	\$ 500,000
LIHTC equity -	\$5,061,538
Solar ITC equity -	<u>\$ 42,642</u>
TOTAL -	\$7,800,694

Construction Cost / SF: **\$156**

Total Dev. Cost / unit: **\$173,348**

City subsidy (non-TIF)/unit: **\$11,110**

2025

9 Boyd St. (COMB Block) – 55 family apartments

Sources:

MaineHousing subsidy -	\$ 1,000,000
MaineHousing debt -	\$11,252,428
City HTF -	\$ 650,000
FHLB AHP subsidy -	\$2,000,000
LIHTC equity -	\$11,341,682
Deferred De. Fee -	\$ 500,000
DECD Loan -	<u>\$ 250,000</u>
TOTAL -	\$26,958,459

Construction Cost / SF: **\$324**

Total Dev. Cost / unit: **\$490,802**

City subsidy / unit: **\$11,818**

Recent Projects & Next Steps



Riverton Park

118 renovated and
64 new homes



Harbor Terrace

120 renovated homes
for seniors



**Sagamore Village
& Franklin Towers**

Historic rehabs to improve
400 homes



COMB Block

174 new homes, many
dedicated to seniors and
families

Challenges

Project Funding

AHTIF fills gaps and helps PHA access additional funding sources. Operating costs are rising quickly.

City Fees

Substantial fees reduce City support and limit feasibility.

Green Building Ordinance

Complexity and misalignment with additional energy standards slows construction of green buildings.

Environmental Issues

Improved coordination of Environmental Reviews is needed to address environmental/brownfield remediation.



City Priorities & Feedback

Discussion