

Minutes

Remote Housing and Economic Development Committee

July 1, 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, July 1, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Councilor Pious Ali, and member Councilors Sarah Michniewicz, and Regina Phillips. Committee member Councilor Kate Sykes could not be present. 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, Compliance Officer Heidi McCarthy, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and accept Minutes of previous meeting held on June 17, 2025

On motion made by Councilor Phillips, seconded by Councilor Michniewicz, the Committee voted 3-0 to accept the Minutes from the June 17, 2025 meeting.

Item #2: Review and Recommendation to the City Council of AHTIF requests received from the Affordable Housing Development and Tax Increment Financing Application.

- **Prosperity Place, 1125 Brighton Avenue/Barron Center**

- **Cumberland Housing (PHA)**
- **Mayo Housing (PHA)**

Ms. Davis noted a recommended process for these items. This would be for her to give a general overview and then staff would present one project at a time, provide opportunity for questions, answers, public comment, and then vote. The Committee agreed.

Ms. Davis then provided an overview noting that the City Council approved the AHTIF Application in May and it was then released May 22 and the City received the three requests being reviewed today. All are requesting 75% capture rate over 30 years. She then noted MSHA's timeline for LIHTC applications to be submitted as September 18, 2025, so, 30 days prior to that is the City's deadline to forward AHTIF applications to MSHA by August 19, 2025. If approved today, they would go to the City Council for a first read on July 14, 2025, and second read and vote on August 11, 2025.

Prosperity Place

Ms. Davis then highlighted this AHTIF application noting that it would provide 50 units of affordable mixed-income family rental housing, with the development in accordance with the City green ordinance. She then described the units and affordability limits, as well as the TIF revenue to the development and the City's tax shelter savings. When construction is completed, the Assessor has estimated that it will have an assessed value of \$7.6 Million.

Councilor Michniewicz asked about the mil rate in the TIF spreadsheets and assumptions, as well as, if there are examples of estimated and actual for AHTIFs. Ms. Davis noted that the assumption for the mil rate is a 2% increase each year. Regarding estimated versus actual, she does not believe this is readily available but would further check into that.

Chair Councilor Ali then opened the meeting for public comment; seeing none, he closed the public comment session.

On a motion made by Councilor Michniewicz, seconded by Councilor Phillips, the Committee vote (3-0) to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement agreement for the Prosperity Place (1125 Brighton Avenue) Project, with the terms as presented by staff.

Cumberland Housing

Ms. Volent presented the overview noting that this is proposed as a seven-story, 91-unit building for older adults, Phase 2 of the overall development at the COMB block. It would be mixed income rental housing and then described the units and affordability limits. Also, 19 units would be set aside for people experiencing homelessness or other special housing needs, and 35 units would be available for persons with a physical disability. She then described the financing structure, resulting in two AHTIF requests and two agreements – both at 75% capture over 30 years. The estimated assessed value when completed is \$13,500,000 and then noted the TIF revenue to the development and the City's tax shelter savings.

Councilor Phillips asked if this is a normal thing for two AHTIF Districts, and Mr. Watson noted that MSHA has contemplated this before and is able to do this. At Mass Housing, this is extremely routine, particularly where there are multiple sources of equity.

Chair Councilor Ali then opened the meeting for public comment; seeing none, he closed the public comment session.

On a motion made by Councilor Phillips, seconded by Councilor Michniewicz, the Committee vote (3-0) to recommend to the City Council approval of an Affordable Housing Tax

Increment Financing District and Credit Enhancement agreement for the Cumberland Housing Project, with the terms as presented by staff.

Mayo Housing

Ms. McCarthy provided an overview of the Mayo Housing project plans to construct a three-story building with 27 affordable rental units and then described the unit make up, affordability limits, and that 6 units would be set aside for persons experiencing homelessness or who have disabilities, are victims of domestic violence, or have other special housing needs. When completed, the project's total assessed-value is estimated at \$4,225,000, and described the financing structure, TIF revenue to the developer, and tax sheltering savings.

Councilor Ali opened the meeting to public comment on the Mayo Housing project.

Sara Tartarczuk, Development Officer with Portland Housing Development Corporation (PHDC), addressed the cost reduction with the Brownfield scope of the work. The Brownfield work is required across all three phases of the COMB Block. PHDC is in the process of fine-tuning the budget with all three phases which accounts for the change in the budget.

Seeing no further request for comment, Councilor Ali closed the public comment period.

On a motion made by Councilor Phillips, seconded by Councilor Michniewicz, the Committee vote (3-0) to recommend to the City Council approval of an Affordable Housing Tax Increment Financing District and Credit Enhancement agreement for the Mayo Housing Project, with the terms as presented by staff.

On a motion made by Councilor Michniewicz, seconded by Councilor Phillips, the Committee voted 3-0 to adjourn at approximately 6:08.

Respectively submitted, Lori Paulette/Victoria Volent