

**Minutes**

**Remote Housing and Economic Development Committee**

**July 15, 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 15, 2025, at 5:30 p.m. via Zoom. Present from the HEDC were Chair Pious Ali, and members, Sarah Michniewicz, Regina Phillips, and Kate Sykes. Also present were City Council members Anna Bullett and Wesley Pelletier. Present from the City staff were Housing and Economic Development Department Director Greg Watson, Housing and Community Development Division Director Mary Davis, Corporation Counsel Michael Goldman, Assistant City Manager Dena Libner, Housing Program Coordinator Lauren Bowen, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

**Item #1: Review and accept Minutes of previous meeting held on July 1, 2025**

On motion made by Councilor Michniewicz, seconded by Councilor Sykes, the Committee voted 4-0 to accept the Minutes from the July 1, 2025 meeting.

**Item #2: Update on projects by Maine Cooperatives Development Partners and review and vote on a recommendation to the City Council for Dougherty Commons and Lambert Woods South. NOTE: The Committee may go into executive session pursuant to 1**

**M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A to review and discuss proprietary information and provide direction to staff (Public Hearing)**

Matt Peters of Maine Cooperative Development Partners presented an update on the status of their residential housing projects in Portland. The Dougherty Condos project currently has 15 potential buyers for 20 available condominium units. This project should be completed by October or November of this year. Phase 3 of the Dougherty Commons sites is before the Committee with a request to amend the Declaration of Covenants to allow MCDP to construct 42 condominiums as opposed to rental units. This project has a construction start date of early 2026 and a completion date of late 2026. The Lambert Woods South project would be a phased project with a funding request of \$2.2 M (rather than \$4. M) and an AHTIF (75% for 30 years). The construction start date of Phase 1 (two 11 unit buildings) would be early 2026 with a potential move in date of Winter 2026.

Mary Davis also provide an update regarding projects under development at 622 Auburn Street (Lambert Woods North), 165 Lambert Street (Lambert Woods South) and 45 Dougherty (Dougherty Condo Phase II and II) and approval and recommendation to the City Council of a Third Amendment to the Purchase and Sale Agreement for 165 Lambert Street along with \$2.2 million loan from Jill C. Duson Housing Trust Fund and Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement. The Lambert Woods North project has experienced delays that may result in a future funding request from the Jill C. Duson Housing Trust Fund (HTF). Phase 3 of the Dougherty Commons development was originally proposed as limited equity cooperative housing units. Maine Cooperative Development Partners (MCDP) requested an amendment to the original Purchase and Sale Agreement to construct rental units. MCDP is now requesting a third amendment to the Purchase and Sale Agreement to allow for the

development of condominium units. The Lambert Woods South project has presented a new pro forma for the development of 90 cooperative housing homes at 165 Lambert Street. Based on the new financing options, staff is recommending approval of \$2.2 M in funding from the HTF. In addition to this financing request, MCDP is requesting a one-year extension of the Purchase and Sale Agreement. The proposed amendment to the Purchase and Sale Agreement also includes, at the City's request, a clause limiting the City's obligation to reimburse the developer to certain costs incurred prior to June 25, 2025. Those costs would be limited to design, architecture, engineering, environmental, legal, 3rd party reports and permitting and approval fees for the project.

Committee members inquired into the reason for the request to create condominium units at Phase 3 of Dougherty Commons and whether this change in housing type comports with the City's expectations for the site. Creating condominiums is closer to the type of housing (i.e. limited equity cooperative housing) envisioned in the original submission plan and is consistent with the proposed affordability levels. Condominiums allow for more control over monthly housing expenses and, as the mortgage is paid down, the owner builds equity (though the earned equity would be limited as the units are deed restricted to maintain long-term affordability for future buyers). Committee members expressed concern that, while homeownership is a goal for many, a good credit score is usually a key factor in obtaining a mortgage approval; and strong credit is not universal and impacts who can gain access to a mortgage. Therefore rental units create more housing opportunities for a wider range of people than condominium units.

Councilor Ali opened the meeting to public comment on the amendments to the covenants on the Dougherty Commons Condominium. Seeing no one, the public comment period was closed.

On a motion made by Councilor Michniewicz, seconded by Councilor Sykes, the Committee vote (4-0) to recommend to the City Council approval of an amendment to the covenants on the Dougherty Commons Condominium to allow Dougherty Commons Phase 3 to be developed as for-sale condominiums instead of rental housing;

Councilor Ali opened the meeting to public comment for the recommendation to the City council to approve the proposed third amendment to the Purchase and Sale Agreement for Lambert Woods South. Seeing no one, the public comment period was closed.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (4-0) to recommend to the City Council approval of the proposed Third Amendment to the Purchase and Sale Agreement with Maine Cooperative Development Partners regarding the Lambert Woods South project located at 165 Lambert Street, in the form attached to the staff memo.

Councilor Ali opened the meeting to public comment for the recommendation to approve \$2.2 M in funding for the Lambert Woods South project. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee vote (4-0) to recommend to the City Council approval of \$2,200,000 in funding from the Jill C. Duson Housing Trust Fund for the Lambert Woods South project;

Councilor Ali opened the meeting to public comment for the recommendation to confirm the May 7, 2024 HEDC recommendation to approve an AHTIF District and CEA for Lambert Woods South. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Sykes, seconded by Councilor Michniewicz, the Committee voted (4-0) to recommend to the City Council to confirm the May 7, 2024 HEDC recommendation to the City Council to approve an Affordable Housing Tax Increment Financing District and Credit Enhancement Agreement, returning 75% of the increased tax revenues to the developer over 30 years.

**Item #3: Public Hearing: Review and recommendation to the City Council regarding HOME-ARP Funding recommendation.**

Mary Davis presented the recommendation to appropriate funding from the American Rescue Plan aka HOME-ARP funding. The HOME-ARP program is intended to provide affordable rental housing, tenant based rental assistance, supportive housing services, and non-congregate shelter development, and other resources to HOME-ARP Qualifying Populations (QPs) which includes individuals experiencing homelessness and other vulnerable populations. Youth and Family Outreach (YFO) is proposing to construct an expanded childcare facility and 60 new affordable rental units which would include 10 units designated for HOME-ARP qualifying populations. The recommended award is \$950,000. Greater Portland Family Promise (GPFPP) proposes to rehabilitate a two-family dwelling in Portland to serve as transitional housing for four families meeting HOME-ARP eligibility. The recommended award is \$479,000. The non-profit organization Commonsplace proposed to provide supportive services for its Torchlight program, peer support program, recovery coaching, and residential services across four Portland and Cumberland County properties . The recommended award is \$471,454.45. The non-profit organization Milestone proposes to provide supportive services to three key programs (HOME Team; HOPE Program; Housing Navigator Program) for HOME-ARP qualifying populations. The recommended award is \$197,000. The non-profit organization

Preble Street proposes to provide supportive services through its Site-based Housing First and Rapid Rehousing programs for HOME-ARP qualifying populations. The recommended award is \$350,718.55. These recommendations also need to be approved by the Cumberland County Commissioners.

Committee members held a discussion regarding Preble Street's Housing First programs, specifically asking if the State has property condition requirements, if they monitor the properties, and who is responsible for the condition of the units. In regards to Portland's housing first developments, Avesta is the owner of the properties while MaineHousing monitors the tenants and the condition of the properties (as noted in the funding agreements). The Committee requested hearing more about the annual inspection report from MaineHousing for Logan House.

The Committee discussed a webpage from another community that lists service providers who have signed MOUs or other funding agreements, outlining the responsibilities of both the city and the providers, and specifying that funds can be reclaimed if the providers fail to meet their obligations. The Committee noted there is no overview in Portland, and that the city should provide one place on their website providing the amount of allotted funding and the name of the recipients. Strategic and quantifiable outcomes are not being communicated to the Council or citizens. The desire is to make sure public officials have a good understanding of what the needs are and how to solve them.

The Committee held a discussion on the Community Development Block Grant program. They inquired into receiving more data, beyond just providing the number of people served, from service providers.

The Committee also discussed being mindful of creating overburdensome policy and procedure requests or duplicating data and outcome reporting requirements that the Health and Human Services Department already collects and discusses on a regular basis.

Also noted was the opportunity for Committee members to bring concerns about service provider reporting and outcomes to the HHS Committee or the CDBG Working Group. The public may also review oversight information available through Form 990 tax filings and audits, and Charity Navigator. Current best practice is to require less reporting as it is cumbersome and precludes the time spent actually providing supportive services.

Councilor Ali opened the meeting to public comment. Seeing no one, Councilor Ali closed the public comment period.

On a motion made by Councilor Phillips, seconded by Councilor Michniewicz, the Committee voted (3-1) (Sykes) to recommend to the City Council the HOME-ARP funding recommendation.

**Item #4: Policy Discussion – Review of section of the Rent Control Ordinance that the City Council could amend.**

Mr. Goldman introduced the item noting that there are two referenda – one from 2020 and one from 2022. Per the City Code, ordinance amendments approved through the citizen initiative process cannot be repealed or amended for five years after the effective date of the ordinance, except through another election. For the 2020 initiative, the Council will be able to amend those provisions in December 2025. Given that short period of time, he noted that he did not address that initiative.

For the 2022 initiative, the five years ends December 2027, and his memo and backup addresses that initiative. Mr. Goldman also noted that beginning on page 20 of 60, Exhibit B, the

yellow highlights show all the sections that changed by the 2022 initiative. He invited Committee members to look through it to see what part of the ordinance it would like to review to possibly go back to the voters to weigh in on. This will be a process for the Committee and will not be done in one or two meetings.

The Committee had clarifying questions and noted the Rent Board may need to be consulted with, as well as how other municipalities may deal with this and how it is enforced.

**Item #5: Review and recommendation to the City Council of a proposed RFP to lease space at the Barron Center for a Child Care Facility**

Mr. Watson apologized for the confusion on having this item placed on the Agenda late this afternoon. There is a new memo from Councilor Sykes with her recommendations for amendments to the proposed RFP. If the Committee feels it needs to postpone to review, it can be taken up at another meeting. Public comment has already been taken on this item.

After discussion, the Committee consensus was to postpone the item to be able to review the new information.

On motion then made by Councilor M., seconded by Councilor Phillips, the Committee voted 4-0 to adjourn the meeting at 7:45 p.m.

Next meeting is scheduled for September 16, 2025.

Respectively submitted, Lori Paulette and Victoria Volent