SOCIAL HOUSING TASK FORCE

Wednesday, August 12, 2026 at 6:00 PM
City Hall Basement Room 24, Kippy Richardson Room

MEMBERS
City Councilor Kate Sykes, Co-Chair
City Councilor Sarah Michniewicz
Paul Styslinger
Bill Stauffer
Jason Spector
Cat Buxton
Wendy Cherubini
Cullen Ryan
Matthew Peters
Kristin Leffler
Jon Fetherston, Co-Chair
Jonathan Culley
Tim Wells

The Social Housing Task Force will conduct this meeting in person. If you are not able to attend in person, a recording will be available in the Agenda Center following the meeting.

PUBLIC COMMENT INFORMATION:
To submit written public comment on an agenda item, email SocialHousingTaskForce@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Social Housing Task Force 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).

AGENDA:

1. **Review and Approve Minutes from the July 8, 2026 Meeting**

   i. SHTF Draft Minutes from the July 8, 2026 Meeting

2. **Administrative Updates, Announcements, etc., if necessary**

3. **Discussion of Draft of the Final Report of the Social Housing Task Force**

   i. Draft 3.0 SHTF Final Report

4. **Next Steps and Discussion of City Council Process**

5. **Adjournment**

Social Housing Task Force Minutes of Business Meeting held July 8, 2026 at 6:00 pm.

A recording of the meeting is posted here. These minutes provide a record of those in attendance, the general discussion taking place, and motions made. Please refer to the recording for discussion details.

In attendance:
City Councilor Sarah Michniewicz
Paul Styslinger
Bill Stauffer
Jason Spector
Catherine Buxton
Wendy Cherubini
Cullen Ryan
Matt Peters
Kristin Leffler
Jon Fetherston, Co-Chair
Tim Wells

Mary Davis, Division Director, City's Housing and Community Development Division
Michael Goldman, Corporation Counsel,
James Saffian, Esq., City's Bond Counsel

The meeting started at approximately 6:05 PM.

The meeting began with approval of the minutes from June 10, 2026. Bill Stauffer asked to correct the Rockland bond amount from $100 million to $10 million. Motion to amend by Councilor Michniewicz, seconded by Wendy Cherubini, with unanimous approval.

Mary Davis mentioned that Councilor Sykes would not be able to attend tonight's meeting. Mary indicated that August's meeting might be the last meeting of the task force. Jon Fetherston asked about extending the work of the task force; Michael Goldman discussed the process for asking the council to extend the time frame for the task force to complete their work. Mary introduced other city staff in attendance and indicated that the first hour of tonight's meeting would be spent in a discussion with Attorney James Saffian, who is the city's bond counsel.

Mr. Saffian, gave a short primer on how bonds could be used for housing, including governmental bonds and 501c3 bonds; governmental bonds are issued by a government entity and that entity owns the bond, therefore the project would need to be publicly owned and operated by the city or government entity. General obligation bonds are issued on the full faith and credit of the city. The most affordable bond option would be a governmental obligation bond; the current limit for the city is $10m (over that amount requires referendum approval).

Several questions from task force members centered on a recommendation of the best bond for this type of project; a potential partnership with PHA, questions about revenue bonds, using a bond to seed a revolving fund for future housing development, and whether the city would need to be a full owner of a project to use bonds, and the process and cost associated with issuing bonds.

Mr. Saffian left the meeting at 6:58 pm and indicated he would look into the revolving loan fund question and what happens when funds are repaid.

The group had several questions for Corporation Counsel Michael Goldman. Questions included the status of the Portland Renewal Authority; Mr. Goldman indicated that his office has done some research, the entity exists in a limited capacity at this time with the city manager authorized as director. Research indicates that it doesn't appear that the renewal authority' existence was terminated; the state statute that created the entity it gives it bonding authority. Mr. Goldman left the meeting.

Matt Peters introduced a table about bond options he prepared, and asked if anyone feels the table is missing any information. He indicated he would like to add another column with information on end benefit of the different types of bonds.

The group made several suggestions regarding the table including: changing the term "full city ownership" to "full governmental ownership" and clarifying if the city issues the bond does the city have to be part of the ownership structure (or can the city lend to another governmental entity). A request was made to review previous information provided to the task force to see what types of bond financing other social housing communities are using, noting that it would be helpful to reevaluate that information.

The meeting ended at approximately 7:24 pm (moved by Bill Stauffer, seconded by Tim Wells, with unanimous approval).

Respectfully submitted by Mary Davis

City of Portland, Maine

Social Housing Task Force

Draft Final Report and Recommendations

Draft for Task Force Review: August 12, 2026

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1. Executive Summary

The Portland Social Housing Task Force was established by the City Council to study and propose a framework for government-led housing production that advances permanent affordability and mixed-income housing, with particular attention to workforce housing.

After a year of research and discussion, the Task Force recommends that Portland establish an ongoing Social Housing Program, create a dedicated Social Housing Revolving Fund, and begin implementation through two initial pilot models.

The Social Housing Program should be guided by the following commitments:

- Meaningful public ownership and long-term public control
- Permanent affordability
- Mixed-income rental housing, initially targeting households between 80% and 100% of area median income, while preserving flexibility to include other income levels when needed to respond to changing housing needs or make a project financially feasible
- Housing production that is additive to existing public and private efforts
- Professional development and property-management capacity through qualified partners
- Financial and operational sustainability
- Public accountability
- Retention and reinvestment of public value for future social housing

The Task Force further recommends that the City begin implementation through two pilot models:

1. City-owned, mixed-income development of approximately 40 units at 0 Cornell Street; and

2. City-financed and City-owned additive rental units within an appropriate Portland Housing Authority (PHA) or Portland Housing Development Corporation (PHDC)

development or redevelopment, using 879 Congress Street as an immediate case study and possible project if its timeline permits.

The Task Force selected these pilot models because they represent two practical and complementary ways to begin producing permanently City-owned rental housing. Cornell Street tests direct development on City-owned land, while the PHA/PHDC model tests how City financing and ownership can be incorporated into a larger PHA development or redevelopment. Together, the pilots would allow Portland to develop and test legal, financial, development, ownership, and management structures that can be used for future projects.

Before either pilot proceeds, the Council should first establish the Social Housing Program and Social Housing Revolving Fund, adopt the program's core ownership and affordability principles, and authorize a time-limited pilot project implementation phase. The City Manager would then carry out that policy direction by assigning appropriate staff, identifying any additional capacity needed, and drawing on development partners and contracted expertise as appropriate. Financing decisions, legal structures, and development recommendations would return to the Council for approval as required.

2. The Problem: Portland Is Not Using Its Strongest Housing Production Tool

Portland's housing shortage is fundamentally a production problem. The City's Comprehensive Plan calls for Portland to "increase, preserve, and modify the overall supply of housing city-wide to meet the needs, preferences and financial capabilities of all Portland residents," and to pursue policies that allow people who work in Portland to have the option to live here. Yet the housing being produced today is not consistently meeting those goals, particularly for middle-income and workforce households.

High construction costs, labor costs, interest rates, operating expenses, and regulatory requirements all affect whether new housing can be built at rents Portland households can afford. Public land and local policy changes can help, but neither is sufficient on its own to close the financing gap.

Municipal government can do things collectively that no individual household, developer, or nonprofit can do on its own. By pooling public resources and borrowing against the City's broad tax base and credit, Portland can raise capital at a scale and cost that individual housing projects generally cannot access. One of the City's strongest available tools is therefore its ability to issue municipal bonds.

Because housing development often operates within very narrow financial margins, the cost of borrowing can have an outsized effect on what gets built. Even a modest reduction in interest costs can affect whether a project is feasible, how many units it can support, or how affordable those units can be.

The City's ability to borrow at low municipal rates through bond issuance is partly dependent on the City also retaining ownership of what that borrowing creates. By using low-cost municipal financing to create housing in which the City retains a meaningful ownership interest, Portland can both reduce the cost of producing the housing and retain the long-term value created by the investment. As a bond is repaid, the City's outstanding debt declines while the public asset remains, and revenue previously needed for debt service can eventually support deeper affordability, capital needs, or additional housing production.

Portland already invests affordable housing through loans, grants, tax benefits, land contributions, and land-use incentives. These programs produce and preserve important housing, often with long-term affordability protections, and they should continue; however, the resulting property is owned by another entity. The City secures temporary affordability but does not retain the building, its equity, or the long-term financial value created through the public investment.

Social housing would complement, rather than replace, Portland's existing affordable-housing programs. It gives the City a direct way to create permanently affordable housing and advance the housing goals identified through the Comprehensive Plan when those outcomes are not consistently being produced by the private market or existing programs.

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3. Charge and Work of the Task Force

The City Council established the Social Housing Task Force in March 2025 to develop a strategic framework for government-led social housing.

The Council directed the Task Force to consider, among other matters:

- where municipal intervention could increase housing supply and affordability
- the risks and potential returns of public investment
- the issuance of bonds for housing
- coordination of existing housing funding sources
- gaps affecting workforce and middle-income households
- partnerships with the Portland Housing Authority and other public entities
- City-owned land and strategic acquisition
- Portland's legal and institutional capacity
- long-term ownership and affordability
- lifecycle management
- mixed-income development models
- sustainable public funding streams
- environmental sustainability and inclusivity

The resolution specifically asked the Task Force to propose a framework for a government-led program prioritizing permanent affordability, environmental sustainability, and inclusivity.

The Task Force conducted its work through public meetings, educational sessions, financial modeling, comparative research, and a review of City-owned land and potential development opportunities.

It consulted with housing developers and practitioners, the Portland Housing Authority, MaineHousing, the Greater Portland Council of Governments, and professionals with expertise in municipal finance, housing policy, development, and property management.

Task Force members also sought informal feedback from community organizations, labor groups, and housing advocates whose members are directly affected by Portland's housing costs.

The Task Force received direct guidance from the City's Finance Director, Corporation Counsel, and outside bond counsel on municipal borrowing, ownership structures, legal authority, and the practical requirements of implementing a City-owned housing program.

The Task Force reviewed a range of United States based public housing-production and ownership models to understand how other jurisdictions are using public financing, public land, housing-authority capacity, revolving funds, and development partnerships to produce permanently affordable, mixed-income housing.

The programs reviewed by the Task Force show that social housing is not a single prescribed structure. U.S. jurisdictions are experimenting with several approaches:

- revolving construction funds supporting mixed-income development;
- public housing authority redevelopment and expansion;
- fully affordable portfolios supported by bonds and dedicated revenues;
- new public development authorities; and
- public financing combined with nonprofit or private development capacity.

The Task Force's interim report presented to the Housing and Economic Development Committee in May 2026, reached several preliminary conclusions:

- construction and financing costs are the principal constraints on new housing production
- free or discounted land alone is generally insufficient to make a project financially feasible
- financing is one of the City's most powerful available tools
- existing housing production leaves significant gaps for middle-income and workforce households
- mixed-income development offers social and financial benefits
- public investment should be structured to preserve long-term public value.

The Task Force's subsequent work focused on turning those findings into a practical program. It examined development and acquisition opportunities presented by City-owned land and stalled private development projects, bond structures, municipal ownership requirements, City capacity, untapped partnership possibilities between the City and PHA/PHDC, the use of municipal bond financing, revolving capital, and two initial pilot models.

That work has produced a clear recommendation.

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Portland already invests in affordable housing through loans, grants, tax benefits, land contributions, and land-use incentives. These programs produce and preserve important housing, often with long-term affordability protections, and they should continue; however, the resulting property is owned by another entity. The City secures temporary affordability but does not retain the building, its equity, or the long-term financial value created through the public investment.

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4. Definition of Portland Social Housing

For purposes of this report, the Task Force defines Portland social housing as **permanently affordable, mixed-income rental housing owned by the City of Portland**.

The definition is intentionally simple. It distinguishes the proposed program from traditional federally supported public housing and from affordable housing that receives public subsidy but remains privately or nonprofit owned. City ownership allows Portland to retain the asset and its equity, maintain affordability over the life of the property, and use municipal financing tools that can reduce the cost of producing housing.

The details of how Portland social housing would operate, including income mix, financing, development partnerships, property management, reinvestment, and relationship to existing housing programs, are set out in the following section.

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5. The Recommended Portland Social Housing Program

The Task Force recommends that the Council establish the City of Portland Social Housing Program with the following core program principles.

5.1 Public Ownership and Control

Housing developed through the Social Housing Program will maintain meaningful public ownership and long-term public control.

Depending on the project, financing structure, and development partnership, the City may hold:

- full ownership of an entire development;
- legal ownership of a defined portion of a larger coordinated development; or
- a controlling or majority ownership interest through another appropriate ownership structure.

The specific ownership structure may vary from project to project, but it must preserve the City's ability to protect permanent affordability, ensure the property continues to serve the purposes of the Social Housing Program, and retain the public value created through City investment.

5.2 The City will use public financing to create housing

The Social Housing Program should use the lowest-cost lawful financing available, including municipal bonds and other public resources, consistent with the program's ownership structure, affordability goals, and development arrangements. Individual projects may draw on those resources as appropriate. [The municipal financing options reviewed by the Task Force are described in Appendix E.]

5.3 The City will contract for professional development

The City does not need to perform every development function internally in order to establish social housing. It can define the public purpose, provide financing, retain an appropriate ownership interest, and work with experienced development partners to carry projects forward.

Portland Housing Authority (PHA) and Portland Housing Development Corporation (PHDC) already have substantial experience developing and managing affordable housing and have indicated a willingness to explore a renewed partnership with the City, including the development of publicly owned housing.

Depending on the project, the City may also work with other qualified nonprofit or private developers and retain specialized professional services for design, construction, environmental review, financial analysis, post-construction management, compliance, and other project needs.

The appropriate development structure and division of responsibilities should be determined on a project-by-project basis during the development phase.

5.4 The City will contract for professional property management

The City does not need to create its own property-management operation in order to develop and own social housing.

Management may be provided by PHA, a nonprofit or private property-management organization, a development partner, or another qualified entity under an agreement that protects the program's affordability, public-purpose, and long-term stewardship requirements.

The appropriate management structure should be determined for each project during the development phase.

5.5 Projects will be permanently affordable

Because the City retains ownership and control, affordability does not depend on a time-limited covenant or subsidy agreement. The City can set rents and income policies according to the program's affordability goals and operating needs, rather than changes in the market value of the property, and adjust them over time as housing needs and financial conditions change while preserving the property's affordable, mixed-income purpose.

The Council should approve an initial income mix for each project based on demonstrated housing need, project economics, available financing, unit types, neighborhood context, and the relationship to existing affordable-housing programs. That mix may change over time as needs and financial conditions change, while preserving the property's overall affordable and mixed-income purpose.

5.6 The program will be additive

Existing City housing resources are valuable, but they are not sufficient to meet Portland's housing need at the scale required. Social housing should therefore expand the City's overall capacity to produce and preserve housing, rather than simply shift limited resources from one program to another.

A social housing project should create additional units, make fuller use of a development opportunity, serve income levels that are not being adequately reached, preserve housing at risk, or provide another measurable public benefit that would not otherwise occur. The program should also avoid competing unnecessarily for scarce resources already supporting affordable housing. Where social housing is incorporated into a larger affordable-housing development, City financing should add housing, broaden the income mix, or create another benefit beyond what the existing financing could achieve on its own.

Social housing would operate alongside inclusionary zoning, LIHTC, PHA/PHDC development, private and nonprofit housing production, and other existing City housing programs. As the City evaluates these tools, it should consider which income levels are being served, how much housing is being produced, whether development remains feasible, and what long-term public value is retained. The creation of a social housing program should inform those evaluations, but should not by itself predetermine changes to inclusionary zoning or any other housing program.

5.7 The program will retain and reinvest financial value

The financial value created through public investment should remain dedicated to social housing purposes. Each project should be structured to meet realistic operating, maintenance, reserve, capital, and debt-service requirements.

Portland already uses debt and tax revenue to build and maintain long-lived public assets that do not independently repay their construction costs. Similarly, social housing should be evaluated not only by the revenue it generates, but also by the lasting affordability and public value it creates.

The Task Force recommends that the Council establish a dedicated Social Housing Revolving Fund as part of the program. After project obligations are met, available revenues, repayments, refinancing proceeds, and other financial returns should be retained and reinvested in the preservation, development, and expansion of social housing.

The amount available for reinvestment will vary by project and financing structure. Rental income may first be needed to support operations, reserves, capital needs, and debt service, while other financing structures may allow greater flexibility in how project revenues are used.

The Fund does not need to be capitalized when it is established. Appropriate sources of initial and future capitalization may include Council appropriations, grants, project revenues, repayments, bond proceeds where legally permissible, or other lawful sources, and should be determined as the program and individual projects are developed.

[*Additional discussion of financing structures and the proposed Social Housing Revolving Fund is included in Appendix E*.]

5.8 Projects will advance sustainability and accessibility

The program should carry forward the original resolution’s commitments to environmental sustainability and inclusivity. Projects should be designed for long-term energy efficiency, climate resilience, accessibility, and reasonable utility costs, while also considering access to transit, services, walking and bicycling connections, healthy materials, and family-sized units where appropriate.

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6. The City’s Role in the Social Housing Program

Establishing a Social Housing Program does not require Portland to create a new municipal development agency or perform every function of housing development and management itself. The City’s role is to establish the public purpose, commit public resources, retain meaningful ownership and long-term control, and ensure that the housing continues to serve that purpose over time.

Development, construction, property management, and other specialized functions can be performed by experienced public, nonprofit, or private partners under agreements with the City. Portland Housing Authority and PHDC are important potential partners, but the program should be able to work with other qualified organizations where appropriate.

Public ownership does, however, create responsibilities that the City must be prepared to carry. Portland will need sufficient professional capacity to evaluate projects, oversee financing and ownership interests, administer agreements, monitor financial and operating performance, plan for long-term capital needs, and protect the public assets created through the program.

The Task Force does not recommend creating a new department at this time. Once the Council establishes the program and its policy framework, the City Manager should assign responsibility for its administration, identify the appropriate combination of existing staff and contracted expertise, and bring any additional resource needs to the Council through the budget process.

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7. Municipal Bonding and Public Investment

Municipal bonding allows the City to raise substantial capital at relatively low cost and repay it over the useful life of a long-lived public asset. Bonding is a central financing tool for the proposed Social Housing Program because it is one of the most direct ways the City can respond to the housing crisis at a scale proportionate to the need.

Portland's strong bond rating enables the City to borrow at lower interest rates than many individual housing projects could obtain on their own. Lower-cost borrowing matters because housing projects operate within narrow financial margins. Reducing the cost of capital can increase the amount of housing a project can support, reduce the revenue required from rents, or improve affordability.

Reliable public financing can also provide greater certainty during project development by reducing exposure to changing credit conditions and helping projects assemble the financing needed to move toward construction.

Portland would not be alone in using public borrowing to support housing production. Other jurisdictions have used municipal bonds and other public capital to lower financing costs, expand housing production, and establish revolving sources of housing investment. [*Examples reviewed by the Task Force are summarized in Appendix J.*]

7.1 Recommended financing

The Task Force reviewed several forms of borrowing, including general obligation bonds, revenue bonds, taxable bonds, and tax-exempt bonds.

For the Cornell Street and PHA additive-units pilots, the Task Force recommends tax-exempt general obligation bonds.

This structure is the best fit for the pilots because:

- the housing will be owned by the City of Portland
- the bonds will be backed by the City's overall credit
- tax-exempt borrowing generally provides the lowest available interest rate
- lower borrowing costs make it possible to keep rents lower, and
- general obligation bonding is a familiar financing tool the City already uses for capital investments.

City ownership and the financing structure therefore reinforce one another. Because the City will own the housing, it can pursue the least expensive form of municipal borrowing. Because the borrowing is less expensive, the City can produce more housing or offer greater affordability than would be possible with higher-cost project financing.

Final bond documents and compliance with federal tax requirements will require review by Finance staff, Corporation Counsel, and bond counsel, but the Task Force has identified tax-exempt general obligation bonding as the appropriate starting structure for both pilots.

[*A more detailed comparison of the financing options reviewed by the Task Force is included in Appendix E.*]

7.3 How the bonds would be repaid

Rental income should first support the ongoing costs of the housing, including operations, maintenance, property management, and reserves. Rents may also offset a portion of debt service depending on the project's finances and affordability goals. Tax-exempt general obligation bonds, however, are backed by the City's overall revenues and taxing authority. The Council may determine how much of the debt service should be supported by project revenue and how much by general City revenues, consistent with how Portland finances other long-lived public assets. A social housing project therefore does not need to repay its full construction cost through rent in order to be financially responsible.

7.4 Council approval and voter ratification

The Task Force's bond analysis identifies a current Council-authorized general obligation bonding threshold of approximately $10.14 million, based on 0.05% of the City's state valuation. Borrowing above that threshold requires voter approval. Because the threshold changes with state valuation, the applicable amount should be confirmed when a financing proposal is prepared. [*A bond comparison is included in Appendix E.]*

7.5 Revolving capital and program capitalization

Retention and reinvestment of financial value is a core feature of the proposed Social Housing Program. The Task Force recommends establishing a dedicated Social Housing Revolving Fund so that resources committed to social housing, together with available project revenues, repayments, refinancing proceeds, and other returns, can remain available for future housing production.

How the Fund is capitalized will affect the scale, pace, and durability of the program. One approach is to finance projects individually as they become ready. This can limit each initial commitment and, depending on the amount, may allow financing within the Council's existing authority. It also requires the City to assemble financing and obtain approval repeatedly, leaving individual projects more exposed to changing budget priorities, political conditions, and project-specific opposition.

A second approach is to provide meaningful capital to the Fund at the outset, potentially through a larger general obligation bond. Upfront capitalization could provide a dependable source of capital for multiple projects, support a longer-term development pipeline, and allow the City to act when suitable sites or partnership opportunities arise without assembling a new financing package for each project. Depending on the amount, this approach may require voter approval, creating a larger initial decision about the City's commitment to social housing.

The two approaches are not mutually exclusive. Portland could finance initial projects individually while building the Fund over time, seek substantial initial capitalization, or combine the two. The central tradeoff is between making smaller financing decisions project by project and making a larger upfront commitment that gives the program greater financial continuity and capacity to operate across multiple projects.

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8. Pilot Models and the role of the Portland Housing Authority/Portland Housing Development Corporation

One of the most important outcomes of the Task Force's work has been a renewed understanding of how closely the City and the Portland Housing Authority can work together through a social housing program.

PHA was established as Portland's public housing authority decades ago and has extensive experience developing, financing, managing, and maintaining housing. Over time, declining federal resources and the increasing centralization of affordable-housing financing at the state level have changed how local housing authorities produce housing. MaineHousing now plays a major role in allocating scarce state and federal financing resources, including tax-exempt bond capacity, while local housing authorities increasingly assemble projects within those funding constraints.

The City, meanwhile, has financial tools of its own, including strong municipal bonding capacity, that can operate differently from those traditional housing-finance programs. The current housing crisis creates an opportunity for the City and PHA to bring those capacities together in a new way.

Working together, the City and PHA can combine the City's ability to issue low-cost bonds and retain public ownership with PHA's development and property-management expertise, publicly controlled land, and the housing programs and financing already available to PHA.

The Task Force recommends beginning with two pilot models that explore how this partnership can work in practice and help establish repeatable structures for future projects.

8.1 Pilot One: City-Owned Housing at 0 Cornell Street

The 0 Cornell Street pilot would test the most direct model of municipal social housing: the City would own the land, finance the development, and own the completed housing. PHA, PHDC, or another qualified entity could serve as developer and property manager.

Appendix F presents the full preliminary pilot concept for 0 Cornell Street, including the proposed development program, site analysis, financial model, environmental considerations, and questions requiring further predevelopment work.

The preliminary concept envisions approximately 40 mixed-income rental units, with an initial emphasis on households earning roughly 80% to 100% of area median income while preserving flexibility to respond to housing needs, available financing, and project feasibility.

Cornell Street was selected after review of a broader group of City-owned sites because it offers public ownership, a manageable initial scale, a relatively straightforward ownership structure, flexibility in unit and income mix, and the possibility of family-sized housing. The broader site review is summarized in Appendix H.

Cornell Street also makes the concept of direct municipal ownership tangible: the City already owns the land, and housing can readily be imagined there. At the same time, the Task Force's recommendation should be understood as a direction to advance Cornell through site feasibility and predevelopment analysis, not as a conclusion that the property is already proven feasible.

Environmental and other site conditions remain significant unknowns. If further investigation determines that Cornell Street is impractical or financially unreasonable to develop, the City should apply the same City-owned social-housing model to another suitable publicly controlled site.

8.2 Pilot Two: City-Owned Additive Units in a PHA Development

The second pilot would test a different model: the City would use its financing capacity to create City-owned rental housing as part of a larger PHA development or redevelopment. PHA would continue to finance and own the housing supported through its existing programs, while the City would finance and own an additional component serving a broader income range.

Appendix G develops this pilot model in detail, using 879 Congress Street as the case study through which the Task Force explored financing, ownership, rents, development costs, mixed-income structures, and the legal separation of City and PHA ownership.

The opportunity arises because the amount of housing PHA can finance through LIHTC, HUD programs, and other traditional affordable-housing resources may not always equal the full housing potential of a site. City capital could allow additional housing to be produced without diverting scarce resources from the deeply affordable units those programs are designed to support.

The City-owned component would generally serve moderate- and workforce-income households, initially focused around 80% to 100% of AMI. The PHA and City portions could be legally separate while being designed, constructed, and managed as one coordinated rental community.

879 Congress Street provided a particularly useful real-world case study. Its location on a major transit corridor adjacent to Maine Medical Center illustrates the kind of setting where a broader mixed-income housing model may be especially valuable. At the same time, the project has already advanced substantially through planning and financing, and its present design and schedule may leave limited opportunity to incorporate a meaningful City-owned component without redesign or delay. If City-owned units can still practicably be incorporated there, 879 Congress Street could become the first pilot. If not, the same model should be applied to the next appropriate PHA development or redevelopment with remaining housing potential.

9. Comparison of the Two Pilot Models

	Cornell Street	PHA additive-units model
City ownership	City owns the land and all housing	City owns only the additive units it finances
Development setting	Standalone City-owned development city-owned land	City-owned units within a coordinated PHDC development
Development and management	Contracted by the City; PHA or PHDC could serve	Coordinated with PHDC
Initial income focus	80%–100% AMI, with flexibility for feasibility	80%–100% AMI units that broaden the income mix of a PHA project
Approximate scale	Approximately 40 units	Number of additive City-owned units to be determined
Principal advantage	Simple, direct demonstration of City ownership	Adds density and mix of income while leveraging PHA's development expertise
Principal work remaining	Environmental feasibility, remediation, and total cost	Selecting the project and completing land, ownership, and shared-development agreements
Replicability	Other City-owned sites and acquisitions	Future PHA/PHDC developments and redevelopments

The pilots test two complementary structures. The Task Force recommends advancing both.

10. Moving from Study to Project Development

The Social Housing Task Force was created to study social housing and recommend a framework for Portland. It has completed that work by defining the proposed program, identifying its core financing and ownership structure, and developing two initial pilot models.

The next step is implementation. The specialized environmental, legal, financial, design, development, and management work needed to turn those models into buildable projects is beyond the role of a temporary policy task force and should now move into a formal project-development phase.

That phase should advance the initial pilots while establishing the durable capacity needed for the Social Housing Program to continue beyond any one project. The specific actions recommended to the Council are set out in the following section.

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11. Recommended Council Action

The Task Force recommends that Portland establish the City of Portland Social Housing Program as an ongoing municipal housing program to develop, own, preserve, and expand social housing over time. The two initial pilot models are intended to begin implementation, not define the full extent of the program.

The Council should begin by accepting this Final Report, endorsing the Social Housing Program and its core principles, and adopting a resolution initiating implementation. [*A draft resolution is included as Appendix I.*]

Subsequent Council actions should include:

- adopting an ordinance establishing the Social Housing Program and Social Housing Revolving Fund [*A draft ordinance is included as Appendix K*];
- authorizing municipal borrowing and any required appropriations;
- authorizing a time-limited implementation phase to advance the initial pilot models and establish the program's administrative, financial, and legal framework; and
- acting on additional development, partnership, financing, or other authorizations as they are brought forward.

The City Manager should be responsible for carrying out the Council's direction, assigning appropriate staff and administrative responsibility, identifying any additional capacity needed, and drawing on development partners and contracted expertise as appropriate.

The Council should require a report back within a defined period on implementation progress and any further actions needed to advance the program.

Once established, the Social Housing Program should continue beyond the initial pilots, with the Revolving Fund retaining and reinvesting public financial value to support future social housing.

12. Conclusion

Portland will not solve its housing shortage with any single program, project, or financing source. Social housing adds a new tool: the ability to use the City's financial strength to create permanently affordable housing, retain public ownership and value, and reinvest that value over time. Let's make it happen.

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13. Appendices

Appendix A: Council Resolve Establishing the Social Housing Task Force

Appendix B: Task Force Membership and Record of Meetings

Appendix C: Social Housing Frequently Asked Questions

Appendix D: Social Housing Task Force Interim Report

Appendix E: Municipal Bonding Options and Updated Bond Comparison Matrix

Appendix F: Pilot: 0 Cornell Street Concept, Pro Forma, and Supporting Materials

Appendix G: Pilot: PHA Additive-Units Model, 879 Congress Street Pro Forma and Supporting Materials

Appendix H: Development Opportunities Reviewed: City-Owned Land and Approved Projects Not Advanced to Construction

Appendix I: Draft Council Resolution Accepting Report & Advancing Recommendations

Appendix J: Social Housing Models Reviewed

Appendix K: Draft Ordinance Establishing Social Housing Program

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Appendix A: Council Resolve Establishing the Social Housing Task Force

Resolve 7-24/25 Passage: 7-0, as amended on 3/17/2025 (Councilor Sykes & Mayor Dion Absent)

Effective 3/27/2025

The following amendments were voted on:
Motion to amend, amendment titled “Pelletier #1”, Passed 7-0 on 3/217/25

Motion to amend from the floor by Councilor Fournier, Amendment: Adding to the first Be it further resolved section, which has the makeup of the task force to amend: "At least 2 members of the community with lived experience navigating the challenging housing environment from underserved populations", Passed 7-0 on 3/17/25

CITY OF PORTLAND
IN THE CITY COUNCIL

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

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

RESOLUTION CALLING FOR THE ESTABLISHMENT OF A TASK FORCE ON SOCIAL HOUSING

WHEREAS, the City of Portland is Maine’s largest city, with a population of just over 68,000, and saw a population increase of nearly three percent in the last decade, while surrounding municipalities have experienced increased growth as well; and

WHEREAS, the development of housing has not kept pace with this increase in population and the corresponding demand, resulting in rising housing costs, suburban sprawl, and increasing pressure around housing production; and

WHEREAS, the City of Portland is experiencing a critical housing shortage, with increasing demand and affordability challenges affecting residents across all income levels; and

WHEREAS, as set forth in its goals for 2025, the City Council is committed to finding solutions to the City’s housing crisis, including the development of more middle-income housing; and

WHEREAS, according to a study done by the Furman Center at New York University, a steady decline of federal support for public housing has led to a country-wide developing interest in “social housing,” where public entities take an active role in development and ownership of housing; and

WHEREAS, the Furman Center study has also demonstrated that other municipalities across the country have successfully implemented publicly owned and mixed-income social housing models, illustrating the viability of such initiatives; and

WHEREAS, the City Council desires to explore the possibility of developing a social housing program through the creation of a task force, the primary objective of which will be to study and propose a framework for government-led social housing, prioritizing permanent affordability, environmental sustainability, and inclusivity.

NOW, THEREFORE, BET IT RESOLVED, that Mayor Dion and members of the Portland City Council hereby establish the Portland Social Housing Task Force, which will conduct a comprehensive study and develop a strategic framework for a social housing program that will address relevant issues including but not limited to:

1) Identifying Key Impact Areas in Housing Production: Analyze existing resources, opportunities, and barriers to pinpoint areas where municipal intervention could catalyze growth in housing supply and affordability;

2) Risk and Return Analysis of Public Investment: Conduct a comprehensive risk assessment to guide sustainable public investment strategies in social housing, balancing affordability goals with financial sustainability. This will include considering the issuance of bonds to fund housing;

3) Maximizing and Streamlining Funding Programs: Develop a plan to integrate existing funding sources, such as Low-Income Housing Tax Credits (LIHTC), HUD's RAD program, and local revolving loan funds (JDHTF), to achieve an efficient financing model for social housing development;

4) Addressing Critical Needs for Public Development: Define gaps in housing production that private and non-profit developers cannot fill, focusing on workforce and middle-income housing to ensure affordable, mixed-income communities. This could include creating a Portland social housing development corporation, exploring partnerships with the Portland Housing Authority (PHA), and/or partnering with the County, GPCOG, and State on advancing regional public housing solutions;

5) Assessing Local Barriers and Public Development Opportunities: Examine Portland-specific factors such as public land availability, construction costs, and rent levels to identify barriers and opportunities. This includes assessing recommended strategies, such as addressing permitting and site plan approval efficiencies, facilitating adaptive reuse processes for existing building renovations, streamlining Historic Preservation processes, and exploring ways to make it easier for developers to meet our inclusionary zoning (IZ) requirements;

6) Establishing a Sustainable Funding Stream: Evaluate sustainable financial structures, including revenue bonds, revolving loan funds, and tax-set-asides, to ensure ongoing financing for public development. Consideration should also be given to ways of using publicly-owned or quasi-publicly-owned land for development;

7) Evaluating Legal Authority and Capacity: Review Portland's legal capacity, resources, and expertise to operate as a public developer;

8) Ensuring Long-term Sustainability of Public Housing: Develop a lifecycle management and funding plan to ensure the long-term affordability and quality of publicly developed housing;

9) Models of Public Development and Ownership: Review various public development and ownership models, such as mixed-income developments with public equity stakes and fully affordable models, analyzing their applicability to Portland's housing needs; and

10) Financing Options and Risk Management: Assess potential financing methods, including but not limited to revenue bonds, general obligation bonds, revolving loan funds, and public-private partnerships, alongside risk management strategies to mitigate market fluctuations, construction risks, and operational challenges.

11) Land Use and Acquisition: Evaluate city-owned land and propose strategic acquisition of additional land as necessary. Public land, especially in underdeveloped areas, will be prioritized. This effort will include an inventory of parking lots and other underused spaces, such as vacant office and commercial properties, that could serve as potential development sites or be repurposed for housing.

12) Planning and Permitting Modifications: To streamline public development, the task force will assess ways to expedite planning and permitting. This includes evaluating a "concierge" service to assist larger projects, fast-track approvals for housing projects, and eliminate redundant reviews and inspections.

13) Community Engagement: Engage with community stakeholders to gather input on housing needs and priorities, with a focus on affordability and accessibility. The task force will address public concerns by educating residents on housing processes and the effects of policies like IZ on overall affordability.

BE IT FURTHER RESOLVED, that the Portland Social Housing Task Force will consist of no fewer than 9 members and no more than 13 members, all of whom will be appointed by the Mayor, with input from the City Council, in accordance with Article II, Section 5(l) of the Charter, and will include a range of stakeholders, including:

One member of the City Council

One member of the Board of the Portland Housing Authority (PHA)

One representative from an affordable housing developer

One representative from a market developer

At least three Portland residents with relevant knowledge or skills (e.g. housing advocates, urban planners, financial and legal experts.)

At least two members of the community from underserved populations with lived experience navigating the challenging housing environment in Portland

BE IT FURTHER RESOLVED, that the Portland Social Housing Task Force will elect a chair or co-chairs from among its members, who will develop meeting agendas and who will work closely with an independent facilitator and legal, financial and other professional consultants paid for by the City of Portland, and members of City staff assigned by the City Manager as needed; and

BE IT FURTHER RESOLVED, that the Social Housing Task Force will meet over the course of one year, beginning as soon as practicable after its members have been appointed, during which time it will conduct a phased study and will submit its report and recommendations to the City Council in the form of a communication on or before the date that is one year after its first meeting. The City Council will host, at minimum, one Workshop and one Public Hearing to discuss the report.

Appendix B: Social Housing Task Force Membership and Meeting Record

Task Force Members

- Councilor Kate Sykes, Co-Chair
- Jon Fetherston, Co-Chair
- Catherine Buxton
- Wendy Cherubini
- Jonathan Culley
- Kristin Leffler
- Councilor Sarah Michniewicz
- Matthew Peters
- Cullen Ryan
- Jason Spector
- Bill Stauffer
- Paul Styslinger
- Tim Wells

Meeting Record

The Social Housing Task Force began meeting in August 2025 and held regular public business meetings and supplemental educational sessions during its one-year charge.

Regular and Special Meetings

- **August 18, 2025 — Organizational meeting:** Member and staff introductions; review of the Council resolution and public-meeting requirements; election of Councilor Kate Sykes and Jon Fetherston as co-chairs; discussion of meeting structure, educational needs, and the Task Force work plan.
- **September 24, 2025 — Review of social housing models and development of the work plan:** Comparison of social housing programs in other jurisdictions; initial discussion of Portland's definition, possible ownership and management models, permanent affordability, mixed-income housing, City-owned land, existing funding sources, and a potential pilot project.
- **September 30, 2025 — Regional and Portland housing context:** Presentations from GPCOG and City staff on regional housing need, local production and completion trends, affordability levels, existing housing resources and subsidies, and Portland's role in meeting regional housing goals.
- **October 22, 2025 — Identification of program priorities:** Discussion of whether the City should create a new program or work through an existing partner; rental versus

homeownership; sustainable financing; housing as public infrastructure; income targeting; and a preference for mixed-income, mixed-unit-size development, with approximately 80% AMI emerging as a central focus.

- **November 12, 2025 — Financial modeling and project feasibility:** Presentation of a preliminary development model examining the effects of land cost, interest rates, property taxes, construction costs, unit mix, and AMI mix; discussion of project viability, SRO housing, stalled developments, and the possibility of increasing affordability as debt is paid down.
- **December 10, 2025 — Refining the program strategy and financing questions:** Discussion of SRO and mixed-income models, political and financial viability, lessons from other social housing programs, Rhode Island's use of housing bonds, capitalization of the Jill C. Duson Housing Trust Fund, and questions for the City's Finance Director and bond counsel.
- **January 14, 2026 — Review of City-owned land and potential project pathways:** Examination of City-owned properties and approved but potentially stalled housing projects; discussion of developing vacant land, acquiring and rehabilitating existing buildings, purchasing operating apartment properties, intervening in stalled projects, and pursuing a partnership with PHA.
- **January 28, 2026 — Educational session with the Portland Housing Authority:** Overview of PHA's development and property-management capacity, available land and project pipeline, financing constraints, income restrictions, and opportunities for City financing to support additional housing.
- **February 11, 2026 — Review of emerging priorities and possible pathways:** Discussion of member survey results, City ownership and equity, financial sustainability, partnership with PHA, and further review of promising City-owned sites.
- **March 11, 2026 — Formation of focused working groups:** Establishment of work on municipal bonding, PHA partnership, site and project selection, public communication, and preparation of the interim and final reports.
- **April 8, 2026 — Working-group reports and pilot development:** Continued analysis of bonding options, potential City–PHA structures, City-owned development sites, and the content and schedule of the interim report.
- **April 22, 2026 — Detailed discussion with the Portland Housing Authority:** Review of PHA's development pipeline and financing limitations, the proposed 879 Congress Street project, opportunities to add City-owned units, and the possibility of PHA developing or managing housing on City-owned land.
- **May 13, 2026 — Review of the two emerging pilot models:** Consideration of PHA's preliminary Congress Street pro forma and a preliminary concept and pro forma for approximately 40 units at 0 Cornell Street, including income mix, costs, financing assumptions, and replicability.
- **June 10, 2026 — Interim Report and preparation for final recommendations:** Review of the Interim Report, Cornell Street due diligence, the elements needed for complete pilot proposals, frequently asked questions, general obligation bonding, and the possible future use of a revolving housing fund.

- **July 8, 2026 — Municipal bonding and legal structure:** Presentation and discussion with the City's bond counsel regarding general obligation, revenue, taxable, and tax-exempt bonds; City ownership requirements; Council and voter approval thresholds; and financing options for the two pilots.
- **August 12, 2026 — Review of the Draft Final Report:** Consideration of the proposed definition and program framework, the two pilot models, financing recommendation, appendices, project-development phase, and recommended Council action.

Agendas, meeting packets, minutes, and available recordings are maintained in the City of Portland Agenda Center.

Appendix C: Social Housing Frequently Asked Questions

These questions were developed by Task Force member Kristin Leffler to reflect the kinds of practical questions Portland residents may have about social housing. Some answers will depend on the final design, financing, and management structure of each project and will be developed during the project-development phase.

1. What is social housing?

Portland uses the term "social housing" to distinguish this model from traditional federally funded public housing and from affordable housing that is privately or nonprofit owned. In Portland's proposed model, the defining features are meaningful public ownership, permanent affordability, and mixed-income rental housing.

2. How would affordability be determined, and how much might it cost per month to live there?

Affordability is generally described using income limits published by the U.S. Department of Housing and Urban Development and adjusted for local areas. Eligibility for an income-restricted unit would be based on household income and would require income documentation.

The Task Force recommends that Portland's initial social housing projects focus especially on workforce households earning approximately 80% to 100% of area median income, or AMI. Affordable housing programs commonly use 30% of household income as a benchmark for housing costs. For illustration, 30% of the income of a two-person household at 80% AMI would be about $2,226 per month.

For the Portland area, the current income levels used in the Task Force's analysis are:

Household size	80% AMI	100% AMI
1 person	$77,920	$97,400
2 people	$89,040	$111,300
4 people	$111,300	$139,100

Other housing programs serve different income levels. For example, the Low-Income Housing Tax Credit (LIHTC) program commonly finances housing restricted to households at lower AMI levels, including 50% and 60% AMI. The Task Force is proposing social housing in part to reach income levels that are not being adequately served by existing programs or by new private-market production.

If the City advances these projects, actual rents will depend on apartment size, project costs, available subsidy, and the final income mix approved for each development. The rent-setting method and actual rents would be established and made public during the project-development process.

3. What happens if a resident's income increases after moving in?

A resident would not be required to move simply because their income increases. One of the goals of social housing is housing stability, and residents should not be penalized for earning more.

Income may still be reviewed periodically, and rents may be adjusted according to the rules established for each project. In a mixed-income development, this allows the City to respond to changes in household income while preserving the overall affordability and income mix of the property.

Because Portland would retain long-term control of the housing, the City could establish policies that allow residents to remain in their homes as their circumstances change.

4. How would the City keep the housing affordable over time?

The Task Force recommends that the City own the housing. If the projects move forward, that ownership would allow Portland to set the affordability requirements and control the property's long-term use.

The mix of rents could change as housing needs and project finances change, but the housing would remain an affordable, mixed-income public asset.

5. What role would the City play, and who else might be involved?

The Task Force recommends that the City provide financing, retain ownership, establish the project's public purpose, and oversee the resulting asset.

The City would not create a new development agency or manage construction and day-to-day property operations itself. PHA, PHDC, or another qualified partner could perform those functions, with additional professional support as needed.

6. Who would residents contact if there were a problem with an apartment?

If the projects move forward, a professional property manager would handle maintenance, repairs, rent administration, and other day-to-day tenant concerns.

The City would remain the owner, but residents would generally contact the property manager for routine issues.

7. Would social housing provide a pathway to homeownership?

The Task Force's initial proposal is for permanently affordable rental housing, not individual homeownership.

City ownership is central to the model because it would keep the housing affordable and publicly controlled over time. The Task Force has not recommended converting the units to privately owned condominiums or creating a right-to-purchase program.

However, stable and affordable rent can make it easier for households to save for a down payment or pursue homeownership through another program. Increasing the overall housing supply may also help reduce pressure on rents and home prices across the market.

Portland could continue to pursue separate homeownership programs through other housing initiatives.

8. How would social housing avoid concentrating poverty or reinforcing segregation?

The Task Force recommends mixed-income housing rather than projects serving only one narrow income group.

Projects could include households at different income levels, with particular attention to workforce households who earn too much for deeply subsidized housing but still cannot afford many market-rate apartments. Location, access to transit and services, accessibility, and the relationship to the surrounding neighborhood would also be considered during project development.

9. How would the size and type of apartments be determined?

The mix of apartments would depend on housing need, the site, project costs, and the households the project is intended to serve.

The preliminary Cornell Street concept includes a range of apartment sizes and the potential for family-sized units, but the final design has not yet been developed.

10. What might happen if a household later needs a larger apartment?

If the projects move forward, the management plan could allow residents to request a different unit when household size or accessibility needs change. Whether a larger unit is available would depend on the size of the property and current vacancies.

City of Portland, Maine

Social Housing Task Force

Interim Report

Presented to the Housing and Economic Development Committee

May 19th, 2026

1. Executive Summary

Over the first several months of its charge, the Portland Social Housing Task Force conducted technical modeling, comparative research, and expert interviews to determine how the public sector can most effectively intervene in the local housing market. The Task Force also converged on a definition of social housing: a model where the *public sector maintains an active financial and ownership stake*, ensuring that investments are preserved and reinvested over time rather than serving as one-time subsidies.

Financial research has confirmed that the economics of production, specifically the rising costs of financing and construction, represent the primary barriers to new development in Portland. While the use of public land is a valuable tool, modeling demonstrates that land alone is insufficient to drive production without significant financial intervention. This finding establishes the cost of capital as a key domain where the City possesses the capacity to yield a meaningful impact on social housing production.

The emerging strategic direction positions the City as a financing partner rather than a direct developer, allowing the municipality to provide favorable capital terms while leveraging the expertise of existing organizations. Bond financing is currently under evaluation as the primary mechanism to scale this effort and support the recapitalization of public funds. A central component of this strategy is a partnership with the Portland Housing Authority, which offers a unique opportunity to combine municipal investment with established development and management capacity.

In the final phase of its work, the Task Force will focus on defining specific bond structures, establishing governance protocols for institutional partnerships, and identifying sites for initial pilot projects. These efforts aim to create a durable system that addresses critical housing gaps for workforce and middle-income households. The ultimate goal is an implementable roadmap and detailed pilot project proposal that balances programmatic ambition with technical and fiscal responsibility.

2. Charge of the Task Force

The Portland Social Housing Task Force was established by order of the City Council in March 2025 to study and develop a framework for government-led social housing in Portland.

The Council's intent in forming the Task Force was to respond to a widening gap between housing demand and housing production, and to explore the role that public entities might play in directly shaping the housing market to achieve long-term affordability and stability. As articulated in the resolution, the Task Force was charged with developing "a strategic framework for a social housing program… prioritizing permanent affordability, environmental sustainability, and inclusivity."

At its core, the Task Force's work is guided by three interrelated goals:

- **Affordability:** advancing models that ensure housing remains accessible to a broad range of Portland residents over the long term;
- **Sustainability:** designing systems that are financially and operationally durable over time;
- **Mixed-Income Communities:** promoting development patterns that integrate a range of income levels and avoid concentrations of poverty.

The Council further directed the Task Force to undertake a comprehensive scope of work, including identifying key leverage points in housing production, evaluating public financing strategies such as bonding, coordinating existing funding programs, assessing local barriers such as land and permitting constraints, and exploring models of public development and ownership, including partnerships with entities such as the Portland Housing Authority.

The Task Force was convened for a one-year period, beginning in August 2025, with a final report and recommendations due to the City Council within that timeframe.

Structurally, the Task Force consists of appointed members representing municipal leadership, housing practitioners, finance and development professionals, nonprofit leaders, and community members with lived experience navigating Portland's housing system. The group elected two co-chairs to guide its work and coordinate agendas. City staff from the Housing and Economic Development Department and the Housing and Community Development Division provide ongoing support, alongside facilitation and technical assistance from the Greater Portland Council of Governments (GPCOG).

To carry out its charge, the Task Force adopted a dual-track meeting structure. Regular business meetings are held to deliberate and advance the work plan, while separate educational sessions are used to deepen the group's understanding of housing finance, development models, and policy tools.

Task Force Members

The Task Force brings together a multidisciplinary group with expertise spanning housing development, municipal finance, public policy, nonprofit management, and lived experience in Portland's housing market. Members include:

- **Catherine Buxton:** Policy professional and housing advocate with experience in cooperative development and legislative engagement.
- **Wendy Cherubini:** Affordable housing policy and program management professional with extensive experience in community development and evaluation.
- **Jonathan Culley:** Local developer with experience in housing production, including mixed-use and multifamily development in Portland.
- **Jon Fetherston (Co-Chair):** Veterans Housing Services Liaison at Preble Street, with extensive experience in public sector leadership and housing systems.
- **Kristin Leffler:** Public school educator and Portland resident bringing lived experience navigating housing affordability challenges.
- **Councilor Sarah Michniewicz:** Portland City Councilor with experience in municipal governance and housing policy.
- **Matt Peters:** Housing development and finance professional with experience in real estate investment and project feasibility analysis.
- **Cullen Ryan:** Executive Director of Community Housing of Maine, with deep experience in supportive housing development and operations.
- **Jason Spector:** Strategic planning and public sector consultant with experience in program evaluation and cross-sector systems design.
- **Bill Stauffer:** Property owner and business operator with experience in real estate management and local economic conditions.
- **Paul Styslinger:** Natural Hazards Planner at the State of Maine with experience in infrastructure design, residential codes, and public program sustainability.
- **Councilor Kate Sykes (Co-Chair):** Portland City Councilor with a focus on housing policy and public investment strategies.
- **Tim Wells:** Real estate and development professional with experience in construction, finance, and land use.

As reflected in the membership, the Task Force was intentionally constituted to combine technical expertise with on-the-ground experience, ensuring that its recommendations are both analytically rigorous and grounded in the lived realities of Portland residents.

3. Approach and Methodology

The Task Force structured its work to move from broad exploration to focused analysis, pairing foundational learning with applied evaluation of how social housing could function within Portland's specific economic and institutional context.

From the outset, the group recognized that social housing is not a single model, but a set of tools and strategies that must be adapted to local conditions. As a result, the Task Force adopted an approach that combined comparative research, technical analysis, and iterative discussion with an emphasis on testing ideas against real-world constraints.

3.1 Meeting Structure and Work Plan

To support this approach, the Task Force established a dual-track meeting structure consisting of regular business meetings and supplemental educational sessions. Business meetings were used to deliberate on findings, review materials, and identify priorities and next steps. Educational sessions were designed to build a shared understanding of complex topics, such as housing finance, development economics, and public policy tools.

To date, the Task Force:

- Engaged external expertise and case studies from other jurisdictions, including mixed-income public production models in localities such as Chattanooga, Atlanta, Seattle, and Montgomery County, MD to understand how social housing models have been implemented elsewhere.
- Developed and tested financial models. Leveraging technical modeling from GPCOG to evaluate how variables such as financing costs, income mix, land value, and subsidy levels affect project feasibility.
- Reviewed local data and project conditions, including city-owned land inventories and the status of approved but unbuilt or stalled housing developments.
- Refined areas of focus, moving from a broad survey of possible approaches toward a more targeted examination of the most viable pathways for Portland.

As the work has progressed, the Task Force has begun to organize itself into more defined areas of inquiry with the intention of forming working groups to deepen analysis during the second half of its charge.

3.2 Areas of Study

The Task Force's work to date has focused on several core areas of study, each of which corresponds to a key dimension of the Council's charge.

- **Social Housing Models (Comparative):** The Task Force reviewed a range of national and international social housing approaches from other municipalities, including publicly owned, mixed-income developments, as well as hybrid models involving public financing and private or nonprofit delivery. Early discussions focused on defining what "social housing" should mean in Portland's context and how it could complement, rather than compete with, existing programs.
- **Financial Modeling and Feasibility:** A central component of the work has been the analysis of financial models to understand the feasibility of different housing scenarios. These models tested the impact of variables including interest rates, hard and soft construction costs, and income targeting. This revealed the significant challenges associated with bringing new projects to viability under current market conditions, specifically where construction and financing cost escalation has outpaced traditional subsidy models.
- **Public Land Analysis:** The Task Force reviewed inventories of City-owned land to assess potential development opportunities, while also examining site-specific constraints such as environmental limitations, existing uses, and regulatory considerations. This analysis helped clarify both the opportunities and limitations of relying on public land as a primary strategy for housing production.
- **Existing Project Pipeline (Stalled Projects):** Recognizing that a number of approved developments have not moved forward, the Task Force examined the local project pipeline. Particular attention was paid to projects that may be delayed or infeasible under current financing conditions, raising the possibility that targeted public intervention acting as gap financing could unlock projects otherwise stalled by recent shifts in the private lending market.
- **Partnership Pathways (Including Portland Housing Authority):** The Task Force explored potential partnerships with existing housing institutions, most notably the Portland Housing Authority (PHA). Discussions focused on how the City might leverage PHA's development experience, operational capacity, and existing project pipeline while contributing financing to enable mixed-income, publicly influenced housing development.

Taken together, these areas of study reflect an approach that is exploratory but also grounded in Portland's financial, regulatory, and institutional landscape.

4. Defining Social Housing

One of the earliest and most important areas of discussion for the Task Force was the question of definition: *what should "social housing" look like in the context of Portland?*

While the Council's resolution provides a general framework, describing social housing as a model in which public entities take an active role in the development and ownership of housing, it does not prescribe a single structure or implementation strategy.

As a result, Task Force members began their work with differing perspectives on what social housing should entail in practice. These differences were surfaced and explored through early discussions and a structured survey of members, which sought to clarify assumptions about public ownership, financial participation, and the role of the City.

4.1 Areas of Convergence and Clarification

Early in its work, the Task Force sought to clarify how members understood the concept of social housing, including the role of public ownership, financing, and long-term stewardship. This was explored through group discussion and a structured survey designed to test assumptions and surface areas of agreement.

While there were differences in emphasis, the survey results indicated a strong underlying alignment among members on several core principles. Across the Task Force, there was broad agreement that social housing should:

- Involve a meaningful public role in shaping housing outcomes, rather than relying solely on private market delivery
- Prioritize long-term and perpetual affordability, rather than time-limited restrictions
- Support mixed-income communities, rather than narrowly targeted or isolated developments; and
- Be structured in a way that is financially sustainable over time, rather than dependent on one-time interventions.

Where differences emerged, they were less about whether the public should play a role, and more about how that role should be structured and operationalized. In particular, members explored the extent to which the City should:

- Retain an ongoing ownership or equity stake in projects
- Act as a financial partner versus a direct developer
- Intervene in existing projects versus initiate new development

These discussions helped clarify that the Task Force was not divided on purpose or direction, but interested in working through the practical design of a model that could balance ambition with feasibility.

4.2 Public Investment as a Lasting Public Asset

As the Task Force worked through these questions, a key point of alignment emerged around the nature of public investment in housing: if the City is to deploy public resources at scale, those investments should be structured to create lasting public value, rather than functioning solely as one-time subsidies.

This principle distinguishes social housing, as understood by the Task Force, from more traditional approaches in which public funds are used to close financing gaps without retaining an ongoing public stake in the resulting asset.

Instead, the Task Force has increasingly coalesced around a model in which public investment is designed to:

- Retain an ownership or equity position, even if partial;
- Support repayment and recapitalization, particularly in the context of bond financing; and
- Enable reinvestment into future housing production, creating a cycle of sustained public impact.

In this framework, the City's role is not to fully assume the responsibilities of a developer or property manager, but to act as a long-term financial and strategic partner, ensuring that public contributions continue to generate public benefit over time.

This approach reflects a practical synthesis of the Task Force's discussions: it avoids both the limitations of one-time subsidy models and the complexity of building a fully municipal development apparatus, while preserving the central principle that public investment should result in ongoing public ownership, influence, and return.

4.3 Emerging Definition

Based on these discussions, the Task Force has begun to converge around a working definition of social housing for Portland:

Social housing is housing in which the public sector plays an active financial and ownership role, ensuring long-term affordability and allowing public investment to be preserved and reinvested over time.

This definition reflects several key principles:

- **Public Investment with Retained Value:**
  Public dollars are not treated solely as subsidy, but as investment structured in a way that allows the City to retain equity, repay capital (such as through bond financing), and redeploy resources into future projects.
- **Shared Ownership, Not Full Municipalization:**
  Social housing does not require the City to fully stand up and operate a comprehensive development and property management entity. Instead, it may involve partial ownership or equity stakes, often in partnership with experienced developers or public housing authorities.
- **Flexibility in Delivery:**
  The model allows for multiple pathways, including new construction, acquisition and rehabilitation, or participation in existing projects, so long as the core principle of ongoing public benefit and ownership is maintained.
- **Distinction from Traditional Subsidy Models:**
  Unlike conventional approaches that rely on one-time subsidies or tax incentives without long-term public return, this model emphasizes recapture, recapitalization, and continuity.

4.4 Implications for the Task Force's Work

This emerging definition has shaped the Task Force's subsequent analysis in several important ways:

- It has focused attention on financing structures, particularly those that allow the City to act as an investor rather than a grant-maker;
- It has elevated the importance of equity participation and long-term stewardship in project design; and
- It has informed ongoing discussions about partnership models, especially with institutions such as the Portland Housing Authority, where ownership and operational responsibilities can be shared.

At the same time, the Task Force recognizes that this definition is still being refined. The second phase of its work will further test how these principles can be translated into specific, implementable models within Portland's legal, financial, and institutional constraints.

5. What We Have Learned So Far

Through its first several months of work, the Task Force has moved from broad exploration to a more grounded understanding of how housing is produced in Portland, and where meaningful intervention may be possible. The findings below reflect recurring themes across financial modeling, case study review, and local analysis.

5.1 The Economics of Housing Production Are the Primary Constraint

The most consistent and consequential finding of the Task Force's work to date is that the economics of housing production, in particular the costs of financing and construction, represent the central barriers to new development.

Through financial modeling exercises, the Task Force examined how variables such as construction costs, income targeting, land value, and financing terms interact to determine project feasibility. These exercises demonstrated that even under highly favorable conditions, including scenarios with reduced or no land cost, limited or no property tax burden, and additional subsidy, projects often fail to "pencil out."

5.2 Public Land Alone Is Not Sufficient to Drive Housing Production

The Task Force examined the potential role of City-owned land as a catalyst for housing development. While public land can reduce project costs and create opportunities for strategic intervention, the analysis made clear that land is only one component of a much larger financial equation.

In many modeled scenarios, even the provision of free land was not sufficient to make a project viable without additional financial intervention. Furthermore, site-specific constraints, including environmental limitations, existing uses, and regulatory considerations, reduce the number of parcels that are realistically available for development.

As a result, while public land remains an important tool, the Task Force finds that it cannot, on its own, address the scale of Portland's housing challenges.

5.3 Financing Represents the Most Effective Municipal Lever

Given the constraints identified above, the Task Force has increasingly focused on financing as the most powerful and scalable lever available to the City. Unlike land use alone, financing tools have the potential to directly influence project feasibility by lowering the cost of capital, reducing risk, or enabling projects that would otherwise not proceed. Mechanisms such as bond financing, low-interest loans, or other forms of public investment can materially shift the financial structure of a project.

This insight has shaped the Task Force's emerging direction: that the City's most effective role may be as a financial partner, rather than solely as a regulator or land provider. In this framing, the City is positioned to unlock housing production at scale, while structuring its participation in a way that preserves long-term public value.

5.4 The Current Housing System Leaves Critical Gaps

The Task Force's work has also reinforced that Portland's existing housing development system, while producing important outcomes, does not fully meet the needs of the community.

In particular, there is a persistent gap in housing options for middle-income and workforce households, who often earn too much to qualify for traditional affordable housing programs, but not enough to access market-rate housing comfortably.

Existing financing tools, including federal and state programs, tend to be structured around specific income thresholds, leaving limited flexibility to address this "missing middle." As a result, the Task Force finds that new models are needed to complement, rather than compete with, existing programs.

5.5 Mixed-Income Development Is Preferred for Long-Term Sustainability

Across its discussions, the Task Force has consistently expressed a preference for mixed-income housing models. From both a social and financial perspective, mixed-income developments offer several advantages:

- They avoid the concentration of poverty associated with single-income developments;
- They create more stable and resilient communities; and
- They can support more sustainable financial structures by balancing different rent levels within a single project.

While deeper affordability remains an important long-term goal, the Task Force has recognized that mixed-income models may represent the most viable and scalable approach for initial implementation, particularly in a high-cost environment.

5.6 Multiple Intervention Pathways Are Viable

Finally, the Task Force has identified that there is no single pathway for public involvement in housing development. Instead, several potential entry points exist, each with distinct opportunities and challenges. These include:

- **Ground-up development**, where the City participates in the creation of new housing on vacant or underutilized land;
- **Acquisition and rehabilitation**, including the purchase and improvement of existing buildings;
- **Intervention in stalled or delayed projects**, where targeted financial support could enable projects that are otherwise unlikely to proceed; and
- **Acquisition of existing housing assets**, potentially removing units from speculative markets and stabilizing them over time.

This range of options suggests that a successful social housing strategy will likely require flexibility in approach, allowing the City to respond to different opportunities as they arise.

Taken together, these findings point toward a consistent conclusion: the City's most effective role in addressing the housing crisis may lie in strategically deployed financial intervention, structured to produce both immediate housing outcomes and long-term public value.

6. Emerging Strategic Direction

Building on the findings outlined above, the Task Force has begun to coalesce around a strategic direction for how the City of Portland might most effectively participate in the development of social housing.

This direction is not yet a final recommendation. Rather, it reflects a set of interrelated concepts that have emerged consistently through the Task Force's analysis and discussions, and which will be further tested and refined during its remaining work.

6.1 Role of the City: Financer vs. Developer

A central question for the Task Force has been the appropriate role of the City in housing development and operations. While some models of social housing involve the creation of a fully public development entity (responsible for land acquisition, construction, and long-term property management), the Task Force has recognized that establishing such an apparatus in Portland would present significant challenges in terms of capacity, cost, and time.

At the same time, the Task Force's analysis suggests that the City already possesses a powerful, and currently underutilized, tool: its ability to finance and structure capital for housing projects**.** As a result, the Task Force is increasingly exploring a model in which the City acts primarily as a financial partner, rather than a direct developer. In this role, the City could:

- Provide capital at more favorable terms than private markets;
- Influence project design, including income mix and long-term affordability; and
- Retain an ownership or equity position that preserves public value over time.

This approach allows the City to intervene at the point of greatest constraint - project financing - while leveraging the expertise of existing development and management entities.

6.2 Bonding as a Primary Tool (Under Evaluation)

Within this emerging framework, bond financing has surfaced as a potentially central mechanism for enabling City participation at scale.

Bonding offers several potential advantages:

- It allows the City to raise significant capital upfront, enabling multiple projects to move forward within a relatively short timeframe;
- It can provide lower-cost financing than is typically available through private lending markets; and
- It aligns with a model in which public investment is repaid over time, supporting recapitalization and reinvestment.

At the same time, the use of bonds introduces important questions related to risk, repayment structures, and long-term fiscal impact. The Task Force has begun exploring these issues, but additional analysis will be required to determine:

- Appropriate bond structures and terms;
- Risk mitigation strategies; and
- The relationship between bond financing and existing City funding mechanisms.

As such, bonding should be understood at this stage as a promising but still evolving tool, central to the Task Force's inquiry but not yet fully defined.

6.3 Partnership with the Portland Housing Authority (PHA)

The Task Force has identified a significant opportunity to advance social housing through partnership with the Portland Housing Authority (PHA).

Unlike many housing authorities nationally, PHA has demonstrated a willingness to explore collaborative models with the City. This presents a unique opportunity to combine PHA's strengths (including development experience, access to federal programs, and long-term property management capacity) and the City's potential role as a source of flexible capital, strategic direction, and public investment.

Through this partnership, it may be possible to:

- Expand or adapt existing PHA projects to include mixed-income components;
- Accelerate redevelopment efforts, including those associated with RAD conversions and other capital improvements; and
- Pilot new models of shared ownership and financing that align with the Task Force's emerging definition of social housing.

The Task Force also recognizes that such a partnership will require careful attention to governance and accountability, particularly where City capital is involved. As a result, further work will be needed to define appropriate structures that ensure alignment between the City and PHA while respecting their distinct roles and authorities.

6.4 Pilot Project Approach

Consistent with guidance from peer jurisdictions and practitioners, the Task Force is increasingly oriented toward a pilot project approach that would:

- Focus on a limited number of initial projects;
- Test key elements of the model, including financing, partnership structures, and income mix; and
- Generate practical experience that can inform future expansion.

This strategy reflects an understanding that social housing is not a single policy decision, but a system that must be built iteratively. Early projects can demonstrate feasibility, build institutional knowledge, and establish public confidence.

At the same time, the Task Force recognizes that even pilot projects must be designed with long-term scalability in mind, ensuring that lessons learned can be translated into a broader, sustainable program.

Taken together, these elements point toward a strategic direction in which the City leverages its financial capacity, partners with existing institutions, and proceeds through targeted implementation, building a model of social housing that is both ambitious and grounded in Portland's realities.

7. Work Remaining

While the Task Force has developed a clearer understanding of the challenges and opportunities associated with social housing in Portland, significant work remains to translate these insights into a fully defined and implementable framework.

The second part of the Task Force's work will focus on deepening analysis in several key areas, with the goal of producing actionable recommendations that are financially sound, legally viable, and operationally feasible.

7.1 Financing and Capital Strategy

Further work is needed to define the structure and implications of potential financing tools, particularly bond financing.

This will include:

- Evaluating different bond structures, including general obligation and revenue bonds;
- Assessing risk exposure and mitigation strategies, including how projects perform under varying market conditions;
- Exploring mechanisms for repayment and recapitalization, ensuring that public investment can be sustained and redeployed over time; and
- Clarifying how new financing tools would interact with existing resources, including the Jill C. Duson Housing Trust Fund and other local or federal programs.

This analysis will be central to determining the scale at which the City can responsibly participate in housing development.

7.2 Development Pathways

The Task Force has identified multiple potential pathways for public involvement in housing production. The next phase of work will further evaluate these options to determine where intervention is most effective. This will include:

- Comparing the feasibility and impact of new construction, acquisition and rehabilitation, and intervention in stalled projects;
- Identifying the conditions under which each pathway is most appropriate; and
- Developing criteria for prioritizing opportunities as they arise.

The goal is to establish a flexible but disciplined framework for how the City engages with different types of projects.

7.3 Partnership Models

Building on early discussions, the Task Force will further define how partnerships - particularly with the Portland Housing Authority - can be structured to support social housing.

This work will include:

- Clarifying roles and responsibilities across partner organizations;
- Identifying opportunities for regional collaboration with other public or quasi-public entities; and
- Developing models for shared ownership and financial participation that align with the Task Force's principles.

Particular attention will be given to ensuring that partnership structures preserve both operational effectiveness and long-term public value.

7.4 Land and Site Strategy

Although land alone is not sufficient to drive housing production, it remains an important component of a broader strategy. The Task Force will:

- Refine the list of viable City-owned parcels, taking into account physical, regulatory, and financial constraints;
- Develop criteria for site selection, including alignment with transit, services, and neighborhood context; and
- Evaluate opportunities for strategic acquisition or repurposing of additional sites, where appropriate.

This work will help ensure that land resources are deployed strategically in support of broader financing and development goals.

7.5 Legal and Institutional Capacity

The implementation of a social housing strategy will require careful evaluation of the City's legal authority and institutional structure.

Key areas of focus include:

- Confirming the City's authority to finance and participate in development, including any constraints under state law or municipal charter;
- Clarifying the role of existing entities, such as the Portland Housing Authority and other quasi-public organizations; and
- Developing a governance and partnership structure ("bridge") to support joint City–PHA projects.

In particular, the Task Force will examine how to establish a formal mechanism—such as board representation, intergovernmental agreements, or other governance tools—that ensures:

- Appropriate oversight of public investment;
- Alignment of project goals and outcomes; and
- Clear decision-making authority and accountability across institutions.

This work is essential to ensuring that any future program is both effective and publicly accountable.

7.6 Community Engagement

Finally, the Task Force will continue to engage with the community to better understand housing needs, priorities, and concerns. This will include:

- Communicating clearly about the concept of social housing and how it differs from existing models;
- Gathering input from residents, stakeholders, and community organizations; and
- Assessing the political and social viability of proposed approaches.

A successful social housing strategy will require not only technical feasibility, but also broad public understanding and support.

Appendix E: Municipal Bonding Options and Social Housing Revolving Fund

Purpose of This Appendix

The Task Force reviewed several ways Portland could finance social housing. The principal municipal bond options differ in borrowing cost, repayment structure, affordability potential, and the financial obligation assumed by the City.

This appendix explains the four municipal bond structures most relevant to Portland, illustrates how each might apply to a social housing project, and describes the proposed Social Housing Revolving Fund.

The case studies are hypothetical. They are intended to illustrate how the financing structures could work and are not final financing proposals. The specific terms and legal requirements of any financing would need to be confirmed by the City's Finance Director, Corporation Counsel, and bond counsel as individual projects are developed.

What Is a Municipal Bond?

A bond is a way of borrowing money.

Instead of borrowing from one bank, the City sells bonds to investors. Those investors may include individuals, pension funds, insurance companies, banks, and other institutions looking for a stable investment.

The investors provide money to the City upfront. In return, the City agrees to repay that money over a set number of years, with interest.

A municipal bond is simply a bond issued by a city, town, state, or other public body. Governments commonly use bonds to pay for expensive, long-lasting public investments such as schools, roads, fire stations, water systems, and other infrastructure.

Bonding allows the City to build something now and spread the cost over the years that the public will use it, rather than paying the entire cost from a single annual budget.

Understanding the Bond Options

Municipal bonds can be divided in two basic ways.

First, a bond may be either a **general obligation bond** or a **revenue bond**.

A general obligation bond is backed by the City's overall revenues and taxing authority. The City remains responsible for repayment even if the project financed by the bond does not generate enough revenue to cover the bond payments.

A revenue bond is repaid primarily from income generated by the project being financed. The amount that can be borrowed therefore depends on the project's ability to generate enough income to pay its operating costs, maintain reserves, and make the required bond payments.

Second, either type of bond may be **tax-exempt** or **taxable**.

Investors generally accept a lower interest rate on tax-exempt bonds because the interest they receive is exempt from federal income tax. That usually makes tax-exempt bonds less expensive for the City. Taxable bonds generally cost more but may offer greater flexibility in ownership, and use of proceeds.

For social housing, the central question is which financing structure best supports the City's goals for ownership, affordability, income mix, and long-term public value.

1. Tax-Exempt General Obligation Bonds

A tax-exempt general obligation bond is backed by the City's overall credit and taxing authority. The City promises to repay investors whether or not the financed property generates enough revenue to cover the bond payments.

Because the City stands behind the debt and the interest is exempt from federal income tax, this structure would ordinarily provide the lowest borrowing cost among the options reviewed.

For the program model considered by the Task Force, City ownership and tax-exempt general obligation financing provide the most direct route to low-cost capital. Federal rules would govern how the proceeds could be spent and how the financed property could be used.

Illustrative Portland case study: The two initial pilot models

Portland issues tax-exempt general obligation bonds to finance City-owned housing through either of the two pilot models recommended by the Task Force.

At **0 Cornell Street,** the City would own the land, finance the development, and own the completed housing. PHA, PHDC, or another qualified entity could be retained to develop and manage the property.

For the **PHA additive-units** pilot, the City would use tax-exempt general obligation bonds to finance and own additional rental units within a larger PHA development or redevelopment. PHA would develop and manage the coordinated project, while the City-owned portion would be established through a separate legal ownership structure.

Under either model, rental income would support property operations, maintenance, utilities, reserves, and an appropriate portion of the bond payments. General City revenues could support the remaining debt service because the housing would be treated as a long-lived public asset.

After the City-owned housing had met its operating, reserve, capital, and debt-service requirements, available financial returns would be deposited into the Social Housing Revolving Fund, subject to applicable law and the bond documents.

Advantages

- Usually provides the lowest borrowing cost available to the City.
- Uses Portland's overall credit rather than relying solely on the financial performance of one property.
- Creates greater room for lower rents because the project does not necessarily have to repay its full construction cost through rental income.
- Aligns directly with City ownership and retention of long-term public value.
- Allows the Council to determine that housing provides a public benefit worthy of support through general revenues.

Considerations

- The City is responsible for repayment regardless of project performance.
- The property and use of proceeds must comply with federal tax-exemption requirements.
- Larger borrowing amounts may require voter approval.
- The borrowing becomes part of the City's overall debt obligations and must be considered alongside other capital needs.

Best suited for

City-owned housing where permanent affordability and the lowest feasible rents are central goals, particularly when the project would not generate enough rental income to repay its entire capital cost.

2. Taxable General Obligation Bonds

A taxable general obligation bond is also backed by the City's overall credit and taxing authority. The difference is that investors must pay federal income tax on the interest they receive, so they generally require a higher interest rate.

Taxable GO bonds may be useful when a project does not meet federal tax-exemption requirements or when the City needs more flexibility in how the money is used, who owns the property, or how private and nonprofit partners participate.

Illustrative Portland case study: Acquisition with a development partner

Portland identifies an existing apartment building that could be acquired and preserved as mixed-income housing. The proposed ownership or partnership arrangement does not satisfy the requirements for tax-exempt borrowing.

The City issues taxable general obligation bonds to finance the acquisition and rehabilitation. The City might own the property directly or hold an ownership interest through another lawful structure.

Rental income supports operations and contributes to debt service, while the City remains responsible for repayment of the bonds. Any revenues or refinancing proceeds available after the project's obligations are met would return to the Social Housing Revolving Fund.

Advantages

- Offers greater flexibility in ownership, partnership arrangements, and use of proceeds.
- May finance activities or projects that do not qualify under federal tax-exemption rules.
- Is backed by the City's credit and therefore does not depend entirely on project income.
- Could support acquisition, rehabilitation, mixed-use development, or projects with substantial partner participation.

Considerations

- Carries a higher interest rate than tax-exempt GO debt.
- The City remains responsible for repayment.
- Higher financing costs may require higher rents, greater subsidy, or a smaller project.
- Larger borrowing amounts may require voter approval.

Best suited for

Projects where ownership, use, or partnership arrangements require greater flexibility and the benefits of that flexibility justify the higher borrowing cost.

3. Tax-Exempt Revenue Bonds

A revenue bond is repaid primarily from income generated by the project rather than from the City's general revenues and taxing authority.

Because investors rely on project revenue for repayment, the project must generally produce enough income to cover operating costs, maintain required reserves, and make its bond payments. The amount that can be borrowed is determined through financial underwriting of the project.

A tax-exempt revenue bond may offer a lower interest rate than taxable project financing, but it remains subject to federal tax requirements.

Illustrative Portland case study: Self-supporting mixed-income development

Portland develops a larger mixed-income rental project expected to generate enough revenue to support its full operating and financing costs.

The development includes a range of rents, including enough higher-rent or market-rate units to produce the income required by bond investors. The revenue bonds are repaid from the property's rental income and secured by the project rather than by the City's full taxing authority.

Because the property must support its own debt, there may be less flexibility to reduce rents or serve lower-income households unless the City contributes land, grants, or another form of subsidy.

Only revenue remaining after operations, reserves, capital needs, and bond payments are satisfied would be available for deposit into the Social Housing Revolving Fund.

Advantages

- May provide a lower interest rate than taxable project-based financing.
- Ties repayment primarily to project revenue rather than the City's general tax base.
- Can be appropriate for larger mixed-income developments with sufficient rental income.
- May limit the City's general financial obligation compared with a general obligation bond.

Considerations

- The project must generate enough income to pay operating costs, reserves, and debt service.
- Underwriting requirements may limit the amount that can be borrowed.
- The need to support debt service may require more higher-rent or market-rate units.
- There may be less flexibility to reduce rents or serve lower-income households without additional subsidy.
- Federal tax-exemption requirements still apply.

Best suited for

Mixed-income developments capable of supporting substantial debt from their own rental income, especially where the City wishes to limit reliance on general revenues.

4. Taxable Revenue Bonds and Other Project-Based Financing

Taxable revenue bonds are also repaid from project income, but the interest received by investors is taxable. They would therefore generally carry a higher interest rate than tax-exempt revenue bonds.

Taxable project-based financing may permit greater flexibility in ownership, income mix, commercial uses, and participation by development partners.

Illustrative Portland case study: Mixed-use housing with market-rate income

A proposed development includes rental housing together with commercial space, market-rate apartments, or a partnership structure that does not qualify for tax-exempt financing.

The project obtains taxable revenue bonds or another project-based loan. The debt is secured by the property and repaid from rents and other project income.

The development would need enough market-rate or higher-rent income to satisfy investors or lenders. Achieving deeper affordability might require a larger City subsidy, contributed land, or another source of public support.

Any financial return to the City or the Social Housing Revolving Fund would occur only after the project's operating expenses, reserves, and debt obligations were satisfied.

Advantages

- Offers greater flexibility in ownership, income mix, commercial uses, and private participation.
- Keeps repayment closely tied to the individual project.
- May be useful for developments with substantial market-rate income or commercial revenue.
- Can support projects that do not qualify for tax-exempt financing.

Considerations

- Generally carries a higher interest rate.
- The project must generate sufficient revenue to repay the debt.
- Higher financing costs and underwriting requirements may reduce the number of below-market units the project can support.
- Additional public subsidy may be needed to achieve deeper affordability.

Best suited for

Projects with a significant market-rate component, commercial income, or another reliable revenue source sufficient to support project-based debt.

5. Social Housing Revolving Fund

The Task Force recommends that the Council establish a dedicated Social Housing Revolving Fund as part of the social housing program.

The Fund would create a distinct and durable source of capital dedicated to social housing. It may be capitalized when the program is established or built over time through a combination of public resources and financial returns from individual projects.

The Fund could receive Council appropriations, grants, permitted bond proceeds, repayments, project revenues, refinancing proceeds, and other financial returns generated by the program. Its resources would remain dedicated to the preservation, development, and expansion of City-owned social housing.

After each property meets its operating, maintenance, reserve, capital, and debt-service requirements, available revenues and other financial returns should be deposited into the Fund and reinvested in existing or future social housing.

Initial capitalization and use of the Fund

The Task Force recommends that the Council establish a dedicated Social Housing Revolving Fund as part of the Social Housing Program.

The Fund would create a distinct and durable source of capital dedicated to social housing. It may be capitalized when the program is established or built over time through a combination of public resources and financial returns from individual projects.

The Fund could receive Council appropriations, grants, permitted bond proceeds, repayments, project revenues, refinancing proceeds, and other lawful resources. Its resources would remain dedicated to the preservation, development, and expansion of social housing.

After each property meets its operating, maintenance, reserve, capital, and debt-service requirements, available revenues and other financial returns should be returned to the Fund and reinvested in existing or future social housing.

Initial Capitalization and Use of the Fund

The Task Force recommends that the City evaluate meaningful initial capitalization of the Fund through tax-exempt general obligation bonds. Upfront capitalization could provide a dependable source of capital for multiple projects and allow the City to plan and act across a longer time horizon rather than assembling financing independently for each opportunity. The Council could also capitalize the Fund through appropriations, grants, transfers, project repayments, and other lawful public resources.

A larger initial capitalization could allow the City to advance projects as suitable opportunities arise, subject to the requirements governing the particular funding source and any necessary Council or voter authorization. The appropriate size, structure, and timing of any initial capitalization should be developed with the Finance Director, Corporation Counsel, and bond counsel.

The Fund could support predevelopment, site acquisition, environmental work, construction, rehabilitation, publicly owned units within larger developments, and capital needs of existing social housing. The precise treatment of bond proceeds, repayments, project revenues, and future uses will depend on the source of the funds and the structure of the projects being financed.

The Fund should remain distinct from the Jill C. Duson Housing Trust Fund. The Housing Trust Fund supports a broader range of affordable-housing projects and ownership models. The Social Housing Revolving Fund would be dedicated specifically to the development, preservation, and expansion of social housing.

6. Why the Task Force Recommends Tax-Exempt General Obligation Bonds First

Each municipal bond structure reviewed by the Task Force may be useful for a different kind of project.

Revenue bonds and other project-based financing may work well for developments that include enough market-rate or higher-rent income to cover operating expenses and repay their construction debt. Taxable financing may be appropriate when a project requires greater flexibility in ownership, use, or partnership structure.

For Portland's initial social housing program, however, tax-exempt general obligation bonds provide the strongest overall financing value.

The City's credit and the federal tax exemption should produce the lowest interest rate among the options considered. Lower borrowing costs mean that less project income must be devoted to financing costs, leaving more room for lower rents, a broader income mix, additional units, or a reduced need for other subsidy.

City ownership and tax-exempt general obligation financing reinforce one another. Public ownership and use support access to the least expensive municipal financing. That lower-cost financing, in turn, makes it more practical for the City to own the housing, preserve affordability, and retain the equity and long-term value created through the investment.

The recommendation for City ownership is therefore both a public-policy choice and a practical financing strategy. It combines permanent affordability and municipal equity with the lowest expected borrowing cost available to Portland.

General obligation financing also allows the Council to evaluate housing as a long-lived public asset rather than requiring each property to recover its full construction cost through rent. That flexibility is particularly important when the goal is to reach households that cannot afford newly constructed market-rate housing.

This does not mean that every future social housing project should use tax-exempt general obligation bonds. Different projects may call for different financing tools. For the initial program and pilot projects, however, tax-exempt general obligation financing offers the clearest route to achieving the greatest housing benefit from each public dollar invested.

E-1. Comparison of Financing Options for Social Housing

The following tables summarize the broader range of financing options reviewed by the Task Force. They illustrate how different structures may affect borrowing cost, borrowing capacity, City obligation, ownership, affordability requirements, and project flexibility.

Financing Type	Size Limits	Approval Process	Ownership	Illustrative Rate	Potential Uses	Affordability Requirements	Liability
Tax Exempt General Obligation	Bonding Limit: 0.05% of Current State Valuation ($10,140,315 : 2026) Spending Limit: 0.075% of Current State Valuation ($15,210,487 : 2026) Total combined amount of tax payer funds in any one project	Council Approval	Full municipal ownership, or other governmental entity	4.50%	Capital Improvement that the Council deems important and beneficial	None: set by Council	Full Liability
Tax Exempt General Obligation	Maxamium to be determined by staff and experts. Amount would impact overall bond rating and analysis for City	Voter Approval	Full municipal ownership	4.50%	Capital Improvement that the Council deems important and beneficial	None: set by Council	Full Liability
Tax Exempt Revenue	Determined by underwriting process; higher loan to value or lower debt service coverage ratio will increase interest rate	Council Approval	Full municipal ownership	5.00%	Capital Improvement that generates revenue that the Council deems important and beneficial	None: set by Council	Can be limited to the revenue generating asset
Tax Exempt 501(c)3	Determined by underwriting process; higher loan to value or lower debt service coverage ratio will increase interest rate; also financial strength of sponsor organization. Maximum of $100,000,000 per non-profit.	501c3 board approval	501c3 ownership	5.60%	Allowed by IRS / Treasury guidelines; improvements that further tax exempt mission	IRS Safe Harbor: 20% at 50% AMI, no less than 25% at greater than 80% AMI	Full Liability to 501c3 or limited to single purpose entity
Taxable General Obligation	Bonding Limit: 0.05% of Current State Valuation ($10,140,315 : 2026) Spending Limit: 0.075% of Current State Valuation ($15,210,487 : 2026) Total combined amount of tax payer funds in any one project	Council Approval	Any entity	5.25%	Capital Improvement / Investment deemed important by Council	None: set by Council	Full Liability
Taxable General Obligation	Maxamium to be determined by staff and experts. Amount would impact overall bond rating and analysis for City	Voter Approval	Any entity	5.25%	Capital Improvement / Investment deemed important by Council	None: set by Council	Full Liability
Taxable Revenue	Determined by underwriting process; higher loan to value or lower debt service coverage ratio will increase interest rate	Council Approval	Any entity	6.50%	Capital Improvement that generates revenue that the Council deems important and beneficial	None: set by Council	Can be limited to the revenue generating asset
MaineHousing Tax Exempt (private activity)	Loan to Value and Debt Service Coverage limits; there is probably an upper bound size limit	Borrowing entity (Council, Board, etc.)	Any entity	5.50%	Multifamily housing	20% at 50% AMI or 40% at 60% AMI	Full liability to borrower and guarantor
MaineHousing Taxable	Loan to Value and Debt Service Coverage limits; there is probably an upper bound size limit	Borrowing entity (Council, Board, etc.)	Any entity	6.00%	Multifamily housing	20% at 50% AMI or 40% at 60% AMI	Full liability to borrower and guarantor
MaineHousing 501c3, Governmental			501c3 or governmental	5.50%	Multifamily housing	20% at 50% AMI or 40% at 60% AMI; plus IRS safe harbor limits	Full liability to borrower and guarantor
Agency Loan (Fannie, Freddie, etc.)	Loan to Value and Debt Service Coverage limits	Borrowing entity (Council, Board, etc.)	Any entity	6.50%	Multifamily housing	None: set by Council	Limited to single purpose entity borrower
Bank Loan	Loan to Value and Debt Service Coverage limits; larger the loan the fewer bank partners will be able to do it	Borrowing entity (Council, Board, etc.)	Any entity	7.00%	Multifamily housing	None: set by Council	Depends

E-2. How Interest Rates Affect Borrowing Capacity Per Unit of Housing

This table shows how lower-cost borrowing can finance substantially more of the cost of each unit without increasing the annual debt payment. In this illustration, a 4.5% tax-exempt general obligation bond supports about **$58,000 more borrowing per unit** than financing at 6.5%. That can reduce the amount that must come from rents, City subsidy, or other sources, and can make it possible to build more housing with the same resources.

Financing Type	Illustrative Rate	Annual 1BR Debt Service	Debt Constant	Modeled Borrowing Capacity	Difference vs. 6.5% Agency Loan
Tax Exempt General Obligation	4.50%	$13,500	0.0539	$250,243	$58,085
Tax Exempt Revenue	5.00%	$13,500	0.0579	$233,307	$41,150
Tax Exempt 501(c)3	5.60%	$13,500	0.0627	$215,273	$23,116
Taxable General Obligation	5.25%	$13,500	0.0599	$225,509	$33,352
Taxable Revenue	6.50%	$13,500	0.0703	$192,158	$0
MaineHousing Tax Exempt (private activity)	5.50%	$13,500	0.0619	$218,120	$25,963
MaineHousing Taxable	6.00%	$13,500	0.0660	$204,466	$12,308
MaineHousing 501c3, Governmental	5.50%	$13,500	0.0619	$218,120	$25,963
Agency Loan (Fannie, Freddie, etc.)	6.50%	$13,500	0.0703	$192,158	$0
Bank Loan	7.00%	$13,500	0.0746	$181,034	$-11,124

Appendix F: 0 Cornell Street Pilot

A City-Owned Parcel for Potential Social Housing Development

The Task Force reviewed more than 30 City-owned parcels as part of its search for an appropriate first social housing development opportunity. Staff screened the properties for factors including parcel size, zoning, housing capacity, location, infrastructure, topography, land cover, and other development constraints. That broader site review is documented in Appendix H.

0 Cornell Street emerged as the Task Force's preferred initial City-owned pilot because it combines direct City ownership, residential zoning, a manageable development scale, and a relatively straightforward ownership structure. The site also has known environmental conditions that require further investigation and may require substantial remediation. The Task Force therefore recommends Cornell Street as a project-development pilot, subject to environmental, engineering, financial, and legal due diligence.

Parcel and Location

The property is identified in City records as 0 Cornell Street, CBL 151A A013001. It is accessed from Cambridge Street off University Avenue. City records identify the parcel as approximately 135,227 square feet, or 3.10 acres.

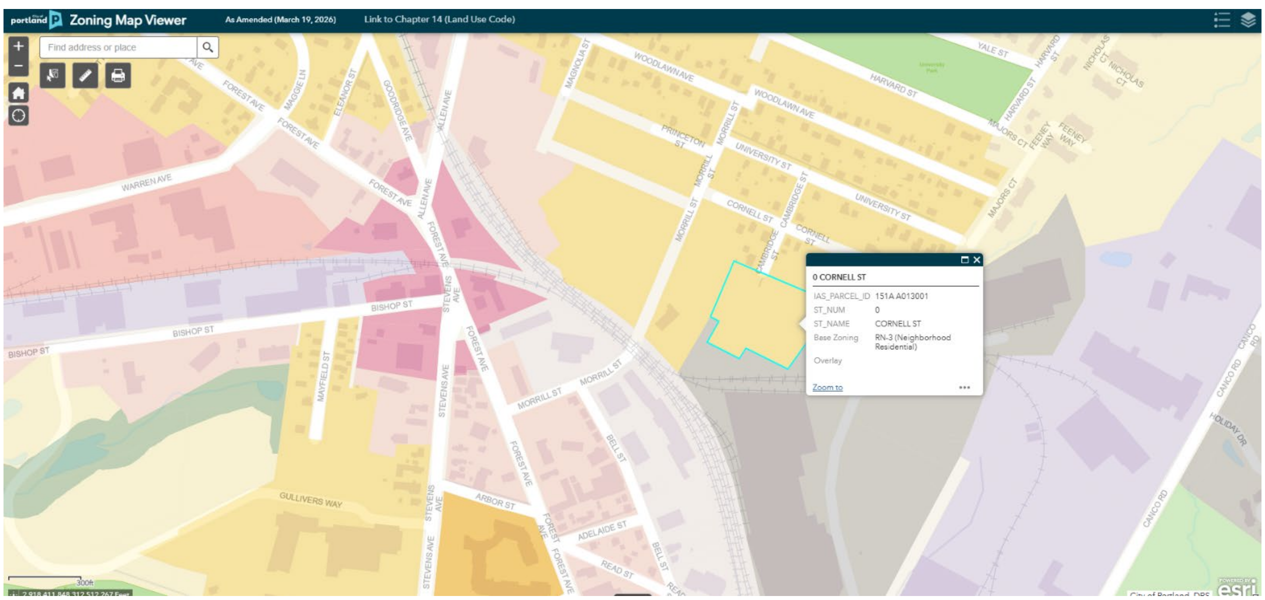

Figure 1. 0 Cornell Street parcel shown in the City of Portland Zoning Map Viewer.

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Zoning

The property is located in the RN-3 residential zone, a medium-density residential district found primarily in off-peninsula neighborhoods. Recent state-law and local-code provisions affecting housing density may allow greater residential development than the base zoning would otherwise permit.

Based on preliminary review with the City's Zoning Administrator, a concept consisting of four 10-unit buildings may be feasible under applicable density provisions, subject to subdivision approval, extension of the roadway, compliance with dimensional standards, and full land-use review. This conclusion is preliminary and should be confirmed during project development.

Environmental Considerations

The site has known environmental concerns associated with the former Burt Company property. The property has been identified in federal and state environmental records and has been the subject of prior Maine Department of Environmental Protection Voluntary Response Action Program (VRAP) applications. A 2008 report identified arsenic and lead contamination, including lead-contaminated soils remaining on a southern portion of the Cornell Street property. Redevelopment may therefore require significant environmental investigation and remediation. Brownfields or other environmental funding may be available to offset some of these costs, but the environmental conditions remain a significant project risk that must be evaluated during the next phase.

Preliminary Project Concept

The preliminary concept tests a 40-unit social housing development made up of four 10-unit apartment buildings, with a mix of one-, two-, and three-bedroom homes. The illustrative unit mix includes 16 one-bedroom apartments, 12 two-bedroom apartments, and 12 three-bedroom apartments.

For purposes of the preliminary financial analysis, the concept assumes that 50% of the units serve households at approximately 80% of area median income (AMI) and 50% serve households at approximately 100% AMI. This is an illustrative assumption, not a final recommended income mix. The Task Force recommends an initial focus on households between 80% and 100% AMI, while preserving flexibility to adjust the mix during project development based on housing need, available financing, and project feasibility.

The preliminary massing study below illustrates one possible site configuration. The design has not been developed beyond this conceptual stage.

Figure 2. Preliminary massing study illustrating four 10-unit buildings and a possible public right-of-way extension.

Preliminary Pro Forma

The Task Force considered a preliminary hypothetical financial analysis to test the basic feasibility of the concept. The analysis is not based on final plans or specifications, and its assumptions have not been validated through formal market, construction-cost, engineering, or underwriting review.

The preliminary analysis estimates a total development cost in the range of approximately $14 million to $15 million and models roughly $700,000 in annual net operating income. The analysis assumes that the project would be financed primarily through City-issued debt. The Task Force recommends tax-exempt general obligation bonds as the starting financing structure for the Cornell Street pilot because they are expected to provide the lowest-cost municipal capital. Grants, environmental-remediation funding, or other lawful resources could supplement City bond financing where available. The final capital structure, debt-service contribution from project revenues, and any use of general City revenues would be determined during project development and approved by the Council.

Illustrative financial pro forma prepared for Task Force discussion; assumptions are preliminary and subject to revision.

Hypothetical Social Housing Financial Pro Forma

Building Details	
Number of Apartment Units	40
Floorplate Efficiency	85%
Building Square Feet	35,529

Unit Mix	% of Units	Units	Sf/Unit
Studio	20%	0	400
1-Bed	40%	16	500
2-Bed	30%	12	800
3-Bed	10%	12	1,050

Income (%AMI) Mix	
60%	0%
80%	50%
100%	50%

2025 Maximum Rents (from City of Portland website)	Studio	1-Bed	2-Bed	3-Bed
60%	$1,168	$ 1,362	$ 1,558	$ 1,753
80%	1,558	1,817	2,077	2,337
100%	1,947	2,272	2,596	2,921

Units by Type by Income	AMI		
	60%	80%	100%
Studio	0	0	0
1-Bed	0	8	8
2-Bed	0	6	6
3-Bed	0	6	6

Sources & Uses

Uses (Development Costs)			
Land			
Architecture & Engineering	15	psf	532,941
Developer Fee			500,000
Interest Carry			797,201
Construction	320	psf	11,369,412
Contingency	5%		659,978
	Total Uses		13,859,532

Sources (Funding)			
Jill Duson Trust Fund			572,850
Bond Financing	96%	TDCs	13,286,682
Other Grants			
			13,859,532

Debt Terms	
Loan	
Amount	$ 13,286,682
Amortization (years)	40
Rate	4.00%
Debt Constant	$0.05
Payment (Monthly)	($55,530)
Payment (Annual)	666,362
DSCR	1.10

Pro Forma Income			
Rent Income			$1,107,594
Vacancy/Credit Loss		7%	($77,532)
Net Revenue			$1,030,062

Operating Expenses			
Property Taxes			-
Insurance			30,000
Electric			70,000
Water/Sewer	42	pu/pm	20,160
Maintenance & Repai	60	pu/pm	28,800
Routine Maintenance			24,000
Turnover Expense			15,000
Snow and Landscaping			8,000
Trash Removal			4,000
Legal & Accounting			5,000
Capital Reserve			20,000
Prop Mgmt		7%	72,104
	Total Opex		297,064
Net Operating Income			**$732,998**
Debt Service			666,362
Cash Flow			**$66,636**

Figure 3. Hypothetical Social Housing Financial Pro Forma prepared for Task Force discussion.

Note: *The site plan, unit mix, development cost, rents, operating assumptions, and financing shown here are preliminary and illustrative. They were developed to test whether a City-owned social housing project at Cornell Street is sufficiently plausible to warrant further project development. They are not final plans, construction estimates, underwriting, or Council authorizations.*

Appendix G

Pilot Model Two: City-Owned Additive Units in a Portland Housing Authority Development

Purpose of the Pilot

The Task Force recommends testing a second social housing model in partnership with the Portland Housing Authority (PHA): the use of City financing to add City-owned rental units to an otherwise independently financed PHA development or redevelopment.

Under this model, PHA would continue to use the federal, state, and affordable-housing financing tools available to it to produce deeply affordable housing. The City would use its own financing capacity to build additional units within the same overall development, serving income levels that PHA's existing financing may not readily reach.

The purpose is not to substitute City resources for Low-Income Housing Tax Credits (LIHTC), Project-Based Vouchers, MaineHousing resources, or other existing affordable-housing programs. Rather, it is to use City financing to add housing those programs would not otherwise produce, while making fuller use of land and development opportunities already under public control.

The resulting development could therefore contain two complementary forms of public housing:

- PHA-owned housing financed through LIHTC, HUD, MaineHousing, and other established programs, generally serving lower-income households; and
- City-owned social housing financed principally through municipal bonds, initially focused on workforce and moderate-income households.

The components would be developed as a coordinated project but legally structured so that their ownership and financing remained separate.

Why PHA Is a Natural Partner

PHA brings substantial development, financing, and property-management experience that the City does not currently maintain internally. In information provided to the Task Force, PHA stated that it can serve as developer, co-developer, owner, co-owner, property manager, or technical partner depending on the project. PHA also indicated that it presently has capacity to undertake one or two additional pilot projects.

PHA identified LIHTC as its primary and most reliable current production tool, while noting that LIHTC allocations are competitive and that the layering of multiple financing sources adds cost and complexity. PHA also identified City financing, land contribution, infrastructure investment, and below-market financing as potential ways the City could complement its existing work.

Importantly, PHA reported that some properties in its portfolio have already been developed to their current zoning capacity, while other PHA-controlled properties have the potential for hundreds of additional units under existing zoning. This creates a particular opportunity for collaboration: City capital could help capture housing potential that otherwise may remain unused because of limitations in traditional affordable-housing financing.

879 Congress Street as a Case Study

The Task Force used PHA's proposed development at 873–879 Congress Street to examine how a City–PHA partnership might work.

PHA's current project is a seven-story mixed-use development containing 54 one-bedroom apartments and ground-floor commercial space. The site is located in the B-2b Community Business District. PHA has pursued the project primarily through conventional affordable-housing financing, including 9% LIHTC equity, permanent debt, Affordable Housing Program funds, and other subsidy sources.

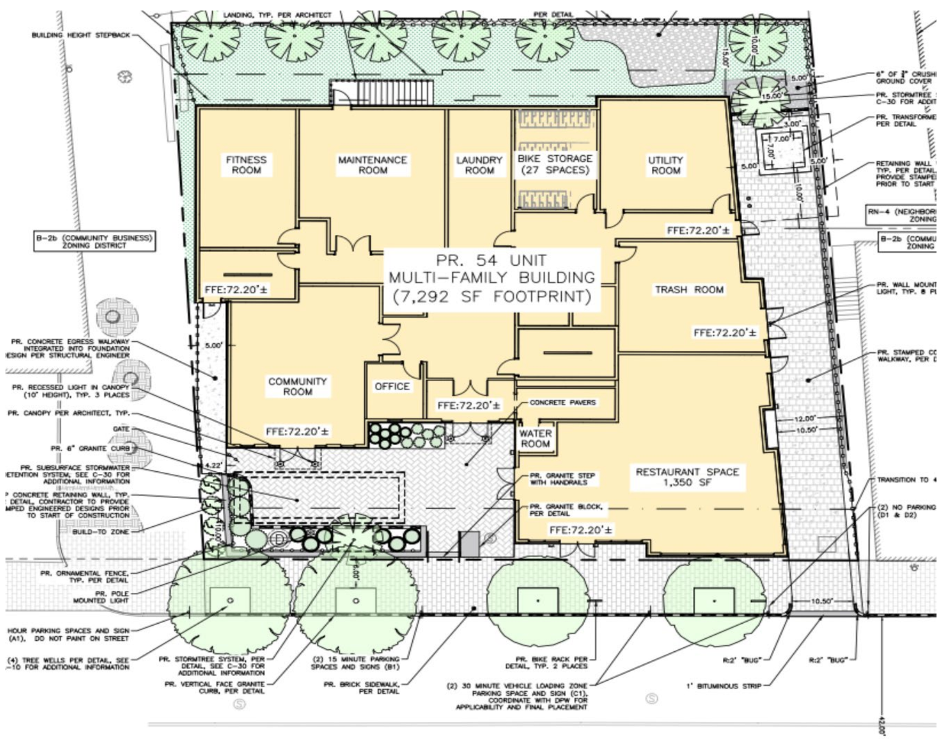

Figure G-1. Overall site plan, 879 Congress Street. The Task Force used this 54-unit PHA/PHDC development as a case study for exploring how City-financed social housing might be incorporated into a future PHA project. The site plan illustrates the compact urban development context in which the partnership concept was examined. Source: City of Portland Planning Board Report, July 28, 2026.

When PHA presented the project to the Task Force in April 2026, staff also prepared an alternative pro forma to test what the project might look like without LIHTC. For purposes of that exercise, all 54 apartments were modeled at 80% AMI rents; LIHTC equity and several other subsidy sources were removed; certain City and MaineHousing-related costs were removed; and the project was assumed to carry a 4% interest-only loan.

Under those assumptions, the model produced approximately $100,000 in first-year positive cash flow and supported approximately $15.7 million in interest-only debt. However, the project still had an estimated capital gap of approximately $5.8 million.

The Task Force does **not** propose that the City replace LIHTC financing for the entire Congress Street development. Instead, the exercise helped demonstrate both the potential and the limitations of municipal financing when used by itself. The Task Force ultimately identified a different and potentially more useful application of City bonding: adding City-owned units alongside, rather than replacing, PHA's existing affordable-housing financing.

The Condominium Concept

Congress Street also helped illustrate how two financing and ownership systems could coexist in one development.

During development of the project, PHA itself considered separating a portion of the building into a distinct condominium ownership component containing workforce units. This approach was intended to separate units subject to LIHTC requirements from units serving a higher income range.

A similar legal structure could be used for social housing.

In this context, **"condominium" refers to the legal division of ownership within a single development; it does not mean individually owned condominium apartments.** The building would remain rental housing.

For example, one condominium component could be owned by PHA or a PHA affiliate and contain the units financed through LIHTC and other PHA resources. A second condominium component could be owned by the City and contain the additional units financed through City bonds. Common areas, building systems, land rights, insurance, reserves, maintenance, and other shared responsibilities would be addressed through the condominium documents and project agreements.

The entire property could nevertheless be designed, constructed, operated, and experienced by residents as a single mixed-income rental community.

The Additive-Unit Test

The central question for this pilot is not whether City financing can replace PHA financing. It is:

Can City financing allow a PHA development to build more housing than PHA's existing financing would otherwise support?

A future project-development analysis should begin with a PHA project as it would ordinarily be built and ask:

1. How many units can PHA finance through LIHTC, HUD, MaineHousing, Project-Based Vouchers, and other available resources?
2. How much additional residential development is permitted by the site's zoning, building envelope, infrastructure, and building code?
3. What is the largest practical addition that can be achieved without moving the project into a substantially more expensive construction system or otherwise undermining project feasibility?
4. What would it cost to construct those additional units as part of the same development?
5. What income mix and rents could those units support?
6. How much tax-exempt City general obligation bond financing would be required?
7. What portion of the debt service could be supported by project revenues, and what portion, if any, would require additional public support?
8. What ownership, land, development, management, and shared-facility agreements would be required to preserve clear City ownership and accountability?

This analysis would produce the actual number of City-owned additive units for a selected project.

An Illustrative Development Structure

The Task Force has intentionally not assigned a hypothetical number of additive units to 879 Congress Street because the architectural, zoning, building-code, financing, and cost analysis necessary to support such a number has not been completed.

The model can nevertheless be illustrated conceptually:

PHA Component

PHA or a PHA affiliate would:

- control or contribute the development site;
- finance an agreed number of deeply affordable units using LIHTC and other existing resources;
- own its portion of the completed development; and
- potentially serve as developer and property manager for the entire project.

City Social Housing Component

The City would:

- authorize tax-exempt general obligation bonds for the incremental cost attributable to additional housing;
- own the units financed with those bonds;
- establish the income and affordability requirements for the City-owned units; and
- retain the long-term financial value associated with those units as a public asset.

The initial City-owned component would generally target households around 80% to 100% of AMI, with flexibility to establish a broader mixed-income range where necessary for feasibility or identified housing need.

Why Additive Units Matter

This model responds to one of the central findings of the Task Force: different public housing tools solve different parts of Portland's housing problem.

LIHTC and federal housing programs are indispensable tools for producing deeply affordable housing. The Task Force does not recommend diverting City bonding capacity to replace resources that are already serving that purpose.

Municipal financing can instead be used to expand what those programs can accomplish.

Where PHA controls a site capable of supporting additional density, the City could effectively purchase the additional development capacity for the public. Instead of leaving allowable housing unbuilt because a LIHTC award, voucher allocation, or other funding source supports only part of a site's potential, City financing could enable the larger project to be constructed from the outset.

This produces several potential benefits:

- more total housing on publicly controlled land;
- no reduction in the deeply affordable units PHA would otherwise build;
- workforce and moderate-income housing integrated with deeply affordable housing;
- shared development, construction, and management efficiencies;
- permanent City ownership of the additional housing;
- use of PHA's existing development and management expertise rather than creation of a duplicate City development bureaucracy; and
- a model that could be repeated as PHA redevelops other properties.

What Congress Street Establishes, and What It Does Not

879 Congress Street is useful because the Task Force and PHA have already used an actual development to explore financing, ownership, rents, development costs, and mixed-income structures. It also illustrates the kind of setting in which a mixed-income City–PHA partnership could be especially valuable. The site is on a major transit corridor, immediately adjacent to Maine Medical Center, and in a dense, walkable part of the city; those characteristics make it well suited to housing serving a broader range of incomes, including moderate- and workforce-

income households who may not be reached through traditional deeply subsidized housing programs.

Figure G-2. Approved building elevation, 879 Congress Street. The Congress Street project served as a real-world case study for exploring financing, ownership, rents, development costs, and mixed-income structures in a potential City–PHA partnership. Its location on a major transit corridor adjacent to Maine Medical Center also illustrates the kind of setting where City-owned workforce housing could complement deeply affordable PHA housing. Source: City of Portland Planning Board Report, July 28, 2026.

At the same time, Congress Street has limits as a pilot. The project has already advanced substantially through planning and financing. Its current design may not contain sufficient remaining physical or financial capacity to accommodate a meaningful City-owned addition without redesign, delay, or increased construction costs.

For that reason, the Task Force recommends that Congress Street be treated as the **case study and immediate test opportunity**, rather than making successful implementation of this model dependent upon that particular property.

If the City and PHA determine that additional units can still practicably be incorporated at Congress Street, the project could become the first pilot. If its design, financing, or development schedule has advanced too far, the same analysis should be applied to the next appropriate PHA development or redevelopment.

Potential future opportunities identified during the Task Force's work included PHA redevelopment in East Bayside, including Kennedy Park and Bayside East, and other PHA-controlled properties with remaining housing potential.

Information Required to Advance the Pilot

The City and PHA should jointly identify a project and prepare a project-specific development analysis addressing:

Development capacity

- existing PHA unit program;
- maximum units and building envelope permitted by zoning;
- practical building envelope under applicable construction and fire codes;
- incremental units achievable without materially changing the project's construction economics;
- infrastructure and site constraints.

Financial feasibility

- incremental hard and soft costs attributable to City-owned units;
- allocation of shared construction costs;
- realistic operating expenses and reserve requirements;
- proposed income and rent mix;
- bond amount and debt-service schedule;
- project revenues available for debt service;
- any required complementary City contribution; and
- long-term treatment of operating surpluses, refinancing proceeds, or other financial returns.

Ownership and agreements

- land or ground-lease structure;
- condominium or other ownership structure;
- development agreement;
- allocation of construction risk;
- shared-building and common-area agreement;
- management agreement;
- insurance and reserve obligations;
- affordability requirements;
- capital-replacement responsibilities; and
- governance and long-term oversight.

What the Pilot Would Demonstrate

The Cornell Street pilot asks whether Portland can finance and own a standalone mixed-income housing development on City land.

This pilot asks a different question:

Can Portland use its financing capacity and ownership to increase the amount and range of housing produced through an existing public housing development system?

If successful, the model could become an ongoing partnership mechanism through which the City examines PHA's future development pipeline, identifies projects with unused development capacity, and determines whether City-owned social housing can be added before those opportunities are designed and financed away.

The value of the pilot therefore extends beyond a single building. It would establish the legal, financial, development, and management framework necessary for the City and PHA to repeatedly combine their respective strengths: PHA's development expertise and access to deeply affordable housing resources, and the City's ability to raise low-cost capital and hold housing permanently as a municipal asset.

Appendix H: Development Opportunities Reviewed

As part of its work, the Task Force reviewed two categories of potential housing-development opportunities: City-owned land that might support new housing, and development projects that had received land-use approval but had not advanced to construction. These reviews were intended to identify where municipal intervention might be useful, not to designate every property reviewed as a future social housing site.

A. City-Owned Land

The Task Force began with an inventory of City-owned property prepared from City records. The purpose was to determine whether Portland already owned land that could support an initial social housing project without requiring land acquisition.

Properties were screened for factors including existing public use, parcel size and configuration, zoning and likely housing capacity, environmental constraints, wetlands and conservation restrictions, infrastructure, topography, and practical development potential. City staff presented the broader inventory in January 2026, after which approximately eight parcels were identified for closer review. Several sites proved constrained by size, configuration, existing uses, wetlands, conservation restrictions, or other development limitations.

Through this review, 0 Cornell Street emerged as the strongest candidate for an initial City-owned pilot. The City already owns the property, its zoning appears capable of supporting a modest multifamily development, and its ownership structure is relatively straightforward. Preliminary work examined a concept of approximately 40 units.

Cornell Street is not yet proven feasible. Environmental due diligence remains necessary and remediation may be required before development can proceed. The site nevertheless provided the Task Force with a useful opportunity to develop and evaluate a direct City-owned social housing model. Other City-owned properties may warrant consideration as the program develops.

Supporting document: City-Owned Land List prepared for the Task Force's January 2026 review.

B. Approved Projects Not Advanced to Construction

The Task Force also reviewed development projects that had received land-use approval but had not advanced to construction. Staff compiled this information from data used for the City's Housing Dashboard through the third quarter of 2025.

The review was intended to explore whether City financing or other public involvement might help move already-approved housing toward construction. It also reinforced an important finding: land-use approval alone does not produce housing; financing and project feasibility remain significant barriers between approval and construction.

The Task Force did not recommend beginning the Social Housing Program by acquiring or restructuring a stalled private development. Existing ownership, financing, lenders, approvals, and other project-specific complications made these projects less suitable as initial pilots. They may nevertheless present future opportunities where public investment could help create additional housing or preserve a project that would otherwise not advance.

Supporting document: Development Projects with Land-Use Approval That Had Not Advanced to Construction.

Supporting document: City-Owned Land List prepared for the Task Force's January 2026 review.

CBL	Street Address	Zoning	Known Major Concerns		
211 B003001	1928 CONGRESS ST	RN1		Topography	
112 G004001	12 DEERFIELD RD	RN3			
151A A013001	0 CORNELL ST	RN3			
428 C007001	563 WASHINGTON AVE	RN3			
058 A025001	32 SALEM ST	RN4		Topography	
148 C001001	143 READ ST	RN3			
402 B010001	0 LORING AVE	RN3			
275 C049001	91 RIGGS ST	RN3			
261 B055001	111 ROWE AVE	RN1			
261 B017001	0 TERRACE AVE	RN1			
275 C051001	87 RIGGS ST	RN3			
209A A014001	1956 CONGRESS ST	RN1	Land Cover	Topography	
013 K005001	0 SUMNER CT	RN4		Topography	
275 C029001	0 LOMOND ST	RN3			
083B E001001	0 DIAMOND AVE	IR2	Land Cover	Topography	
340 L017001	1315 FOREST AVE	RN1	Land Cover		
345 B005001	157 PLYMOUTH ST	RN1	Land Cover		
083B F007001	0 DIAMOND AVE	IR1	Land Cover	Topography	
269 B004001	56 HOLM AVE	RN3			
083B K001001	0 PARK AVE	IR2	Land Cover	Topography	
402 J001001	0 ASH ST	RN3	Land Cover	Topography	
352 D018001	284 PALMER AVE	RN1	Land Cover	Topography	
334 A015001	0 PALMER AVE	RN1	Land Cover	Topography	
166 B014001	21 RANDALL ST	RN3			Water/Sewer Line
126 G003001	56 CLIFTON ST	RN3			Water/Sewer Line
192 K032001	192 WOLCOTT ST	RN3			Water/Sewer Line
402 B011001	0 THURLOW ST	RN3	Land Cover		Water/Sewer Line
385 B027001	200 LAMBERT ST	RN1		Topography	Water/Sewer Line
261 G009001	0 HILLCREST AVE	RN1	Land Cover	Topography	
402 E008001	0 GERTRUDE AVE	RN3	Land Cover		Water/Sewer Line
160 D020001	60 ROSEDALE ST	RN3	Land Cover	Topography	Water/Sewer Line
300 E039001	148 COMMONWEALTH DR	RN1		Topography	Water/Sewer Line
296 A006001	0 WARREN AVE	RN1	Land Cover	Topography	Water/Sewer Line
085 V006001	238 SEASHORE AVE	IR1	Land Cover	Topography	Water/Sewer Line
283 B053001	86 DENNETT ST	RN1	Land Cover	Topography	Water/Sewer Line

Supporting document: City-Owned Land List prepared for the Task Force's January 2026 review.

CBL	Main Address	PF Address	[Project Name or] Description	Site Plan Application ID	Site Plan Approval Date (if Applicable)	Status	Number of Units Approved	Total # of Affordable Units	Total # of Low Income Affordable (0-80%	Total # of Workforce Affordable (80-120% AMI)	# of Affordable Units (RENTAL)	RENTAL Workforce Affordable (80-100% AMI)	RENTAL Low Income Affordable (0%-80%	#of Affordable Units (OWNER)	OWNER Workforce Affordable (80-120% AMI)	OWNER Low Income Affordable (0%-80%	Market Rate Units	# of Market Rate Units (RENTAL)	# of Market Rate Units (OWNER)	# of IZ units
029 L0030	203 FORE	203 Fore Street	Jordan's Meats Redevelopment	2012-491	8/14/2012	Expired	18	0	0	0	0	0	0	0	0	0	18	0	18	[redacted]
028 I0060	167 NEWB	167 Newbury Street	Newbury Lofts	2012-540	9/11/2012	Expired	19	0	0	0	0	0	0	0	0	0	19	0	19	[redacted]
025 B0030	SOMERSE	59 Somerset Street	Subdivision	2014-203	3/3/2015	Expired	440	0	0	0	0	0	0	0	0	0	440	440	0	[redacted]
044 B0060	161 YORK STREET	161 York Street	York St Redevelopment	2016-261	2/28/2017	Expired	11	0	0	0	0	0	0	0	0	0	11	0	11	0
013 G0120	221 CONGRES	221 Congress Street	221 Congress Street	2016-260	4/6/2017	Expired	17	0	0	0	0	0	0	0	0	0	17	0	17	0
045 E0210	SPRING	197 Spring Street	197 Spring Street	2017-061	5/9/2017	Expired	7	0	0	0	0	0	0	0	0	0	7	0	7	[redacted]
135 E0080	510 STEVENS	510 Stevens Avenue	510 Stevens	2017-283	3/13/2018	Expired	3	0	0	0	0	0	0	0	0	0	3	3	0	[redacted]
016 J0060	24 ST. LAWRENCE STREET	24 St. Lawrence Street	HR Property Mgt	2017-242	7/24/2018	Expired	5	0	0	0	0	0	0	0	0	0	5	0	5	[redacted]
020 C0090	86 NEWBU	86 Newbury Street	Shipyard Redevelopment	000045-2018	9/25/2018	Approved with Conditions	10	1	0	1	1	1	0	0	0	0	9	9	0	1
344 E0060	300 ALLEN	300 Allen Avenue	Allen Ave - Mixed use, Estelle	000012-2018	9/25/2018	Expired	12	1	0	1	0	0	0	1	1	0	11	0	11	1
016 E0160	57 ST. LAWRENC	57 St. Lawrence Street	57 St. Lawrence	000525-2019	8/13/2019	Expired	16	1	0	1	1	1	0	0	0	0	15	15	0	1
026 F0080	CUMBERL	263 Cumberland Avenue	(89 room lodging	000748-2019	10/8/2019	Expired	0	0	0	0	0	0	0	0	0	0	0	0	0	[redacted]
040 B0080	PLEASAN	32 Pleasant Street	Condos	000932-2019	3/10/2020	Expired	3	0	0	0	0	0	0	0	0	0	3	0	3	[redacted]
293 D0140	844 STEVENS	844 Stevens Avenue	844 Stevens Avenue	000961-2020	7/21/2020	Expired	20	0	0	0	0	0	0	0	0	0	20	20	0	0
327 B0040	1844 FOREST	1844 Forest Avenue	1844 Forest	000975-2020	2/9/2021	Expired	17	2	0	2	2	2	0	0	0	0	15	15	0	2
016 F0250	30-32 ATL	30-32 Atlantic Street	30-32 Atlantic Street	001667-2021	12/14/2021	Approved with Conditions	4	0	0	0	0	0	0	0	0	0	4	4	0	[redacted]
015 B0150	37 MONTR	37 Montreal Street	19 Willis Street	000807-2019	12/14/2021	Approved with conditions	12	1	0	1	0	0	0	1	1	0	11	0	11	0
118 A0030	387 & 405	387 & 405 Deering Avenue	387 Deering Ave	001495-2021	2/22/2022	Expired	8	0	0	0	0	0	0	0	0	0	8	8	0	[redacted]
036 H0030	94 PORTLA	94 Portland Street	94 Portland Street	001845-2021	3/22/2022	Approved with Conditions	4	0	0	0	0	0	0	0	0	0	4	4	0	[redacted]
013 D0020	26 E. OXFO	26 East Oxford Street	26 E. Oxford Street	001837-2021	7/12/2022	Approved with Conditions	6	0	0	0	0	0	0	0	0	0	6	6	0	[redacted]
053 A0110	31 FOREST	31 Forest Street	31 Forest Street	002018-2022	1/24/2023	Approved with Conditions	3	0	0	0	0	0	0	0	0	0	3	3	0	[redacted]
012 P0270	385 CONG	385 Congress Street	385 Congress Street	002156-2022	2/14/2023	Approved with conditions	9	0	0	0	0	0	0	0	0	0	9	0	9	[redacted]
032 U003	185 COMM	185 Commercial Street	185 Commercial Street	002235-2022	2/28/2023	Approved with conditions	4	0	0	0	0	0	0	0	0	0	4	0	4	[redacted]
190 K0100	73 POWSL	73 Powsland Street	Street	001808-2021	4/11/2023	Conditions	9	0	0	0	0	0	0	0	0	0	9	0	9	[redacted]
027 A015	465 CONG	465 Congress Street	465 Congress Street	PL-002411-2023	5/23/2023	Approved with conditions	63	0	0	0	0	0	0	0	0	0	63	63	0	0
037 D002	511 CONG	511 Congress Street	Creation of Dwelling Unit	PL-002419-2023	6/13/2023	Approved with conditions	107	27	0	27		27	0	0	0	0	80	80	0	27
053 F0060	15 CRESCE	15 Crescent Street	15 Crescent Street	2023	12/12/2023	Conditions	5	0	0	0	0	0	0	0	0	0	5	0	5	[redacted]
037 F0220	477 CONG	477 Congress Street	Street	2023	12/12/2023	Conditions	140	40	0	40	40	40	0	0	0	0	100	100	0	40
056 C0020	64 PINE ST	64 Pine Street	TBD	PL-002678-2024	5/14/2024	Conditions	9	0	0	0	0	0	0	0	0	0	9	0	9	[redacted]
142 B015	985 FOREST	985 Forest Avenue	985 Forest Avenue	PL-002918-2024	9/10/2024	Approved with Condit	18	5	0	5	5	5	0	0	0	0	13	13	0	5

033 H009(	50 Cedar S	50 Cedar Street	Oxford Street	002885-2024	1/14/2025	Approved with Condit	24	0	0	0	0	0	0	0	0	0	24	24	0	6
026 A001(	158 Lanca:	158 Lancaster Street	Phase 3 of 197 Oxford Street Phased Site Plan	002885-2024	1/14/2025	Approved with Condit	24	0	0	0	0	0	0	0	0	0	24	24	0	6
201 A005(	125 Thom	125 Thompson's Point	Point	003090-2024	2/25/2025	Approved with Condit	255	0	0	0	0	0	0	0	0	0	255	255	0	0
010 D001(	165 Washi	165 Washington Avenue	Avenue	003143-2024	2/25/2025	Approved with Condit	325	82	82	0	82	0	82	0	0	0	243	243	0	82
033 M001	PREBLE	61 Preble Street	61 Preble Street	PL-003222-2025	6/24/2025	Approved	217	0	0	0	0	0	0	0	0	0	217	217	0	55
299 D011(	29 BELFOR	29 Belfort Street	TBD	PL-003161-2024	7/8/2025	Approved	50	13	0	13	13	13	0	0	0	0	37	37	0	13
044 B006(	161 YORK	161 York Street	161 York Street	PL-003412-2025	10/28/2025	Approved with Condit	6	0	0	0	0	0	0	0	0	0	6	0	6	0
032 I0400	45 UNION	45 Union Street	45 Union Street	PL-003157-2024	12/9/2025	Approved with Condit	73	0	0	0	0	0	0	0	0	0	73	0	73	0
136 E0060	583 STEVE	65 McAuley Way - Building	TBD	001649-2021	1/25/2022	Conditions	28	0	0	0	0	0	0	0	0	0	28	0	28	3
136 E0060	583 STEVE	65 McAuley Way - Building	TBD	001649-2021	1/25/2022	Approved	42	0	0	0	0	0	0	0	0	0	42	0	42	5
018 A001(	58 FORE S	58 Fore Street	Ph. 2	2022	9/12/2023	Conditions	396	25	0	25	25	25	0	0	0	0	371	159	212	25
167 E0010	95 FRONT	95 Front Street	Street (PHA):	000672-2019	7/23/2019	Conditions	8	6	0	6	0	0	0	6	6	0	2	0	2	
022 I0030(	STREET	47 Boyd Street	47 Boyd Street	008001-2019	11/12/2019	Expired	3	3	3	0	3	0	3	0	0	0	0	0	0	
033 K009(	337 CUMB	337 Cumberland Avenue	Avenue	001140-2020	9/15/2020	Expired	60	48	48	0	48	0	48	0	0	0	12	12	0	
385 A001(	165 LAMB	165 Lambert Street	Lambert Woods	002078-2022	2/28/2023	conditions	90	90	0	90	0	0	0	90	90	0	0	0	0	0
124 J0050(	186 WOOI	202 Woodford Street	186 Woodford Street	PL-002753-2023	5/28/2024	Approved with Condit	46	46	46	0	46	0	46	0	0	0	0	0	0	0
124 J0050(	186 WOOI	186 Woodford Street	186 Woodford Street	PL-002753-2023	5/28/2024	Approved with Condit	51	51	51	0	51	0	51	0	0	0	0	0	0	0
022 H001(	OXFORD	70 East Oxford Street (AKA	TBD	PL-002845-2024	7/9/2024	Approved with Condit	55	50	50	0	50	0	50	0	0	0	5	5	0	0
016 F001(	ATLANTIC	42 Atlantic Street	42 Atlantic Street	2024	7/30/2024	Approved with Condit	30	30	30	0	30	0	30	0	0	0	0	0	0	0
046 D017(	ST	156 High Street	156 High Street	2024	8/13/2024	Approved with Condit	31	31	31	0	31	0	31	0	0	0	0	0	0	0
033 K010(	CUMBERL	331 Cumberland Avenue	Avenue	2024	8/13/2024	Approved with Condit	60	48	48	0	48	0	48	0	0	0	12	12	0	0
026 B018(	Oxford	197 Oxford Street	Oxford Street	002885-2024	1/14/2025	Approved with Condit	48	48	48	0	48	0	48	0	0	0	0	0	0	0
022 H001(	70 EAST O	9 Boyd Street - Phase 3	Phase 2	PL-003283-2025	5/27/2025	Approved	27	27									0	0	0	
022 H001(	70 EAST O	9 Boyd Street - Phase 2	9 Boyd Street - Phase 2	PL-003283-2025	5/27/2025	Approved	92	82									10	10	0	
217 A010(	1877 CON(	1877 Congress Street	TBD	PL-003020-2024	7/22/2025	Approved	156	78	0	78	0	0	0	78	78	0	78	26	52	39
269 B001(	1125 BRIG	1125 Brighton Avenue	TBD	PL-003379-2025	8/12/2025	Approved	50	50	47	3	50	3	47	0	0	0	0	0	0	0

(grey)	Affordable Projects
(yellow)	Site Plans associated with Master Development Plans (MDPs), which have extended approval timeframes
(orange)	Recent Approvals (Do not exceed average or median time for site plans to receive building permit approval
(blue)	Site Plans that exceed average and median timeframe from site plan approval to building permit issuance

Appendix I: Draft Council Resolution

CITY OF PORTLAND
IN THE CITY COUNCIL

RESOLUTION ACCEPTING THE SOCIAL HOUSING TASK FORCE FINAL REPORT, ENDORSING A FRAMEWORK FOR A SOCIAL HOUSING PROGRAM AND REVOLVING FUND, AND INITIATING NEXT STEPS FOR TWO INITIAL PILOT MODELS

WHEREAS, Portland is experiencing a sustained housing shortage affecting residents across a broad range of incomes; and

WHEREAS, the City Council established the Social Housing Task Force to develop a framework for government-led housing that prioritizes permanent affordability, environmental sustainability, inclusivity, mixed-income communities, and long-term public value; and

WHEREAS, the Task Force conducted financial modeling, comparative research, site review, and consultation with housing practitioners, Portland Housing Authority representatives, City staff, and bond counsel; and

WHEREAS, the Task Force found that construction and financing costs are principal barriers to housing production and that public land alone is generally insufficient to make projects financially feasible; and

WHEREAS, existing City housing resources and programs are valuable but are not sufficient to meet Portland's housing need at the scale required, making additional financing and production capacity necessary; and

WHEREAS, the Task Force found that the City's ability to issue debt and provide lower-cost capital is one of Portland's strongest tools for increasing housing production; and

WHEREAS, the City currently supports housing affordability through grants, loans, tax incentives, land contributions, and other subsidies, but generally does not retain ownership of the resulting housing; and

WHEREAS, City ownership can allow public investment to create a lasting municipal asset, preserve affordability permanently, retain public equity and long-term value, and support future housing production; and

WHEREAS, the Task Force recommends that the City act principally as financer and owner while contracting with qualified entities for development and property management; and

WHEREAS, the Task Force identified a City-owned development at 0 Cornell Street and City-owned additive units within an appropriate Portland Housing Authority development or redevelopment as the most direct and practical initial pilot models;

NOW, THEREFORE, BE IT RESOLVED, that the Portland City Council accepts the Final Report of the Social Housing Task Force; and

BE IT FURTHER RESOLVED, that the City Council desires to establish the City of Portland Social Housing Program as an ongoing municipal housing program for permanently affordable, mixed-income rental housing owned by the City of Portland; and

BE IT FURTHER RESOLVED, that the Council endorses the following principles to guide development of the proposed Social Housing Program:

1. housing financed through the program should be owned by the City of Portland;

2. affordability should be maintained for the useful life of the property;

3. projects should initially target mixed-income rental housing serving households around 80% to 100% of area median income, while retaining flexibility to respond to housing needs and project feasibility;

4. projects should add to Portland's housing-production capacity by creating additional units, making fuller use of development opportunities, serving income levels not adequately reached, preserving housing at risk, or providing another measurable public benefit that would not otherwise occur;

5. qualified partners may develop and manage the housing under agreements protecting City ownership and public accountability;

6. project income should first support operations, maintenance, reserves, capital needs, and applicable debt obligations;
7. after meeting those requirements, available revenues, repayments, refinancing proceeds, and other financial returns should remain dedicated to the Social Housing Program and be reinvested in the preservation, development, and expansion of City-owned social housing; and
8. projects should advance environmental sustainability, resilience, accessibility, and inclusivity.

BE IT FURTHER RESOLVED, that the City Council desires to establish a dedicated Social Housing Revolving Fund through which financial value generated by the Social Housing Program can be retained and reinvested in the preservation, development, and expansion of City-owned social housing; and

BE IT FURTHER RESOLVED, that the Council requests preparation, for subsequent Council consideration, of an ordinance substantially implementing the program framework recommended in the Final Report and establishing the City of Portland Social Housing Program and Social Housing Revolving Fund. The proposed ordinance should provide for the ongoing nature and purpose of the program, administration of the Revolving Fund, appropriate program oversight, and annual reporting to the City Council; and

BE IT FURTHER RESOLVED, that the Council identifies the following two initial pilot models for further project-development work and intends that they serve as the first implementation phase of the proposed Social Housing Program:

1. a City-owned mixed-income rental development at 0 Cornell Street, based preliminarily on a concept of approximately 40 units; and
2. City-financed and City-owned additive rental units within an appropriate Portland Housing Authority development or redevelopment, using 879 Congress Street as an immediate model and possible project if its timeline permits.

BE IT FURTHER RESOLVED, that the Council requests that the City Manager identify the appropriate staff, professional team, departmental assignments, procurement approach, and resources necessary to carry out a time-limited project-development phase for the two initial pilot models and the proposed ongoing program, and return with any appropriation requests or other Council actions needed to undertake that work; and

BE IT FURTHER RESOLVED, that, subject to any required appropriations and other Council authorizations, the project-development work should:

1. complete the environmental, geotechnical, title, zoning, and site analysis required for 0 Cornell Street;
2. prepare updated project concepts, cost estimates, pro formas, income mixes, and development schedules for Cornell Street;
3. identify an appropriate PHA development or redevelopment, using 879 Congress Street as an immediate model and possible project, and develop the proposed scope and structure of City-owned additive units;
4. prepare the MOUs, development agreements, ownership documents, shared-facility agreements, management agreements, and affordability provisions required for the pilots;
5. prepare tax-exempt general obligation bond financing proposals for each pilot model, together with any appropriate complementary financing sources;
6. identify the amount of borrowing that may be authorized by the Council and any amount that would require voter ratification;
7. recommend the staffing, contracted expertise, underwriting, property-management, asset-management, and administrative capacity necessary to operate the Social Housing Program on an ongoing basis, including any resources that should be presented to the Council through future budget or appropriation requests;
8. recommend a repeatable process for identifying, evaluating, financing, and advancing future City-owned social housing projects after the initial pilots;
9. develop recommendations concerning the administration and permitted uses of the Social Housing Revolving Fund and the lawful use of bond proceeds, appropriations, grants, repayments, project revenues, or other public resources to provide initial or future capitalization; and

10. identify the principal project-specific feasibility issues and the measures necessary to address them.

BE IT FURTHER RESOLVED, that the Council requests a report back no later than [DATE] with the actions necessary to move the proposed program and initial pilots forward, including:

- a proposed ordinance establishing the Social Housing Program and Social Housing Revolving Fund, consistent with the Final Report and this Resolution;
- a complete development and financing recommendation for each pilot;
- proposed ownership and management structures;
- updated sources and uses and proposed tax-exempt general obligation bond amounts;
- projected taxpayer impacts and any required appropriations;
- required Council orders or other authorizations;
- recommendations for ongoing program administration, staffing, professional capacity, and asset management;
- recommendations for administration and capitalization of the Social Housing Revolving Fund;
- a process for maintaining a pipeline of future City-owned social housing opportunities; and
- if applicable, proposed voter referendum language.

BE IT FURTHER RESOLVED, that the Council intends the proposed Social Housing Program to be an ongoing municipal housing program and does not intend completion or financing of any single project to constitute completion of the program. The two initial pilot models are intended to establish the practical, financial, legal, and administrative framework from which additional City-owned social housing can be developed and stewarded over time; and

BE IT FURTHER RESOLVED, that the project-development phase is intended to advance the two recommended pilot models and prepare the legislative, financial, administrative, and project-specific actions needed to implement the Task Force's recommendations, not to conduct a new general study of social housing models or restart the selection of initial pilots.

Appendix J: U.S. Social Housing and Public Housing-Production Models Reviewed

Purpose of This Appendix

The Task Force reviewed a range of U.S.-based public housing-production and ownership models to understand how other jurisdictions are using public financing, public land, housing-authority capacity, revolving funds, and development partnerships to produce permanently affordable, mixed-income housing.

The Task Force began with a comparative Social Housing Matrix summarizing the status, structure, funding, and notable features of programs in the United States and abroad. It then reviewed two broader studies of emerging U.S. models: The Emerging Spectrum of Government-Led and Publicly-Owned Housing Development Models, an October 2024 policy brief by Claudia Aiken, Matthew Murphy, and Hayley Raetz of the NYU Furman Center; and Interest Group Politics in U.S. "Social Housing" Experiments, a 2025 master's thesis by Zachary Davidson in the Massachusetts Institute of Technology's Department of Urban Studies and Planning. These materials allowed the Task Force to compare how different jurisdictions use public financing, ownership, housing authorities, and development partnerships.

The programs vary considerably. Some are established and have completed projects; others have only recently been authorized, remain under development, or exist as legislative proposals and feasibility studies. Some create a new public development entity; others work through an existing housing authority or nonprofit affiliate. Financing approaches include municipal bonds, revolving construction funds, dedicated taxes, federal housing programs, and combinations of public and private capital.

The Task Force did not seek to reproduce any one model. It reviewed these examples to identify elements that could be adapted to Portland's scale, legal authority, borrowing capacity, housing needs, and existing relationship with the Portland Housing Authority.

1. Mixed-Income Development Supported by Public Capital

The NYU Furman Center policy brief, The Emerging Spectrum of Government-Led and Publicly-Owned Housing Development Models, describes a group of emerging programs in which public entities use revolving funds or other public investment to finance part of the construction of mixed-income housing. The public financing generally replaces higher-cost private capital and may secure an ownership or equity interest for the public entity. These projects commonly include market-rate units whose rents help support units affordable to households earning approximately 50% to 80% of area median income.

Montgomery County, Maryland: Housing Production Fund

Montgomery County's Housing Opportunities Commission established a bond-funded Housing Production Fund to provide lower-cost construction financing for mixed-income developments. The fund was initially capitalized through two $50 million bond issuances supported by the County Council.

The fund provides short-term construction financing that is repaid when a project converts to permanent financing. The returned principal and interest can then be used for another project. The Housing Opportunities Commission expects the fund to revolve approximately every five years and retains majority ownership in the housing produced through the model.

The Task Force considered Montgomery County an important proof of concept for using public borrowing to create a revolving source of lower-cost capital while retaining a long-term public ownership interest.

Relevance to Portland: Montgomery County informed the Task Force's interest in establishing a Social Housing Revolving Fund and in structuring public investment so that repayments and financial value can support future housing.

Atlanta, Georgia: Atlanta Urban Development Corporation

Atlanta created the Atlanta Urban Development Corporation as a nonprofit subsidiary of its housing authority. Its emerging model is similar to Montgomery County's and combines revolving public capital with public land, City financial support, tax benefits, and the development capacity of existing public agencies.

Atlanta's model relies on partnerships rather than requiring the municipal government to perform all development functions internally.

Relevance to Portland: Atlanta demonstrates how a city can combine its financial capacity with an existing housing authority and outside development partners.

Chicago, Illinois: Green Social Housing Revolving Fund

Chicago approved a Green Social Housing Revolving Fund intended to support mixed-income housing through publicly backed revolving capital. At the time of the Task Force's review, the program had recently been approved and had not completed a project.

The Social Housing Matrix prepared for the Task Force described it as an independent nonprofit structure supported through a bond-seeded revolving fund.

Relevance to Portland: Chicago shows that revolving social housing funds are being considered in several U.S. cities, while also illustrating the difference between an authorized program and a model with a completed operating history.

Chattanooga, Tennessee: Invest Chattanooga

Chattanooga established a municipally seeded revolving investment fund associated with a nonprofit subsidiary of its housing authority with an initial $20 million municipal commitment.

The fund is intended to provide low-interest, subordinate financing covering up to approximately 25% of a project's cost and to function partly as a public equity investment.

Relevance to Portland: Chattanooga demonstrates how public capital can fill a financing gap while qualified outside partners continue to perform development and construction functions.

Colorado: Affordable Housing Financing Fund

Colorado's Affordable Housing Financing Fund uses a dedicated state income-tax set-aside to support public investment in mixed-income housing. Unlike a fund that depends principally on loan repayments, the Colorado model has an ongoing public revenue source.

The NYU Furman Center policy brief also describes a renter wealth-building component under which potential returns on the public investment may be distributed to residents.

Relevance to Portland: Colorado illustrates an alternative approach in which a housing-investment fund is supported by a dedicated recurring revenue stream rather than solely by the repayment of project loans.

2. Public Housing Redevelopment and Expansion

A second group identified in the NYU Furman Center policy brief uses existing public housing authorities and federal programs to renovate or replace public housing and add units. The report examines Boston, Cambridge, and Hawaii as examples using Faircloth-to-RAD and related federal assistance while retaining a public ownership interest.

Boston Housing Authority

Boston has used the development capacity of its housing authority, federal rental assistance, local resources, and private development partners to redevelop public housing and add new units.

The model focuses primarily on preserving and expanding deeply affordable housing, although some developments may include higher-rent units to support the project's financing.

Relevance to Portland: Boston demonstrates the value of using an experienced housing authority to coordinate federal programs, public ownership, and outside development partners.

Cambridge Housing Authority

Cambridge has used Faircloth-to-RAD together with LIHTC and other resources to support public housing redevelopment. The Cambridge Housing Authority has developed substantial expertise and also provides development and preservation assistance to other Massachusetts housing authorities.

Relevance to Portland: Cambridge illustrates how a housing authority can provide development capacity as well as long-term ownership and management.

Hawaii Public Housing Authority

Hawaii has pursued the redevelopment and expansion of existing public housing through Faircloth-to-RAD, federal assistance, and mixed-income development.

These efforts seek to preserve deeply affordable units, add housing, and retain public involvement in ownership and management.

Relevance to Portland: Hawaii demonstrates how land already controlled by a housing authority may be used more intensively when federal subsidies, local investment, and mixed-income development are coordinated.

These housing-authority examples are particularly relevant to Portland's proposed additive-units model. Portland's concept differs, however, because the City would use its own financing to add City-owned workforce units to a larger PHA development rather than relying solely on federal public housing programs.

3. Long-Standing Fully Affordable Models

The Task Force also reviewed established models that produce fully affordable housing without relying on a substantial market-rate component. The NYU Furman Center policy brief identifies Dakota County, Minnesota, and Idaho's The Housing Company as examples.

Dakota County, Minnesota: Community Development Agency

The Dakota County Community Development Agency has developed relatively small, fully affordable senior-housing properties since the 1980s.

The agency uses tax-exempt bonds supported by a general obligation pledge from Dakota County. It also receives revenue from a dedicated property-tax levy. Bond debt and operating revenue are managed across a larger portfolio, allowing the agency to spread financing, maintenance, and capital needs across multiple properties.

The agency's senior-housing program does not rely on LIHTC, providing greater flexibility in project design and use of resources.

Relevance to Portland: Dakota County illustrates the long-term value of building a portfolio of publicly controlled housing and the potential role of dedicated public revenue in supporting operations and debt.

Idaho: The Housing Company

The Housing Company is a nonprofit created by Idaho's housing finance agency. It has developed a substantial portfolio of fully affordable housing using LIHTC and other public resources.

Its large portfolio and accumulated expertise allow it to support new development and manage investments across multiple properties.

Relevance to Portland: The Housing Company demonstrates the advantages of specialized development and management capacity. It also reinforced the Task Force's decision to design Portland's program as complementary to existing affordable-housing development, using separate municipal financing and focusing on needs that are not adequately served through limited LIHTC resources.

4. Independent Public Development Authorities and Emerging Proposals

The Task Force reviewed several newer models centered on creating a new public development authority or establishing a statewide or local social housing program. Many of these efforts remain in their early stages.

Seattle, Washington: Seattle Social Housing Developer

Seattle voters created an independent public development authority to acquire, develop, own, and operate permanently affordable, mixed-income housing.

The model includes dedicated public funding and resident participation in governance. At the time of the Task Force's initial comparison, the authority had been created but had not completed a housing project.

Relevance to Portland: Seattle demonstrates the possibilities of a stand-alone public social housing authority. Portland did not select this approach because PHA and PHDC already possess development and property-management capacity that could be used through project-specific agreements.

California State and Local Initiatives

California has considered several statewide social housing bills and public development proposals. Zachary Davidson's 2025 MIT thesis, Interest Group Politics in U.S. "Social Housing" Experiments, also discusses local work in Los Angeles and San Francisco.

Some statewide proposals advanced only as study legislation or pilot proposals, while others did not become law. San Francisco conducted feasibility work and developed illustrative financial models for a possible local social housing program.

Relevance to Portland: California's experience shows that creating a large new statewide public development structure may require substantial legislative and political work before housing is produced. It also demonstrates the value of local financial modeling and smaller pilot projects.

Massachusetts

Massachusetts has considered bond-supported housing investment and a potential revolving financing program. At the time of the Task Force's review, the concept remained prospective and had not developed into an established production program.

Relevance to Portland: Massachusetts illustrates the potential for state bonding to support housing investment, but it also reinforced the Task Force's focus on implementation. In a housing crisis, authorization and proposed funding matter only if they lead to viable projects, completed construction, and homes people can actually occupy.

Rhode Island and Providence

Providence offers a useful example of a city using bond proceeds to support housing production. Its approach demonstrates that municipal bonding can provide housing resources at a scale that annual appropriations alone may not achieve.

Rhode Island also has legal tools that do not translate directly to Portland, including redevelopment authorities with bonding powers and a tax-stabilization structure that differs from Maine's tax increment financing system.

Relevance to Portland: Providence shows that a city can use bonding as a meaningful housing-production tool. Portland should adapt that lesson to the financing authority available here, particularly its own general obligation bonding capacity.

New York

Zachary Davidson's MIT thesis identifies several New York initiatives, including proposals for a statewide social housing development authority and the approval of two $50 million revolving loan funds.

At the time of the research, the revolving funds had advanced further than the proposal for a new statewide development authority.

Relevance to Portland: New York demonstrates that a revolving financing mechanism can be established without first creating a large new public development agency.

San Francisco, California

San Francisco conducted a feasibility study and developed illustrative project pro formas for a possible locally funded social housing program. The comparative Social Housing Matrix prepared for the Task Force described a potential $62 million revolving fund, but the program remained theoretical at the time of review.

Relevance to Portland: San Francisco demonstrates the usefulness of detailed financial modeling but also the distinction between studying a program and implementing one.

Kingston, New York

Kingston was identified as exploring a social housing initiative. The comparative Social Housing Matrix prepared for the Task Force described it as anticipated and unfunded, with limited program details available.

Relevance to Portland: Kingston reflects the growing national interest in social housing but did not provide a sufficiently developed model for Portland to follow directly.

5. Overall Lessons for Portland

The programs reviewed by the Task Force show that social housing is not a single prescribed structure. U.S. jurisdictions are experimenting with several approaches:

- revolving construction funds supporting mixed-income development;
- public housing authority redevelopment and expansion;
- fully affordable portfolios supported by bonds and dedicated revenues;
- new public development authorities; and
- public financing combined with nonprofit or private development capacity.

Several recurring lessons shaped the Task Force's recommendations.

Public financing can address a central production constraint

Many of the emerging models use municipal bonds, revolving funds, or other public resources to replace higher-cost private financing. The Task Force's own financial modeling similarly identified the cost of capital as an area where Portland may be able to make a meaningful intervention.

Revolving funds generally finance part of a project

The revolving funds reviewed do not ordinarily pay the entire cost of development. They frequently provide subordinate construction financing or public equity that fills a gap after senior construction debt and other resources have been secured.

Public investment can secure ownership and long-term value

Several models provide low-cost public capital in exchange for public ownership, equity, or long-term control. This distinguishes them from programs in which public assistance supports housing that remains entirely privately owned.

Mixed-income models depend on local economics

Many of the revolving-fund models use market-rate rents to support units affordable to households around 50% to 80% of AMI. Their feasibility depends on local market rents, development costs, public land, tax treatment, and the amount and cost of public financing.

Existing institutional capacity matters

The successful models generally rely on organizations with experience in underwriting, financing, project development, construction oversight, property management, and long-term asset management.

This finding supports Portland's proposed use of PHA, PHDC, and other qualified partners rather than the creation of a new municipal development agency.

A portfolio creates advantages over time

Long-standing models such as Dakota County show that a larger portfolio can spread financing, maintenance, management, and capital costs across multiple properties. That benefit develops gradually and requires a sustained program rather than a single isolated project.

No single model can be transferred directly to Portland

Every model depends on its own legal authority, state and local funding, public land, housing market, institutional capacity, and access to federal programs.

Portland's recommended approach therefore combines selected features from several models:

- the use of municipal bonding to obtain low-cost capital;
- direct City ownership and retention of public equity;
- a dedicated revolving fund;
- mixed-income housing responsive to locally identified needs;
- partnership with PHA and PHDC for development and management capacity; and
- an initial focus on two manageable pilot projects rather than creation of a large new public development authority.

The Task Force's recommendations did not arise from a single ideological or institutional model. They reflect a comparative review of U.S. programs and an effort to select the tools most suited to Portland's existing strengths and housing-production needs.

Appendix K: Illustrative Ordinance Framework for the City of Portland Social Housing Program

Purpose and status of this draft

This draft is provided to illustrate the legislative structure that could be used to establish an ongoing City of Portland Social Housing Program and Social Housing Revolving Fund.

The ordinance is intended to translate the policy framework recommended by the Social Housing Task Force into a durable municipal program while leaving project-specific financing, appropriations, development agreements, bond authorizations, and other implementation decisions to subsequent Council actions as required.

ILLUSTRATIVE ORDINANCE

An Ordinance Establishing the City of Portland Social Housing Program and Social Housing Revolving Fund

Be it ordained by the City Council of the City of Portland, Maine, that the Code of Ordinances is amended by adding a new chapter or article, in a location and form to be determined by Corporation Counsel, as follows:

Sec. __-1. Establishment of Social Housing Program.

There is hereby established the City of Portland Social Housing Program as an ongoing municipal housing program for the development, ownership, preservation, and stewardship of permanently affordable, mixed-income rental housing owned by the City of Portland.

Sec. __-2. Purpose.

The purposes of the Social Housing Program are to increase Portland's capacity to produce and preserve housing; create and maintain permanently affordable housing; use municipal financing and other public resources to reduce the cost of housing production; retain public ownership, equity, and long-term financial value; and complement existing public, nonprofit, and private housing-production efforts.

Sec. __-3. City ownership.

Housing financed and designated as social housing under this program shall be owned by the City of Portland, either as an entire development or as a legally separate City-owned portion of a larger coordinated development. The City may contract with another entity to develop, manage, maintain, or administer the housing without transferring City ownership of the social housing asset.

Sec. __-4. Permanent affordability and mixed-income use.

Social housing shall remain affordable for the useful life of the property and shall be operated as mixed-income rental housing. The Council may establish or approve the initial income mix for individual projects based on housing need, project economics, available financing, and other relevant conditions. Income targeting may be adjusted over time as housing needs and financial conditions change, provided that the property remains permanently affordable and continues to serve the public purposes of the program.

Sec. __-5. Additive housing production.

The Social Housing Program shall be implemented to add to Portland's overall housing-production and preservation capacity rather than simply replace housing or funding that would otherwise be provided through existing programs. Projects should create additional units, make fuller use of a development opportunity, serve income levels not adequately reached, preserve housing at risk, or provide another measurable public benefit that would not otherwise occur. To the extent practicable, the program should avoid competing for scarce resources that would otherwise support new affordable housing, including limited Low-Income Housing Tax Credits.

Sec. __-6. Financing.

The City may use general obligation bonds, revenue bonds, appropriations, grants, land, infrastructure investment, permitted project revenues, partner financing, and other lawful public or private resources to finance social housing. Financing shall be structured on a project-specific basis to advance City ownership, affordability, prudent stewardship of public resources, and the long-term financial sustainability of the program. Nothing in this section authorizes borrowing or expenditure without any Council approval, appropriation, voter authorization, or other action required by law.

Sec. __-7. Development and management partners.

The City may contract or enter into agreements with the Portland Housing Authority, Portland Housing Development Corporation, nonprofit or private developers, property managers, consultants, lenders, and other qualified entities for development, construction, management, underwriting, asset management, or other professional services. Agreements shall protect City ownership, permanent affordability, public accountability, and the long-term interests of the Social Housing Program.

Sec. __-8. Social Housing Revolving Fund.

There is hereby established a Social Housing Revolving Fund dedicated to the preservation, development, and expansion of City-owned social housing. Subject to applicable law, bond requirements, and appropriation, the Fund may receive Council appropriations, grants, permitted bond proceeds, repayments, project revenues, refinancing proceeds, and other financial returns generated by or dedicated to the Social Housing Program.

Sec. __-9. Reinvestment of financial value.

After each social housing property meets its operating, maintenance, reserve, capital, and applicable debt-service requirements, available revenues, repayments, refinancing proceeds, and other financial returns may be deposited into the Social Housing Revolving Fund and reinvested in the preservation, development, and expansion of City-owned social housing, consistent with applicable law and the terms of the financing.

Sec. __-10. Administration.

The City Manager shall administer the Social Housing Program through the appropriate City departments and may recommend the staffing, contracted expertise, procurement, underwriting, asset-management, and other administrative capacity necessary to operate the program. The City Manager may bring forward budget requests, contracts, financing proposals, and other recommendations necessary for implementation.

Sec. __-11. Council approval of projects and financing.

Individual social housing projects shall be returned to the City Council for any appropriation, borrowing, property transaction, development agreement, contract, or other authorization for which Council action is required. Project proposals should identify the proposed ownership structure, affordability and income mix, development and management arrangements, sources and uses of funds, anticipated debt service, operating requirements, long-term capital needs, and any voter authorization required by law.

Sec. __-12. Annual report.

The City shall provide the Council with an annual report on the Social Housing Program. The report should address the status and performance of City-owned social housing; development activity; the financial condition and activity of the Social Housing Revolving Fund; significant operating, capital, and asset-management needs; and opportunities under consideration for additional social housing projects.

Sec. __-13. Ongoing nature of the program.

The Social Housing Program is intended to be an ongoing municipal housing program and shall not be considered complete upon the financing or completion of any single project. Initial pilot projects shall establish and test the legal, financial, development, management, and administrative framework from which additional City-owned social housing may be developed and stewarded over time.

Implementation Note

This illustrative ordinance establishes the enduring program structure. It does not itself authorize the Cornell Street or Portland Housing Authority pilot projects, issue bonds, appropriate project funds, or approve project-specific contracts or agreements. Those actions would return to the Council separately as required.