ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, February 16, 2021
TIME: 5:30 PM
LOCATION:The Housing and Economic Development Committee will hold a meeting on Tuesday, February 16, 2021, at 5:30 p.m. This meeting will take place remotely using Zoom. Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. Section 403A, that authorizes cities and town to conduct meetings online.

Allow your computer to install the free Zoom app to get the best meeting experience. For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for your public comment.

Please click the ZOOM link below to join the webinar:
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Webinar ID: 930 0247 3828
International numbers available: https://zoom.us/u/ad5qM05mRI

1. Zoom Virtual Public Meeting Information

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2. Review and accept Minutes of previous meeting held on February 2, 2021.

a. See attached draft meetingMinutes.

3. Review of January 2021 small business survey results for outdoor dining and retail for Committee Discussion and Direction - Jon Jennings

a. See attached Memo.

4. Committee discussion and vote to issue the Homeless Service Center Request for Qualifications/Proposal - Jon Jennings

a. See attached Memo and draft RFP/Q.

5. Public hearing on Iris Network Loan Amendment Request and possible vote on a recommendation to the City Council - Mary Davis

a. See attached memo and backup.

NOTE: Executive Session - Pursuant to 1 M.R.S.A. 405(6)(C) and 5 M.R.S.A. 13119-A, the Committee may go into executive session to provide staff direction on negotiations.

Next Meeting Date: March 2, 2021

Minutes
Remote Housing and Economic Development Committee
February 2, 2021

NOTE: This meeting was held via Zoom and can be viewed at this link: http://www.portlandmaine.gov/1695/Economic-Development-Committee These Minutes provide a record of those in attendance, general discussion taking place, and motions made.

A remote meeting of the Housing and Economic Development Committee (HEDC) of the Portland City Council was held on Tuesday, February 2, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Councilor Spencer Thibodeau and members Councilors Pious Ali, Tae Chong, and Andrew Zarro. Also present was Mayor Kate Snyder and Councilor April Fournier. Present from the City staff were Public Facilities Director Kathy Alves, Housing and Community Development Division Director Mary Davis, Health and Human Services Director Kristen Dow, Associate Corporation Counsel Michael Goldman, City Manager Jon Jennings, Housing and Economic Development Director Greg Mitchell, Waterfront Coordinator Bill Needelman, Senior Executive Assistant Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Review and vote on January 19, 2021, draft meeting Minutes.

On motion made by Councilor Ali, seconded by Councilor Chong, the Committee voted unanimously (4-0) to accept the Minutes as published.

Item #2 – Portland Harbor Dredge and CAD Cell BUILD Application

Mr. Mitchell reminded the Committee that staff has been working on this project for over seven years. It is one of the most important projects to support the working waterfront and marine economy. He also reminded the Committee that the City applied for a Federal BUILD

Grant for the project last year but was unsuccessful. It will re-apply this Spring.

Mr. Needelman shared his screen and presented the attached PowerPoint Presentation. The Dredge/CAD Cell project is harbor-wide in partnership with the City of South Portland and the Harbor Commission for individual piers and wharfs, both privately and publicly-owned, on each side that supports working waterfront uses and recreational uses. Dredging will clean up the environment, both for human and natural habitat, and add more berthing space because of it, noting that there is currently a 26% loss of berthing from non-dredging in the Central Waterfront alone.   Mr. Needelman noted that at the East End Boat Ramps, there are Eelgrass beds resources which will require mitigation. The approach is for Harbor Commission to alter mooring regulations to require "conservation moorings" in Eelgrass beds, which will compensate for Eelgrass lost to the dredge.

Mr. Needelman then described the location of the CAD Cell as being on the South Portland side near the Coast Guard station, and then the design which will keep the dredged product from migrating elsewhere. The dredge/CAD Cell project is a project estimated at $30 Million, to be funded with Federal, State, and local funds. Local funds will come from tipping fees from the private and public pier owners, including the City of Portland. The City of Portland's tipping fees are estimated at $650,000. Regarding permitting, the City recently received the DEP Permit, and the Army Corps of Engineers permit should be in any day. Regarding the timeline for the design/bid/build, Mr. Needelman estimated project completion in of the CAD in 2023 and the berthing dredging by 2026. He also noted that dredging only happens in the Winter time to avoid impacts to fisheries and recreational users.

Chair Thibodeau thanked Mr. Needelman for this update, which is good news for the City and the public, with the Committee concurring.

Councilor Fournier agreed and appreciated learning about this as a new City Councilor.

Councilor Zarro complimented the Eelgrass mitigation and asked about dredging for Back Cove.

Mr. Needelman said that Back Cove was cleaned up with the new sewer plant in the 1970's, while also adding that the Army Corps of Engineers can take the lead dredging the channels leading to Back Cove if there is a need for navigation.

Seeing no further comments, Chair Thibodeau again thanked Mr. Needelman.

Item #3: Public Hearing and City Housing Policy Discussion related to: Possible Vote to recommend to the City Council the Housing Program Budget; and, Possible Vote to recommend to the City Council the 2021 Housing Trust Fund Annual Plan

Ms. Davis introduced this item. Since 2002, the City has utilized an annual application and/or RFP process for the allocation of city resources (HOME, Housing Trust, and Affordable Housing Tax Increment Financing) budgeted for the development of affordable housing. The current application format was implemented in 2013. The application is amended on an annual basis to reflect the City Council's housing policy goals. The 2021 Affordable housing Policy and Budget priorities include; Housing Trust Funds: priority to support public/private partnerships that create housing units that are affordable to households earning 60% to 100% of the area median income; Affordable Housing TIF: priority to support projects receiving assistance through the Low Income Housing Tax Credit Program or projects that create housing units that are affordable to households earning 60% to 100% of the area median income; HOME Program: priority to developments that provide rental housing units that are affordable to households earning 60% of the area median income and below; Encourages developers to participate in the Public Housing

Authority Family Self Sufficiency Program; and Point System for Evaluating and Scoring Applications: emphasizes developments along transit nodes and corridors.

Since the final allocation amounts have not been announced by HUD, the HUD HOME allocation is assumed as the same amount as the previous year ($1,053,039). $407,526 is reserved for County projects. The budget proposal was developed after a historical review of HOME funding allocations, previous year's budget allocations, program expenditures and program income (loan repayments) received and includes $113,504 for administration, $143,571 for tenant based rental assistance and $534,017 for affordable housing development.

Lead Safe Housing Program Income is generated through repayment of loans given under prior Lead Safe Housing Grants and can only be used for lead safe housing eligible activities. The City also has a new Lead Hazard Reduction Grant that will provide $2,038,041 in funding for lead paint remediation and $503,655 in funding to assist with code and life safety improvements. The proposed 2020-2021 budget is $147,923.

Revenue for the Housing Trust Fund is generated from fees triggered by the City's Housing Preservation and Replacement Ordinance, fee-in-lieu contributions from the Inclusionary Zoning Ordinance and Hotel Inclusionary Zoning fee. Including the current balance of the Housing Trust Fund in the Housing Program Budget gives budget authority for the use of the funds. There are no projects or activities currently identified for these funds. The amount budgeted is the *maximum* that might be expended in FY22. However, staff continues to recommend a minimum balance in the Trust, so the effective budget would be $955,975 ($1,455,975 less $500,000.) If additional funds are allocated to the Trust based on current discussions, this number might be adjusted based on the outcome. The proposed FY 2021-202 budget is $1,455,975.

The proposed Housing Program Budget will be adjusted when HUD announces the fiscal year allocation for the HOME Program (anticipated for late February or early March). The budget is brought forward at this time to facilitate the release of the City's Affordable Housing Development and TIF Application on a schedule that works with the Low Income Housing Tax Credit Program at MaineHousing. This budget will be forwarded to the full City Council for two Public Hearings (tentatively scheduled for April), as part of the overall HCD budget. The final budget allocations and Annual Action Plan are submitted to HUD 45 days in advance of the start of the fiscal year (May 15 for the fiscal year beginning July 1, 2021).

Staff is seeking Committee approval of the 2021 housing investment priorities and the 2021-2022 Affordable Housing Development and Tax Increment Financing Application. Additionally, staff is requesting that the Committee vote to recommend that the City Council adopt the 2021 Jill C. Duson Housing Trust Fund Annual Plan, as required under the Housing Trust Fund Ordinance.

Chair Thibodeau provided an overview of program deadlines and the importance of meeting those deadlines.

Councilor Fournier requested additional information regarding County projects.

Ms. Davis noted Cumberland County and the City of Portland formed a HOME Consortium to receive an annual allocation of HOME Investment Partnership funds through the U.S. Department of Housing and Urban Development. The County portion of the HOME funds are used for the creation of affordable housing development throughout Cumberland County but outside of Portland. Councilor Chong confirmed though Mary Davis the AHTIF was for households earning 60% to 100% of the area median income.

Councilor Ali confirmed through Mary Davis the area median income levels are associated with the Portland HUD Metro Fair Market Rental Area and that the Committee will review a Portland Median Income in an upcoming meeting.

Councilor Zarro confirmed through Mary Davis that this item will not be forwarded to the Financing Committee, rather it would go next to the City Council in a package of all HUD allocations, which includes CDBG, and ESG allocations.

Chair Thibodeau asked staff to explain the benefits of being a part of the Consortium.

Ms. Davis explained that participating in the HOME Consortium brings additional benefits to the City including a larger administrative set-aside and additional program funding. Additionally, the Consortium has been a successful collaboration in support of affordable housing development throughout Cumberland County

Chair Thibodeau asked how priorities are determined.

Ms. Davis noted staff incorporated the *2021 Housing and Economic Development Committee Work Plan* for calendar year 2021 from the City Council Common Goals.

Chair Thibodeau opened the meeting to public comment.

George Rheault (28 Hanover St) asked if the HOME Consortium members work together to avoid funding conflicts for projects that are competing for low income housing tax credits administered by Maine Housing. Regarding the Lead Safe Housing Program, he would to like see more information on the program made public and encourages efforts to quantify the data similar to that provided for housing development. Finally, he is curious to know what housing projects have been brought forward to the City, even if it is conceptual, as it would be helpful to know what development may occur this year.

Ms. Davis noted that data from the Lead Safe Housing program is included in the annual Housing Report as well as the HUD annual action plan, and the City files quarterly reports with HUD. Ms. Davis acknowledged that the HCD Office could do a better job to keep the public updated, which could include regular updates to the Council. She also indicated that accomplishment data from the Lead Safe Housing Program is often included in the weekly council update memo from the City Manager's office.

Chair Thibodeau closed the public hearing.

Motion by Councilor Chong seconded by Councilor Zarro to recommend to the City Council the Housing Program Budget.

Chair Thibodeau called the roll for the vote. All in favor (4-0)

Motion by Councilor Chong seconded by Councilor Ali to recommend to the City Council the 2021 Housing Trust Fund Annual Plan.

Chair Thibodeau called the roll for the vote. All in favor (4-0)

The first and second read of this item is expected to occur in March with the City Council along with the request to change the name of the Housing Trust Fund to the Jill C. Duson Housing Trust Fund.

Item #4: Public Hearing on Request for Qualifications/Proposals to solicit developer interest to construct, own, and lease to the City a Homeless Service Center located at 654 Riverside Street – Jon Jennings

Mr. Jennings noted that the Homeless Service Center (HSC) would replace the Oxford Street shelter. Staff has spent a lot of time looking at financing this comprehensive HSC, particularly because Federal and State agencies do not have any interest in this project. In June 2019, the City Council approved a 200-bed shelter at Riverside. At the January 20, 2021, City Council meeting, the Council was briefed on his proposed Project funding plan which includes a public-private partnership to solicit developer proposals through a request for qualifications/proposals (RFQ/P).

Mr. Jennings then noted that he is not a fan of a City-owned non-revenue producing asset, as the costs of improvements can be staggering. Therefore, staff is recommending a private/public partnership for owning, constructing the HSC, and then leasing it back to the City. Mr. Jennings said that the City Council is also having a workshop on February 10, and this will be an item on the Agenda for the Council to hear how the City got to this point of the RFP/Q.

Mr. Jennings also noted that COVID will have an impact on the new HSC; it may not be the traditional style as pre-COVID. Results of the RFP/Q will assist in moving forward.

Mr. Mitchell added that the RFP/Q is to solicit interested developers to design, construct, and own the HSC on leased property from the City to the Developer, and then lease the HSC to the City. It would be a new state-of-the art, one-story HSC, 24/7, with a wide range of care. There is a level of specificity in the RFP/Q and what the expectations are, and noted that the RFP/Q has preliminary plans for a starting point and that easement issues will be taken care of. The City would have a long-term lease with developer as owner of the building. Through the process, there will be milestones and check-ins for development and costs. He then described the point system in the RFP/Q.

Chair Thibodeau noted that there would be no vote on this today, but to receive feedback from the Committee on what it wants to see come forward. Other Council Committees are also working on the project.

Councilor Chong said that he has costs questions, particularly whether the City would be leasing via NNN; Mr. Mitchell indicated in the affirmative – all costs would be passed onto the tenant/City of Portland.

Councilor Chong asked about a mixed long-term lease where the payments could be lower in the first five year until City pension payments are done.

Mr. Mitchell said that everything is on the table to explore, with the first step soliciting interested developers. Mr. Jennings agreed and added that in five years there will also be assets that need updating. The City has the flexibility to structure the terms as it goes forward in the process.

In response to Councilor Chong about future funding support from Federal/State, Mr. Jennings said that the HSC is on the table now, with an overall plan to also have a homeless triage facility in the downtown area with or without Federal and/or State support to benefit the homeless population.

Councilor Chong said that in a City lease to own the HSC, he would like to see terms that the City, when it purchases the HSC, purchases it in good condition.

Mr. Jennings said that he needs to further discuss the lease to own option with staff, particularly if owning should be an option at all; in any event, there are a number of ways to build in such provisions.

Councilor Zarro indicated that Councilor Chong covered some of his questions. He asked about process, and also referred to p. 6 of 13 in the packet where it noted in the RFP/Q document that it was understood ". . . . that although functional elements of the Project will not change, the location and ultimate programming of the facility may change as the design is developed."

Mr. Jennings noted that the Health and Human Services Committee (HHS) has spent a lot time on the proposed HSC, with the City Council agreeing to the Riverside Street location in 2019. HHS future involvement will be for the interior of the facility and services based on staff and national experience, wherein Community partners will also take up space for the wrap around services. The physical location on Riverside Street will not change. This Committee will be involved in a recommendation to the City Council on Developer selection.

Councilor Ali also noted concerns about the lease to own potential to be sure the City would ultimately own a property in good condition, as well as funding assistance from Federal and State agencies.

Mr. Jennings said that City staff will continue to seek any and all potential funding. The first step here today is to obtain support for issuing the proposed RFP/Q. If the lease to own option was preferred, terms would be agreed upon and annual costs built into the operating budget for the City. Once the City receives proposals and has a better idea as to what the private sector is seeking in terms and costs, it can further develop budgets/plans.

Chair Thibodeau opened the meeting for public comment on the RFP, not the location on Riverside Street. He also noted that at the City Council Workshop next week no public comment will be taken.

Ramona Bridges, of Los Angeles, CA (LA), noted the large problem of homeless there and that she could assist with obtaining funds from her partners in Washington, DC. She will continue keeping up-to-date on this project.

Joey Brunelle of Portland had process questions regarding: was HHS going to review the RFP/Q as public may be watching that Committee versus HEDC and comment there; how was the selection criteria and scoring developed; were public health experts consulted; the selection committee does not have composition and seems will be appointed solely by the City Manager. He closed indicating he would email his questions to the City.

Jason Lambert of Ruby Lane noted he grew up in the Riverton area. He questioned why there would be no referendum with $41.4 Million estimated to be spent by the City over 20 years. Mr. Lambert noted former City Manager Robert Ganley and his assistance in transforming Portland with the homeless numbers lower than now, and the City population still the same.

George Rheault of Bayside noted concern over cost estimates, and City staff experience in a project of this scale. He would like to learn more about what staff did in 2020 concerning this project; the possible purchase at the end of the lease; have City staff talk with potential partners, i.e., cities and towns in Cumberland County that might help with lease payments, and other organizations that know more about this kind of project including GPCOG and the Town of Falmouth. He also noted challenges at the site including the ravine, access issues, and the radio tower, as well as health clinics having a lot of requirements and perhaps should be a representative on the selection committee. The main point in the HSC shelter was to save the City money.

Chair Thibodeau closed the public comment session.

Chair Thibodeau again noted no action by the Committee today, and that staff can respond to questions via email. He also noted that the HEDC is the Committee the Council turns to for various real estate issues. Next step is the City Council Workshop on Feb. 10, 2021, as to how we got to this point. Chair Thibodeau then asked about any specific items to address at the Workshop.

Councilor Chong would like to see more firm numbers on the costs to the City.

Councilor Zarro would like to be clearer on the process, noting that the Workshop next week may provide that clarity. He also asked about any impacts from the Green New Deal, and when this Committee is expected to vote on authorizing staff to issue the RFP/Q.

Mr. Jennings said that the Committee has, in the past, provided guidance for a draft RFP, which the City then incorporates into an RFP and advertises it. This Committee would then review proposals received in executive session first to provide guidance to staff.

Chair Thibodeau would like to know if a library would be included in the HSC, and would also like to see more information regarding the difference in leasing the facility versus a lease to own scenario, as well as overall estimated costs for the City.

Mr. Jennings said that unfortunately there was a $20 Million price tag last year in a memo developed in response to COVID and was not a solid number. In 2016/2017, the cost was estimated in the $10-12 Million range, but, with COVID, costs expanded. The purpose of RFP is to get more information and details to negotiate numbers, noting it is premature to talk numbers now. The City is now on a fact-finding mission to move this forward and see what the private sector brings forward.

Chair Thibodeau suggested that the new Councilors get up to speed on how we got to where we are today as planned for the Feb. 10 Council Workshop and see if there are other suggestions regarding the RFP/Q at that time. Then this Committee would take up the RFP/Q at its February 16 meeting and move forward to issue the RFP.

Consensus was agreement.

Item #5: Council Connections

Chair Thibodeau asked the Mayor to remind him about this item as mentioned in the Council goal-setting meeting.

Mayor Snyder noted that it was to keep other Council Committees aware of topics, including today's HSC and HHS involvement, and the Chair noted good overlap there.

Item #6: Executive Session: Pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A the Committee will go into executive session to provide staff direction on negotiations regarding possible Affordable Housing TIF District Credit Enhancement Agreement Request for 45 Brown Street – Mary Davis and Greg Mitchell

A motion was made by Councilor Chong, seconded by Councilor Zarro, to go into executive session pursuant to 1 M.R.S.A 405(6)(C) and 5 M.R.S.A. 13119-A for the Committee to provide staff direction on negotiations regarding possible Affordable Housing TIF District

Credit Enhancement Agreement Request for 45 Brown Street.

Chair Thibodeau opened the meeting for pubic comment regarding going into executive session.

Joey Brunelle of Portland noted the over use of executive sessions and the City should examine their use of such sessions. The public is very interested in what the developer is proposing for this project.

Chair Thibodeau closed the public comment session and noted that the Committee will not be coming back to this meeting after this executive session as it is the last item on the Agenda. The Committee does use the executive session process when negotiating real estate leases, purchases, and sales to protect staff's ability to negotiate for the City. Chair Thibodeau then asked Mr. Goldman if this was appropriate for executive session, and Mr. Goldman indicated that it was based on statutes referenced.

Chair Thibodeau then asked for a vote on the motion and it passed unanimously (4-0) at approximately 7:38 p.m. At approximately 8:15 p.m., the Committee came out of executive session and a motion was made by Councilor Chong, seconded by Councilor Zarro, and passed unanimously (4-0) to adjourn the meeting.

Respectfully,

Lori Paulette

Victoria Volent

CITY OF PORTLAND
Jon P. Jennings, City Manager

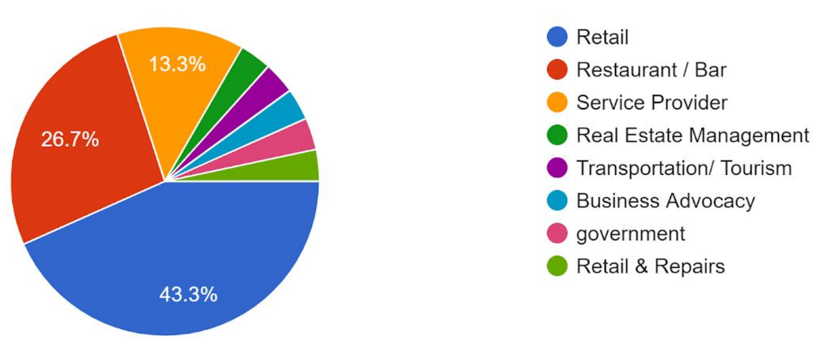
To: Housing & Economics Development Committee
From: Jon P. Jennings, City Manager
Date: February 16, 2021
RE: Survey results related to the outdoor dining program

To assist small businesses during the COVID-19 pandemic, the City has implemented an outdoor dining/retail program that allows businesses to continue to serve customers as safely as possible. Staff recommend an extension of the Emergency Proclamation allowing, among other things, businesses to continue to operate outdoors in order to ensure safe and continued operations during a challenging time.

In response to HED Committee feedback, staff recently distributed a survey geared toward small businesses throughout Portland (January 2021). It was distributed to permitted businesses for which the City has an active email address; in addition, it was shared with partners (Greater Portland Chamber of Commerce, Portland Downtown, and Portland Buy Local) to share with their members.

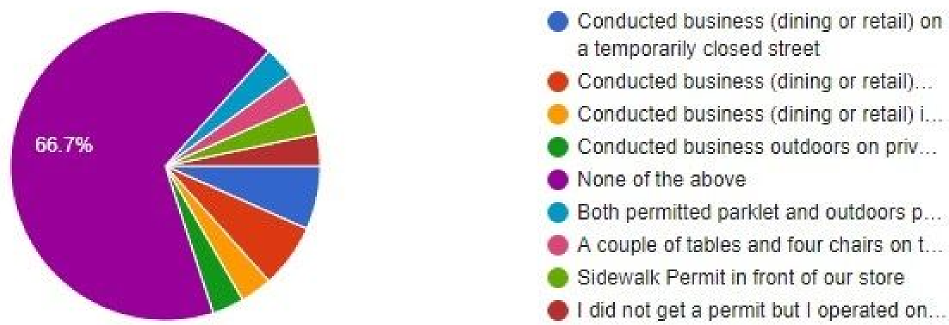
Thirty (30) recipients completed the survey. Of those 30 respondents, only 10 were currently participating in the program (meaning they were permitted to conduct business outdoors during the winter). Survey results and staff analysis are below:

What is the primary nature of your business?
30 responses



Which of the following has your business received a permit to do since June 2020?:

30 responses



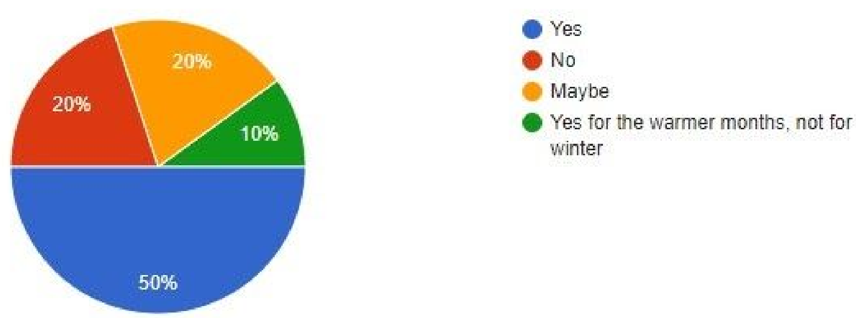
The pie slices in the above represent the following: Conducted business on a temporarily closed street (dark blue); Conducted business on a permitted parklet (bright red); Conducted business in a different public space (e.g. a park) (yellow); Conducted business outdoors on private property in the winter (green); None of the above (purple); Both permitted parklet and outdoors private property during the winter (light blue); A couple of tables and four chairs on the sidewalk (pink); I did not get a permit but operated on Exchange Street when closed to traffic (lime); Sidewalk permit in front of our store (dark red).

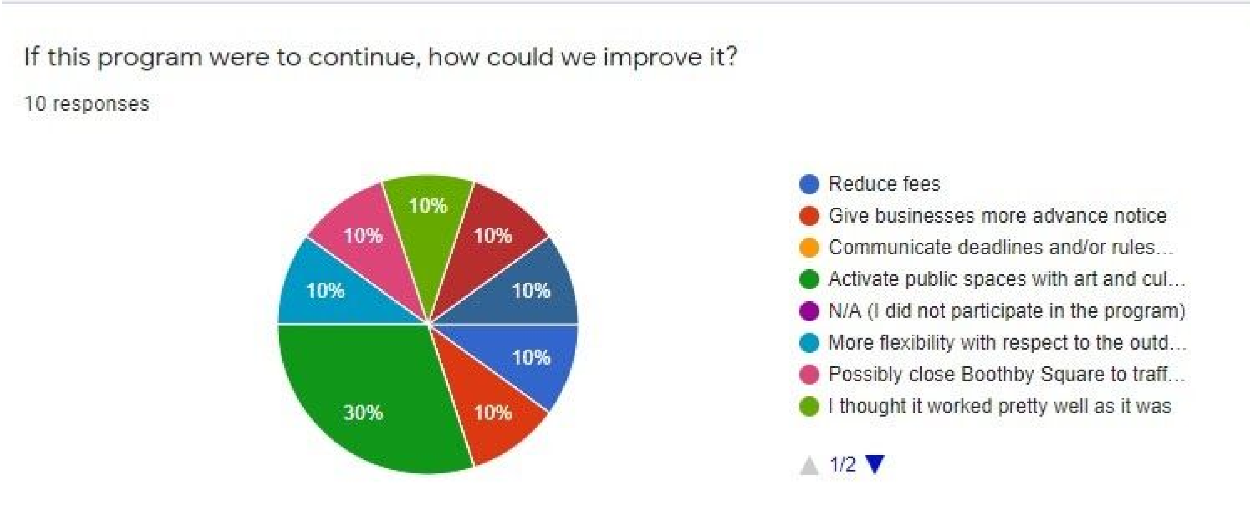
The following questions were directed to current program participants (an audience of 10 small businesses):

Program Participants

If COVID were not a factor, would you still take advantage of this program?

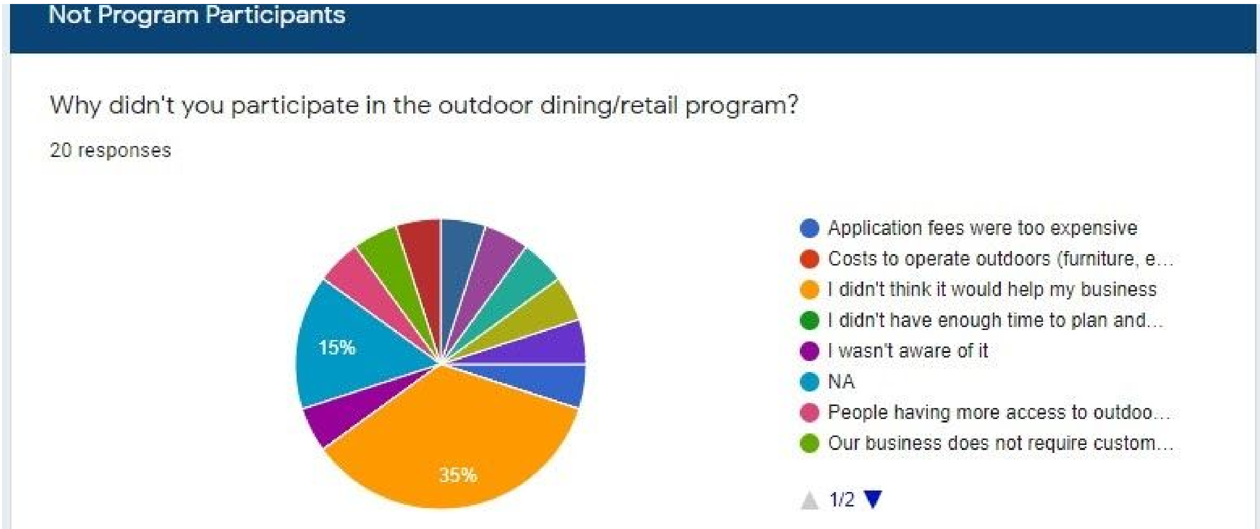
10 responses

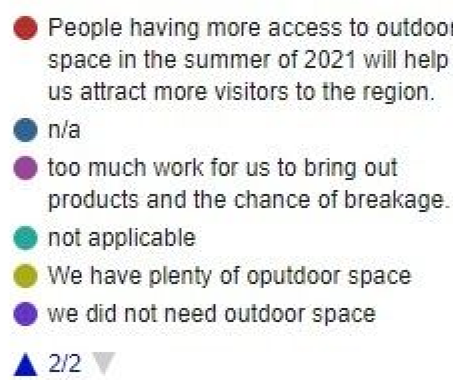




Responses to the above include Reduce fees (dark blue); give businesses more advance notice (dark red); activate public spaces with art and culture (green); It worked well as it was (light blue); Close Boothby Square to traffic (pink); More flexibility with respect to the outdoor dining space on public space boundaries, which were difficult to comply with and make attractive (lime); Directional signage (dark red); The street closure program should not continue (dark blue).

The following questions were directly to businesses that were not participating in the program:





<u>Staff Analysis</u>

The results of this survey proved what similar surveys conducted in 2020 showed: <u>there is far from a consensus among small business owners about the best way to support their operations during COVID-19.</u> We believe this speaks to the unique challenges and circumstances each small business owner faces, depending on their business history, location, nature, and owner expectations.

As such, we believe that our current plan for spring/summer 2021, which would reintroduce street closures to Wharf and Dana streets. In addition, we will consider the same changes to Middle Street traffic flow. These changes, in addition to allowing outdoor business activities similar to last year's summer program, is the most efficient way to accommodate the varied needs and interests of Portland's small business community.

CITY OF PORTLAND
Executive Department
Jon P. Jennings, City Manager

MEMORANDUM

To: **Housing and Economic Development Committee**

From: **Jon P. Jennings, City Manager**

Date: **February 12, 2021**

Subject: **Homeless Service Center Request for Qualifications/Proposals**

BACKGROUND

A public hearing was held on the Homeless Service Center (HSC) Request for Qualifications/Proposals (RFQ/P) at your February 2nd meeting. The majority of your comments centered on the cost of leasing the Proposed HSC which cannot be answered until developer proposals are received.

A City Council workshop was held on February 10th to provide background information for all new City Councilors who were not serving on the City Council when the HSC facility design and site location decisions were made along with reviewing the Draft HSC RFQ/P. There was no stated opposition to issuing the HSC RFQ/P.

PROPOSED RFQ/P AND REQUESTED ACTION

The Revised HSC RFQ/P is attached in a redline format to show revisions to the Project Cost Section to recognize that "Depending upon the responses the City receives to its RFQ/P, the City is open to considering a wide range of partnership dynamics, including leasing, lease-to-own, lease-purchase, or lease only options.

City staff is recommending the Housing and Economic Development Committee vote to approve issuance of the HSC RFQ/P.

City of Portland, Maine
Request for Qualifications and Proposals
from Interested Developers to Lease to the City
a Homeless Service Center at 654 Riverside Street

RFQ/RFP#

CITY HOMELESS SERVICE CENTER PROJECT

The City is requesting proposals from developers to own and lease to the City a Homeless Service Center located at 654 Riverside Street (the "Project"). The City does not currently have capital funding available to support the construction of the Project but does have operating budget funds available to support a 20 or 30-year lease. The Project must include sleeping, dining, and locker facilities, as well as offices and an attached health clinic as defined in greater detail later in the document. It is expected that proposals will include a Project developer, along with the complete Project team for all milestones of the project until City occupancy. Schematic level design work has been completed for both the building(s) and the site, which reflects initial programming needs communicated by the end users. The (4) attached plan pages represent the design which may be used as a starting point for design development. The (3) clear span sections were designed around insulated, tensioned fabric structures. This concept is acceptable but not a requirement.

In order to be considered by the City, interested bidders must submit proposals electronically to biddropbox@portlandmaine.gov with the name of the Proposer, Contract Name and RFP number in the subject line and will be received until 3:30 p.m., Friday, ________________, 2021. Late or faxed proposals will not be accepted. Proposals shall remain open to acceptance for one-hundred and twenty (120) days from their opening.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City, please contact 207-874-8654 to ensure that your firm is listed as a registered vendor for this RFP.

QUESTIONS

Questions regarding this RFQ/RFP shall be made **in writing only** and be sent to the Purchasing Office, being received no later than five working days prior to the proposal opening. They may be hand delivered, mailed, e-mailed to purchasing@portlandmaine.gov or faxed to 207-874-8652. Questions that result in modifications to the RFQ/RFP specifications will be in the form of a written addendum and sent to all real estate developers registered in the Purchasing Office.https://selfservice.portlandmaine.gov/ess/default.aspx

EQUAL EMPLOYMENT OPPORTUNITIES. Any award recipient agrees to adhere to a policy of non-discrimination in all employment actions, practices, policies, procedures, phases, and conditions of employment. This shall include compliance with the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI ofa the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37 and all other applicable laws, including the Maine Human Rights Act, ordinances and regulations regarding equal opportunity and equal treatment. Contractor specifically agrees that all employment-related decisions (including but not limited to hiring, discharge, transfers, promotions, discipline, training, job opportunities, and wage and salary levels) will be made without discrimination based on an individual's race or color, religion, age, sex (including pregnancy), sexual orientation, gender identity or expression, ancestry or national origin, physical or mental disability, veteran status, genetic information, previous assertion of a claim or right under Maine's Workers' Compensation Act, previous actions taken protected under Maine's Whistleblowers' Protection Act, or any other protected group status as defined by applicable law. Provisions in applicable laws providing for bona fide occupational qualifications, business necessity, or age limitations will be adhered to by the developer and its contractors where appropriate.

RESERVATION OF RIGHTS. The City reserves the right to waive any informalities in bids, to accept any bid or portions thereof (bidders are advised to note this and quote accordingly) and to reject any or all bids should it be deemed for the best interest of the City to do so. The City reserves the right to substantiate the bidder's qualifications, capability to perform, availability, past performance record and to verify that the bidder is current in its obligations to the City, as follows:

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses, property owners or individuals who are delinquent in their financial obligations to the City. These obligations may include, but are not limited to real estate and personal property taxes and sewer user fees. Proposals who are delinquent in their financial obligations to the City must do one of the following: bring the obligation current or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

___________, 2021 Matthew F. Fitzgerald

Purchasing Manager

CITY HOMELESS SERVICE CENTER PROJECT OVERVIEW AND SCOPE OF SERVICES

OVERVIEW

It is the goal of the City of Portland to operate a new state-of-the-art, one story, adult Homeless Service Center Project to replace the Oxford Street Shelter. It will be open 24-hours and 7-days a week with on-site meals and a wide range of services including: health and mental health care, substance abuse treatment, housing assistance, peer support, case management, employment, and more.

The current adult shelter, Oxford Street Shelter, is not owned by the City, is poorly configured, and requires residents to vacate the facility every morning with all of their belongings. The building has three floors which require almost double the number of staff who could oversee guests in a single- story building designed specifically to shelter guests. It also has cramped sleeping space which necessitates floor mats rather than cots and utilizes a large area for sleeping in the eaves of the building.

The City anticipates that the **Project will support a capacity of 200 guests under pandemic social distancing requirements** and include the following elements:

- Single floor
- Covered entryway
- Security office adjacent to main entrance with space for CCTV monitors
- Double entry access (enough space to do searches before shelter guests may enter shelter)
- 200-space locker room attached to the building with internal and external entry – unheated
- Multi-purpose room/dining area with 200 seating capacity. Area for buffet style serving and access to kitchen
- Kitchen with room/equipment to serve 200, food prep area for breakfast, lunch, and dinner items, salads, soups, sandwiches, materials. Walk-ins, storage, freezers to hold enough prepared meals to serve 200 one hot meal per day - for up to one week
- Staff office area – 16 offices, conference room, copy/office equipment and storage areas, male/women bathrooms, gender neutral bathroom with shower, break room, reception area, waiting area, server room and electrical room – direct access to parking area.
- 15-20 staff lockers
- Large dormitory for male guests – 144 raised beds – 6 feet between, Female – 60 beds.
- All beds to have electrical outlets next to beds.
- Observation area where staff has a direct line of vision into all sleeping space and multipurpose space – containing a small meeting room and office large enough to

accommodate wheel-chairs. Areas for computers and printers.

- Laundry/utility room
- Men/Women/ Gender Neutral bathrooms/showers
- Three to four multi-purpose meeting rooms for service center guests having meetings, classes, activities, etc.
- Storage areas and a mechanical room
- Maintenance room
- Exterior trash compactor and appropriate space for recyclables and compostable waste
- An enclosed court-yard accessible from inside the service center only (emergency exit directly outside but alarmed). Partial cover.
- Parking for 28-30 vehicles
- Attached Health Clinic with direct access from inside the service center and also a separate entrance from outside the service center including:

    - ✔ 4 exam rooms
    - ✔ Reception and waiting area
    - ✔ Patient/staff bathrooms
    - ✔ Lab
    - ✔ Storage
    - ✔ 2 offices
    - ✔ Isolation room

The above design elements are based upon an initial preliminary plan and it is understood that although the functional elements of the Project will not change, the location and ultimate programming of the facility may change as the design is developed. The above itemization for programming of the space is given as a guide to elucidate the scope of design and is not considered final.

SITE

The Portland City Council approved 654 Riverside Street as the site for the Project. See attached pages to this RFP for a property description including maps, general notes and narratives.

<u>Site Constraints</u>

1. Easement required to access and maintain City Communication Tower.
2. Drainage easement on the south side of the site.
3. Easement at the site entrance required to access Portland Trails network to the Presumpscot River.
4. Site environmental assessment reports, recorded subdivision plan (2 amended recorded plans and proposed 3rd Amendment, including proposed 4-2 legal description). Also, a Phase II Environmental Assessment is available.

5. City is responsible for amending the Riverside Street Industrial Subdivision Plan to include the subject parcel (7.01 acres Lot 4-2). All current subdivision encumbrances apply.
6. Property to remain in City ownership and leased to the selected proposer.

SCOPE OF SERVICES

Space Programming

Provide a complete and final functional program for the new Project. This phase will include an initial project cost estimate. It will require meetings with the City's Health and Human Services Division to ensure all program requirements have been captured and integrated into the design.

Design

Provide the complete design for the Project. This phase of the project will include monthly meetings with the Homeless Service Center Committee and completion of all requirements associated with the City of Portland Planning Board's Major Site Plan Review. Project cost estimates will be completed at the 75% and 95% design level.

Administration

Provide inspection (including structural special inspections), supervision, and design support services during building erection. Firms should include in their fee for this item a continuous on-site resident architect or engineer for the duration of any pre-occupancy period.

Ownership and Management

The City is interested in establishing a long-term relationship with the Project developer and building owner.

The City expects, at this point, to enter into one or more long-term leases or other agreements with the selected proposer in form and substance satisfactory to the City, pursuant to which, the City would lease the land to the proposer to develop the Project and lease back the Project to the City. It is expected the City would take ownership of everything on the land at the end of the lease term. All state, federal and local funding options will be explored to off-set the cost of the Project including facility operational costs.

Milestones

There will be a number of milestones established, during the Project design process, to estimate the overall Project costs along with estimating the cost of the space lease arrangement.

APPLICATION REQUIREMENTS, SELECTION CRITERIA AND APPROVAL PROCESS

APPLICATION REQUIREMENTS

The Application should include the following:

1. Name of the Project developers and all members of the development team,

2. Developer and developer's teams experience working on a municipal facility and specifically social service organization (i.e. shelters, etc.) or housing type facilities. Please provide the name and location of specific built facilities and associated municipal contact(s) related to any public-private partnerships.

3. Outline fees for services based upon the Project Scope of Work categories (Space Programming, Facility Design and Project Management, etc.).

SELECTION CRITERIA AND APPROVAL PROCESS

A Selection Committee will be established by the City Manager to review and rank all proposals. The final decision on proposal selection will be made by a Portland City Council Committee and/or Portland City Council.

RFQ/RFP selection criteria includes the following:

Developer and Team Experience (60 points)

The Team with the most combined design, ownership and housing facility management experience including public-private financial partnership experience will receive the maximum number of points.

Cost arrangement to support the Project (40 points)

The Team which demonstrates the most cost-effective approach to work with the city for the Proposed Project will receive the maximum number of points.

The proposal should include a detailed annual estimated cost for the entire facility, and ongoing, insurance, maintenance, repair and other expenses. ~~The city is evaluating the annual financial capacity to enter into a long-term lease. Preliminary lease rate estimates are in the range of $1 million to $1.4 million per year over a 20-year period, after which the City would take ownership of the leased premises. The City would also consider a 30-year period if the lease cost was in the $0.5 million to $0.8 million per year.~~ Depending upon the responses the City receives to its RFQ/P, the city is open to considering a wide range of partnership dynamics, including leasing, lease-to-own, lease-purchase, or lease only options.

ATTACHED PROPERTY DESCRIPTION, MAPS, GENERAL NOTES AND NARRATIVES

PROPOSAL FORM

City Homeless Service Center Project – Request for Developer/Owner Interest

RFQ/RFP #

** THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL **

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: ___________________________

COMPANY NAME: ____

AUTHORIZED SIGNATURE: ____

DATE: ____

PRINT NAME & TITLE: ____

ADDRESS: ____

E-MAIL ADDRESS: ____

PHONE NUMBER: ____________________ FAX NUMBER: _________________________

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:
____

STATE OF INCORPORATION, IF APPLICABLE: _________________________________

FEDERAL TAX IDENTIFICATION NUMBER (Required): _________________________

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

CITY OF PORTLAND
Housing and Economic Development Department
Housing and Community Development Division

TO: Councilor Thibodeau, Chair
Members of the Housing and Economic Development Committee

FROM: Mary Davis, Division Director
Housing and Community Development Division

DATE: February 10, 2021

SUBJECT: Iris Network/Iris Park Apartments Request to Modify Loan Terms

I. Summary

The Iris Network is requesting that the City waive a clause in the loan documents which requires that if the property should become exempt, an amount equal to the assessed tax would still be payable.

II. Background

In FY04, the City Council approved $250,000 in financial assistance to the Iris Park Apartments (Order 120-04/05 passed 12/20/04 and Order 197-04/05 passed 4/4/05). The development has 14 one-bedroom units for households at or below 50% of the area median income; 10 one-bedroom units for households at or below 60% AMI; 4 two-bedroom units for households at or below 50% AMI and 2 two-bedroom units for households at or below 60% AMI.

Iris Park Apartments was financed through the Low Income Housing Tax Credit Program and is now approaching the end of the required 15 year tax credit compliance period. As is common with tax credit projects, there will be a transfer of ownership from the tax credit partnership (a taxable entity) to the Iris Network, a non-profit organization. The Iris Network was anticipating that with the transfer of ownership, the project would be able to file to become exempt from property taxes as the ownership entity is a non-profit. However, built into the city's loan documents is the clause that if the property should become exempt, an amount equal to the assessed tax would still be payable.

The Iris Network is requesting that the city consent to the transfer of ownership and waive the requirement that taxes be paid. The City Council must approve the waiver of the requirement that taxes be paid. A review of the project financials confirm that the project has operated at a net loss each year since 2014. The Executive Director of the Iris Network, has indicated that the project is an essential part of their mission to serve the visually impaired and they are committed to ensuring that this valuable resource remains available.

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207- 874- 8711 mpd@portlandmaine.gov · www.portlandmaine.gov

The City has a 90 year affordability covenant and MaineHousing has a 30 year affordability covenant on the property. These covenants would continue in place for the remainder of the City's affordability period (75 years) and the remainder of MaineHousing's affordability period (15 years).

Thirty-five of the residents in the building receive assistance and programming from The Iris Network; twenty-seven of those residents are visually impaired. Seventeen of the thirty-five residents receive assisted living facility level assistance. The Iris Network is committed to continuing to provide the level of assistance currently provided while maintaining the facility. However, if they are required to pay real estate taxes, their ability to provide services and maintain the property will be severely impacted and The Iris Network will not be able to assume ownership of the project. As it currently stands, financial records indicate that the project has small margins, which is confirmed by a review of their financial reports and audits. The Iris Network has provided projections which shows a comparison of revenues and expenditures with and without payment of current City of Portland property tax.

Since August 28, 2019, the Iris Network has leased space in the Iris Park Apartments to the City of Portland to house the Parkside Community Policing Office. They do not receive any rent for the use of the space. The Parkside Community Policing Office was formerly located in the property at 510 Cumberland Avenue which is currently being redeveloped into affordable housing by Avesta Housing.

III. Intended Result and/or Council Goal Addressed

To allow the property to be exempt from property taxes which will enable the title to the property to be transferred to a non-profit owner. Approval of this request will help to ensure the long-term stability of the development.

IV. Financial Impact

Currently, as a taxable entity, Iris Park Apartments, LP, the property has a tax assessed value of $1,965,300, with a tax amount of $45,811. The City’s Tax Assessor’s office is *estimating* the revaluation assessed value of the project will be $3,750,000 with an estimated tax amount of $60,000.

V. Staff Analysis and Background

In order to take advantage of favorable debt restructuring terms offered by MaineHousing, the Iris Network is hoping to close on the year 15 partnership disposition as soon as possible. The long term stability of the property and the City’s investment warrants approval of this request. The ability to continue to provide this type of housing, which is specifically designed as assisted living for low income individuals which has been adapted to benefit people who are visually impaired.

VI. Recommendation

Staff is seeking Committee approval of the waiver of the requirement that taxes be paid and is requesting that the Committee vote to recommend that the City Council approve this request.

VII. List Attachments

Projected 2021 Revenues/Expenses upon Acquisition by The Iris Network

IRIS PARK APARTMENTS - 201 Park Avenue
Projected 2021 Revenues/Expenses upon Acquisition by The Iris Network

	With City of Portland Property Tax Assessed			With City of Portland Property Tax Abatement		
	Assisted Living	IPA Housing	Combined	Assisted Living	IPA Housing	Combined
Revenue:						
Assisted living services support & revenue	265,637		265,637	265,637		265,637
Rental & other income		318,820	318,820		318,820	318,820
Total revenue	265,637	318,820	584,457	265,637	318,820	584,457
Expenses:						
Operating expenses	376,380	212,170	588,550	376,380	212,170	588,550
Property tax		46,210	46,210		-	-
Depreciation	4,006	34,375	38,381	4,006	34,375	38,381
Total Expenses	380,386	292,755	673,141	380,386	246,545	626,931
Net Raised/(Used) from Operations	(114,749)	26,065	(88,684)	(114,749)	72,275	(42,474)