

Minutes

Remote Housing and Economic Development Committee

April 6, 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, March 16, 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 from the City Council was Mayor Karen Snyder. Present from the City staff were Housing and Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Housing and Economic Development Director Greg Mitchell, Senior Executive Assistant Lori Paulette, and Housing Program Manager Victoria Volent.

Item #1: Zoom Meeting Information – no Committee action required.

Item #2: Review and vote on March 16, 2021, draft meeting Minutes.

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

Item #3: Quarterly HEDC Work Plan Check-In – Postponed from the March 16th

Meeting.

Mr. Mitchell summarized noting that this is intended to be a quarterly check in with the Committee, and the Work Plan in the packet, as approved at the January 19, 2021, Committee

meeting has been red-lined to provide progress to date, as well as additional items the Committee has taken up.

Chair Thibodeau suggested that rules and regulations for delivery of food should be added to the Plan.

Councilor Zarro agreed, and thanked Mr. Mitchell for the update, noting that in three months the Committee has accomplished many items. He also suggested that local procurement policy be added to the work plan.

Mr. Mitchell noted the addition, adding that staff will follow Committee direction on prioritizing what should be brought to the top of list.

Chair Thibodeau suggested that for a meeting in May, the Committee could be updated on the local procurement policy, as well as the Rental Housing Advisory Committee, staffed by the Housing Division, and the Rent Board, staffed by the Permitting and Inspections Department.

Chair Thibodeau thanked Mr. Mitchell for this update, adding that if Committee members have additional items as we get further into the calendar year, they can be added.

Item #3: Public Hearing and Vote to recommend to the City Council proposed Purchase and Sale Agreement for City-owned property at 43/91 Douglass Street

Mary Davis noted this item is in front of the Committee with a staff request that the members of the Committee vote to recommend to the City Council approval of the proposed Purchase and Sale Agreement for the sale of City-owned property located at 43 and 91 Douglass Street. The development team, consisting of The Szanton Company and Maine Cooperative Development Partners, are in attendance. Ms. Davis provided a high level review of the rental housing and cooperative housing projects and noted key points in the agreement.

Chair Thibodeau indicated the Agenda includes the opportunity for the Committee to enter

into executive session, and further noted the Committee has reviewed and discussed this project during earlier meetings.

Councilor Ali thanked Mary Davis. He also noted area median income levels and amounts should include the figure.

Chair Thibodeau asked if any members would like to go into executive session. Committee members declined.

Chair Thibodeau opened the meeting to public comment. Seeing no one, Chair Thibodeau closed the public comment period.

Councilor Chong indicated he is excited about the Purchase and Sale Agreement (PSA) for this historic sale; the City has not built land trust or cooperative housing in the Portland. It is wonderful these units will be built for the missing middle population, and this is a way to hopefully bridge the lifelong renter cycle by having people grow assets and having a fixed rent to rely upon. He hoped to see more in the future.

Councilor Zarro noted the cooperative model is really interesting and the level of excitement from public comment is indicative of the general support for it.

Chair Thibodeau thanked staff and the applicant. He noted there were two really good ideas for this space and either one of them would have made great projects. This project could set the stage for exciting opportunities in the future. He wished the developers an exciting path forward.

Mayor Snyder is happy to see this moving forward and thanked everyone for their work on it and is excited to see the progress.

On motion made by Councilor Chong, seconded by Councilor Ali, the Committee voted 4-0 to recommend to the City Council approval of the proposed PSA for City-owned property at 43/91 Douglass Street.

Item #4: Public Hearing and Vote to recommend to the City Council proposed Purchase and Sale Agreement for City-owned property at 21 Randall Street.

Mary Davis noted this item is in front of the Committee with a staff request that the members of the Committee vote to recommend to the City Council approval of the proposed PSA for the sale of City-owned property located at 21 Randall Street. Ms. Davis provided a high level review of the project and noted key points in the PSA.

Chair Thibodeau indicated the agenda includes the opportunity for the Committee to enter into executive session, and further noted the Committee has reviewed and discussed this project during earlier meetings.

Chair Thibodeau asked Committee members if they had any questions.

Councilor Ali asked, for the benefit of the public, why the purchase price is one dollar.

Mary Davis noted a purchase price was not built into the RFP with the idea the purchase price could be lower than market rate to allow for the construction of affordable housing. The Douglass Street property was different because there were costs associated with some Parks and Recs facility field work that needed to be done with the hope the sale of the property would help offset those costs. For 21 Randall, allowing the purchase price of the land to be one dollar is a way to allow for affordability; the purchase price of the units could be kept low because there is no cost associated with the purchase of the property.

Councilor Chong also noted, for one dollar, the City will receive 99 years of affordability on this difficult to develop parcel.

Councilor Zarro asked if the City expects a request for funding from the developer.

Mary Davis answered the City does not anticipate there would be a request for an AHTIF, but the proposal did note there would be a future request for Housing Trust Fund financing. Currently, the City has not received a formal request for funding.

Councilor Zarro asked if there is another example of a property selling for one dollar and asking for a credit enhancement agreement.

Mary Davis answered that a portion of the land on which Unity Village sits was a former City-owned parking lot. The City did invest other funds in the development of that property but not an AHTIF.

Chair Thibodeau asked if any member of the Committee would like to go into executive session. Committee members declined.

Chair Thibodeau opened the meeting to public comment.

Kenneth Capron (1375 Forest Ave) asked how does the public gain comfort that these transactions were at arms length and at fair value. How do we know this was not a contractor deal behind the scenes? Where these property considered for the shelter; if not, why not? What else do we have left for City owned property and what are we planning to do with it?

Brian Eng (33 Storer Street) is in favor of this project and indicated he supports using City owned land to make affordable housing projects financially feasible. He noted construction costs are at an all-time high as are housing costs. He applauds the tenacity of the Council and of staff to make things happen sooner rather than later; we really cannot afford to wait. These projects are crucial.

Chair Thibodeau closed the public comment period.

Chair Thibodeau noted this item (and others) received multiple public reviews.

Mary Davis indicated, regarding other City-owned property, staff continues to review other projects. For example an RFP has been issued for 622 Auburn Street. Staff is trying to manage the work flow before bringing forward any new properties for consideration.

Chair Thibodeau noted memos have been prepared depicting City-owned land for discussions regarding a shelter location. 21 Randall was on the list of city-owned parcels, however a shelter would not fit on this lot.

Chair Thibodeau thanked staff for their continued work on the goal of using City assets to create affordable housing (and home-ownership affordable housing). He also noted if the applicant should request a City subsidy, that request would come through the HEDC.

On motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted 4-0 to recommend to the City Council approval of the proposed PSA for City-owned property at 21 Randall Street.

On a motion made by Councilor Chong, seconded by Councilor Zarro, the Committee voted unanimously (4-0) to adjourn the meeting at approximately 6:20 p.m.

Respectfully, Lori Paulette and Victoria Volent