

Minutes

Remote Housing and Economic Development Committee

May 4, 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, May 4, 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 Councilor April Fournier. Present from the City staff were Housing and Community Development Division Director Mary Davis, Assessor Christopher Huff, 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 April 20, 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: Public Hearing on Portland Downtown Fiscal Year 2022 Budget and Work Plan for Committee Discussion and Vote to Recommend to the City Council – Cary Tyson

Mr. Mitchell noted that this is a routine, annual item for the City Council to authorize the Agreement with Portland Downtown, its Work Plan, and Assessment mil rate on the property in the Portland Downtown (PD) district in support of the PD Budget. The PD Board of Directors

approved a level budget from assessments from FY2021 to FY2022, that being \$1,036,500.

Because of the current City revaluation going on, the mil rate for the properties has not been set at this time; it is anticipated that it will be set during the City's budget process some time in June. Therefore, should the Committee recommend approval of this item to the City Council, it is anticipated that it will be on a City Council Agenda with the same timing as the City budget.

Cary Tyson, Executive Director of PD, thanked the staff and Councilors for their services to the City and for the opportunity to make a presentation for the FY2022 PD Budget and Work Plan. Noting that he started in the position 10 months ago in the height of the Pandemic, he has not had the opportunity to meet as many people in person but hopes to as it eases. Mr. Tyson said that, as Mr. Mitchell noted, the PD Board has approved level funding and then highlighted some of PD's recent successes, including the Tree Cam in Monument Square which was popular around the world, and work plan for FY2022, noting the need to strengthen its outreach and relationship building. This will include expanding its Board to include a residential renter representative.

Councilor Chong applauded PD for having Pandora's Lights stay up longer to brighten the area during the Pandemic. He questioned PD's strategies for this year's anticipated populations into the Old Port area, given that smaller cruise ships will start visiting Portland.

Mr. Tyson noted that at PD's Merchant Meeting today, it discussed the anticipated populations visiting and the possibility of developing a hand-out for businesses that has a consistent visual message to PD's business patrons. It will also work to promote the area more broadly to keep the clients in Portland for a longer period of time, given that traveling is still slower.

Councilor Zarro said that he likes PD's organization, noting that its partnerships is its biggest strength, and does Mr. Tyson see that growing.

Mr. Tyson agreed and is always looking to grow the partnerships, noting partnerships with the Woodfords area, Portland Museum of Art, Congress Square Park, to name a few and growing placemaking for the downtown.

Councilor Zarro asked about the Merchants meeting, particularly what their biggest issues are right now, and Mr. Tyson noted those to be workforce issues.

Councilor Zarro questioned the mil rate for FY2022 going up, and Mr. Mitchell noted that with the level budget proposed and the revaluation still going on, it is difficult to answer. However, it is anticipated that any increase/decrease will be minimal due to the level budget.

Councilor Chong noted that people are coming to Maine for the low COVID rate, and asked if there can be rewards/discounts if fully vaccinated. Could PD encourage where employees are fully vaccinated to promote that we are a safe destination.

Mr. Tyson said that he would defer to the lawyers, but he will be having conversations with Public Health to discuss possibilities.

Councilor Ali thanked PD for their services to help sustain the downtown through this Pandemic.

Chair Thibodeau then opened for public comment. Seeing none, the public comment session was closed.

Councilor Chong made a motion to forward this to the City Council for approval; Councilor Zarro seconded the motion.

Chair Thibodeau thanked PD for all their work to keep downtown sustainable, noting that he would like to see the Old Port Festival return at some point. See no further discussion, Chair Thibodeau then asked for a vote on the motion and it passed 4-0.

Item #4: New Applications for City Affordable Housing Financial Assistance to include City HOME, Housing Trust and/or Affordable Housing Tax Increment Financing District Sources

a) Review of Funding Resources and a Progress Update on the Development Projects Previously Awarded Funding for Committee discussion and direction – Mary Davis.

Ms. Davis began with an overview of available funding resources and an update on the progress of projects previously awarded funding and indicated that staff was seeking direction from the members of the HEDC regarding anticipated requests for additional funding.

After questions and discussion between Committee members and staff, Chair Thibodeau summarized the Committee's direction. Staff should continue to reinforce with developers that they should seek resources to fill funding gaps from all development partners, not just the City. As each request for additional funding is officially presented, staff should present it to the Committee for action.

Item #4(b): Public Hearing on an Affordable Housing Tax Increment Financing (TIF) District Credit Enhancement Agreement (CEA) and HOME and/or Housing Trust Fund Request for 73 Winter Street and Vote to Recommend Approval to the City Council – Victoria Volent.

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.

Item #4(c): Public Hearing on an Affordable Housing Tax Increment Financing (TIF) District Credit Enhancement Agreement (CEA) and HOME and/or Housing Trust Fund Request for 91 Winter Street and Vote to Recommend Approval to the City Council – Victoria Volent.

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.

Ms. Davis noted that for each of these, as the Agenda noted, staff requests the flexibility to use HOME and/or Housing Trust Funds, as well as AHTIF funding, for these projects. Staff prefers HOME but will make its recommendation when it is brought forward to the Council, pending a favorable recommendation today.

Ms. Volent noted that the City received these two requests in response to its AH Development and TIF Application. She shared her screen and showed both locations and what they look like now, empty parking lots behind the former Mercy Hospital on State Street, and renderings of both projects from different angles.

73 Winter Street

Ms. Volent indicated that Community Housing of Maine (CHOM), in partnership with Portland Housing Development Corporation (PHDC), is proposing to construct 41 rental units for family housing, to be known as “The Equinox”. This would be built on four floors, and she then described the make-up of the 41 units and community spaces. Ms. Volent then indicated that 25 units would be reserved for households earning at or below 50% AMI, and 16 units would be reserved for households at or below 60% AMI. Ms. Volent also noted that 10 units would be set aside for women and families working on all aspects of recovery through Northern Light Mercy’s McAuley program.

Ms. Volent noted that the Developer is requesting a \$400,000, 0% interest rate loan, deferred for 30 years. It is also requesting an AHTIF Credit Enhancement Agreement at 50% capture over 30 years, with an annual average of \$62,981 to the development, and 50% uncaptured to the City General Fund at \$62,981 annually over 30 years. Tax sheltering savings to the City are estimated an annual average at \$16,606.

91 Winter Street

Ms. Volent noted that this is also a partnership between CHOM and PHDC, who are proposing to construct 52 rental units in a new four-story building, to be known as Winter Landing, for seniors aged 55 and over. Ms. Volent then described the type of rental units and community spaces, as well as affordability levels, i.e., 32 units reserved to those at or below 50% AMI, and 20 units would be reserved for those at or below 60% AMI. She also noted that 15 units would be set aside for homeless individuals, focusing on those that have been staying at the City shelter for longer than 180 days.

Regarding financing, Ms. Volent noted that they are asking for a \$200,000, 0% interest loan deferred for 30 years, and an AHTIF at 50% capture over 30 years, with the other 50% going into the City's General Fund. Both the Developer and the City would realize an estimated \$62,602 from TIF revenue, and the City would realize tax sheltering savings at an estimated annual amount of \$18,352.

Chair Thibodeau questioned why the 50% capture rate versus the 75% capture rate that is generally requested, and Ms. Davis indicated that the Developer tried to right-size both requests at the beginning. She also noted that the third-party analysis of the financing is still underway, and the Council packet would have updated information.

Chair Thibodeau then opened for public comment. Seeing none, the public comment session was closed.

73 Winter Street

A motion was made by Councilor Chong to recommend to the City Council approval of this request; Councilor Zarro seconded the motion.

Chair Thibodeau clarified that for both of these TIF Districts, 50% of the increased assessed value taxes would go to the Developer, and 50% would go into the City's General

Fund. He then questioned the current ownership, and Ms. Davis indicated that both are now taxable.

Chair Thibodeau then asked for a vote on the motion, and it passed 4-0.

91 Winter Street

A motion was made by Councilor Chong to recommend to the City Council approval of this request; Councilor Zarro seconded the motion.

Chair Thibodeau appreciated the partnership with the City's homeless center for additional space, noting that is very much needed.

Chair Thibodeau then asked for a vote on the motion, and it passed 4-0.

Item #4: Public Hearing and Vote to Recommend to the City Council amending the Downtown Transit Oriented Development (TOD) TIF District to remove 73 and 91 Winter Street from the District in order for the properties to be their own free-standing Affordable Housing TIF Districts.

Mr. Mitchell noted that this is a companion item to the above AHTIF requests to amend the Downtown TOD TIF District to remove 73 and 91 Winter Street from the Downtown TOD TIF District for those properties to be their own free-standing AH TIF Districts.

Chair Thibodeau opened the meeting for public comment; seeing none he closed the public comment session.

A motion was made by Councilor Chong to recommend to the City Council approval of the proposed amendments to the Downtown TOD TIF District; Councilor Zarro seconded the motion.

Seeing no further discussion, Chair Thibodeau asked for a vote on the motion, and it passed 4-0.

Chair Thibodeau noted that the Committee's Work Plan was discussed at its April 6

meeting and added a few additional items, noting that the public can review the meeting Minutes from the City's website for further details. He also noted that the goal would be to have one meeting per month in June, July, and August.

A motion was then made by Councilor Chong to adjourn the meeting, seconded by Councilor Zarro. Chair Thibodeau asked for a vote on the motion and it passed 3-1 (Ali) at approximately 7:00 p.m.

Respectfully, Lori Paulette and Victoria Volent