

Minutes

Remote Housing and Economic Development Committee

September 7, 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, September 7, 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 Kate Snyder. Present from the City staff were Acting Housing and Economic Development Division Director Mary Davis, Housing Program Manager Victoria Volent, and Senior Executive Assistant Lori Paulette. Invited panelist included Mark Wiesendanger, Director of Development at Maine Housing, and Jonathan Culley, Managing Partner at Redfern Properties.

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

Item #2: Review and vote on August 31, 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: Discussion on Housing Policy Options for Missing Middle Housing with a panel discussion, and City staff presentations, followed by Committee discussion and direction to staff – Mary Davis and Victoria Volent.

Mary Davis introduced the item by noting in June the Committee began a discussion regarding housing policies for missing middle households. The Committee asked staff to

coordinate input from stakeholders and identifying programs and policies from comparable communities across the country. Victoria Volent discussed the search for comparable communities, and explained the history and meaning of the term “Area Median Income”. She concluded by noting, local municipalities cannot make changes to the calculation of AMI as defined by HUD. However, there is no specific prohibition to creating a Portland specific median income level (PMI). If created, the PMI would have very limited applicability and in many cases would make an already complex process even more complex. Additionally, as an alternative, local municipalities are adopting auxiliary policies to create more affordable housing at different income levels. Those policies will be discussed in detail during a future meeting of the Housing and Economic Development Committee.

The Committee asked follow-up questions and determined the difference between the HUD and Portland Area Median Income is approximately \$15,000.

Mary Davis introduced the panelist, Mark Wiesendanger and Jonathan Culley.

Mark Wiesendanger stated there is a huge need for housing for the missing middle which is typically described as earning between 60% and 120% of the Area Median Income. He described the programs offered by MaineHousing and noted they are required to use the HUD AMI levels. MSHA does not have funding for units above the 60% AMI level. State legislature is looking at ways to assist with programs (funded by the State government) that may provide that assistance.

Jonathan Culley concurred the housing shortage is acute and dire. The region is seeing COVID-9 migration from Boston and New York, climate migration from California due to fires and Arizona due to droughts. The tremendous demand for housing is only going to get worse. Outlying communities such as South Portland, Westbrook and Scarborough are less expensive locations in which to create housing and do not have inclusionary zoning ordinances to follow.

Mr. Culley said the definition of missing middle should be broken down by rental units (60% to 80% AMI) and homeownership units (100% to 120% AMI)

Councilor Ali asked how the panelists would build missing middle housing and where it should be located.

Mr. Culley and Mr. Wiesendanger agreed housing should be built everywhere with a focus on the most walkable neighborhoods. A transparent, predictable regulatory framework, supportive relations with City-departments, and subsidies are key.

Councilor Thibodeau asked what type of policies/strategies are working and what are not working

Mr. Wiesendanger mentioned density measures allow for economy of scale, and if the city could offer property for sale it would make a huge difference as land in Portland is really expensive. Mr. Culley noted a review of fees (for example the tree replacement fee) should align with the Comprehensive Plan.

Council Chong asked if households in affordable housing developments, or accessing Section 8 housing vouchers are cycling out of the programs. Mr. Wiesendanger did not know the answer but will inquire of their Asset Management Team.

The Committee and panelists discussed the potential implications of the recently passed referendums. More funding may be necessary to counter the costs imposed by the changes. The panelists noted that the City should expect to see housing created outside of Portland where costs are lower.

Councilor Chong asked how many Section 8 vouchers are used in Portland compared to other communities. Mr. Wiesendanger indicated the Asset Management Team would have that information.

Councilor Thibodeau asked what two changes you would make to address creating more

housing of every type. Mr. Wiesendanger would change the amendments to the Inclusionary Zoning Ordinance and recommended reaching out to developers for their input on regulatory barriers. Mr. Culley suggested the City articulate a vision for a much larger city of 100,000 people by putting forth housing production goals; communicating to citizens the urgency to address this problem; and emphasizing with every level of government the need to be pro-housing and partner with developers.

Chair Thibodeau thanked the panelist and indicated the Committee would continue the discussion in their next meeting (September 21). Members are asked to bring their suggestions to the next meeting to workshop ideas so as to leave a framework for the next Council.

Mary Davis noted the State has established a legislative commission to increase housing opportunities in Maine by studying zoning and land use restrictions. The commission is asking for input from municipalities. Mary and Christine Grimando are sitting on a working group to provide that information and background material.

Item #4: Presentation on the HCD/CDBG Priority Task Force Report – Kelley Walsh and Mary Davis

This item was not taken up and will be moved to the next meeting of the Committee.

On a motion was made by Councilor Chong, seconded by Councilor Ali, the Committee voted unanimously (4-0) to adjourn the meeting at approximately 7:03 p.m.

Respectively submitted, Victoria Volent