

Minutes

Remote Housing and Economic Development Committee

October 5, 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, October 5, 2021, at 5:30 p.m. via Zoom. Present from the Committee was its Chair Mayor Kate Snyder and members Councilors Pious Ali, Tae Chong, and Andrew Zarro. Also present from the City Council were Councilors April Fournier and Belinda Ray. Present from the City staff were Public Facilities Director Kathy Alves, Interim Housing and Economic Development Director Mary Davis, Health and Human Services Director Kristen Dow, City Manager Jon Jennings, Finance Director Brendan O'Connell, Principal Adm. Officer Lori Paulette, and Housing Program Manager Victoria Volent. Also present was City Consultant Greg Mitchell.

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

Item #2: Review and vote on September 21, 2021, draft meeting Minutes.

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

Item #3: Public hearing and vote to recommend to the City Council proposed

Homeless Service Center Ground and Building Master Leases – Jon Jennings

Chair Mayor Snyder noted the memo and draft leases in the backup information and she

would accept public comment if there was no further staff presentation. Seeing none, she opened the meeting for public comment.

John McGovern of Hammond Street commented that the project was feeling rushed and questioned the timing.

Ben Strickland, representing Spurwink, noted support for this item and requested Committee and Council support.

Laura Underhuffler of Oxford Street, noted the conceptual design as an improvement, but would rather see smaller shelters in the City.

Norm Maze, Deputy Director of Shalom House, noted support by the organization. The design elements and programming do meet needs of shelter guests, calling it “humanizing”.

Joe McNally of Fallbrook Street on behalf of Milestone noted support for the project, helping people move out of homelessness. He thanked the City Manager and all for their hard work.

George Rheault of Hanover Street noted he joined the meeting a little late and questioned why there was no staff presentation first on the extra costs. Extra costs are not unexpected but he would like to have more detail. He also noted that it appeared that site clean up would be needed, i.e., 2-story mulch pile, along with surrounding uses which include propane tanks and the scrap metal company.

Amy Johnson noted that she recently emailed her comments, adding that the proposed project is not the best use of funds. Action is needed, however, as the Oxford Street Shelter is terrible, and suggested more use of hotels or explore other options.

Seeing no further comment, Chair Mayor Snyder closed the public comment session.

Chair Mayor Snyder asked if the Committee had questions or concerns.

Councilors Ali and Zarro requested staff to speak to new information on costs.

Mr. Jennings first noted that this is not rushed, as he was on a Homeless Task Force beginning 2011, and now we are at where we are today. Regarding the use of hotels, with FEMA funds, the City spent \$1 Million each month for the past two months for hotels which is not sustainable. There has been a lot of public input, and Social Services agencies are very supportive of this project, which focuses on the human toll.

Mr. Jennings then noted that the original proposal from Developers Collaborative (DC) in April had the projected cost at \$20 Million. Now it is at \$25 Million seven months later, and this is due to finalizing space and site plans to address Planning Board approval conditions; pandemic impact upon the costs of materials; energy efficiency (HVAC, electrical, and insulation) requirements associated with the Green New Deal; and, site improvement expenses.

Mr. O'Connell noted that the lease arrangements allow staff to further negotiate down, i.e. through value engineering the cost of the project and associated reductions in lease payments.

Councilor Chong noted support for the project and the terrible conditions now at the Oxford Street Shelter (OSS). The OSS currently has 154 beds at 9,000 sq. ft., and this new facility will have 200 beds with 56,000 sq. ft. It will be a safe facility, with wraparound services on site, and not for permanent housing. Hotels do not provide for serving people for their various needs.

Councilor Ray noted the centralized face of this project is good with resources to move homeless into permanent housing. She supports the project and the cap of \$25 Million, or reduced costs based upon negotiations.

Mayor Snyder noted the difficulty with using hotels for homeless and providing resources.

Ms. Dow added that this HSC has open site lines and wrap around service. It was designed that way versus hotel style for ease in providing various social services, including a clinic.

There was discussion regarding funding the project, including \$5 Million in City ARPA funding and the leasing arrangement.

Mayor Snyder noted constituents have asked if the 200 beds were reduced would it be a meaningful cost reduction.

Mr. Mitchell noted that with value engineering continuing that would be the most meaningful way to reduce costs.

Mr. Jennings noted that it is staff's recommendation to go to the City Council with the cap at \$25 Million, noting the numbers would be fluid until construction.

Mayor Snyder also noted, as did Mr. Jennings, that this project has not been rushed, but rather a slow and steady process. This is the next step in a logical sequence. OSS is the rush. She thanked the staff and Council in getting to this point.

Councilor Ray concurred; there is great urgency for this shelter and services.

Councilor Fournier agreed, noting that working with clients at hotels is very difficult and time-consuming. This project will allow service providers to provide individual agency support.

Mr. Jennings added that the project provides staff with a first-class facility do their work they care so much about and thanked staff for their work.

A motion was then made by Councilor Ali, seconded by Councilor Chong, to forward this to the City Council with a recommendation for approval. The motion then passed 4-0.

(City staff Planning and Development Director Christine Grimando and Planning Special Projects Director Nelle Donaldson now joined the meeting.)

Item #4: Housing Policy Discussion re: Missing Middle Housing – Staff

presentation, Committee discussion and direction to Staff – Mary Davis and Christine Grimando

Mary Davis introduced this item by noting Housing and Economic Development, and Christine Grimando, Director of Planning and Urban Development and Nell Donaldson, Director of Special Projects will present information this evening regarding: programs for the “missing middle”, housing policy, and a ReCode Portland update. Portland is ahead of the curve nationally having already implemented many nationally recognized “best practices” to increase housing opportunities. The sale of City-owned property is a successful policy that will continue in 2022. The investment of financial resources such as HOME, Housing Trust Funds, and Affordable Housing TIFs have been useful tools that will also continue to be strategically used. Staff is also evaluating the inclusion of a new homeownership assistance program using Housing Trust funds; this program will be presented to the Committee at a later date.

Christine Grimando’s presentation focused on the foundation for housing policy in the City’s Comprehensive Plan, the City’s existing land use related housing policies that furthers that vision, and future housing policy arisen through ReCode Portland. Notably, “missing middle” more commonly refers to a housing type rather than an income range. Based on local housing trends outlined by Ms. Grimando, more work is necessary to effectively address the goals of *Portland’s Plan*. As part of ReCode, staff has been working with a consultant to evaluate the existing code for ways to effectively address the goals of the Comprehensive Plan. Eight initial policy concepts that are meant to encourage housing supply and “naturally-occurring” affordable housing were discussed as was the concept for expanding affordable housing. Nell Donaldson indicated the City is looking for opportunities to build additional housing in all neighborhoods. The Comprehensive Plan lays a strong foundation for situating housing on transportation nodes.

Councilor Chong would like to see a pilot project that incorporates density in a neighborhood to demonstrate what density looks like. Woodfords Corner has the potential to be that pilot project neighborhood. Ms. Grimando noted Woodfords Corner has already been rezoned to allow for greater density and has the infrastructure necessary to support housing, yet public investment has not sparked interest from private investors.

Councilor Zarro asked how much more housing could be constructed along priority transportation nodes and corridors, and when is the end date of ReCode Phase II? Ms. Donaldson indicated the first item in the work plan is to take a look at the land use code vis a vis the Comprehensive Plan, followed by public engagement, then draft amendments. Planning Board and City Council action would follow. The time frame is dependent on the scale of work and strategy of moving the work through the process.

Councilor Ali reminded staff that during the previous meeting, he had asked for a list of City-owned property for potential housing development. He is still interested in receiving that information.

Councilor Ray is hoping elements of ReCode are brought forward instead of waiting to bring the full changes all at once. It is easier for the Planning Board and City Council to process amendments in pieces.

Councilor Chong said it is difficult for the “missing middle” to purchase a house given the need to save for the down payment. He supports cooperative housing and would like to find ways to build more cooperative and land trust projects. He is an advocate of programs that promote increased earnings and savings such as the Family Self-Sufficiency (SFF) program.

Mayor Snyder thanked staff for their work around creating legally binding affordable housing and the environment that is conducive for that. She welcomes continuing the conversation regarding City-owned property.

Mary Davis noted the City website contains an interactive map of City-owned property available for referral. Staff will provide the Committee with a progress update regarding City-owned property that has been previously reviewed by the Committee. She also noted staff will bring forward additional properties in 2022.

A motion was made by Councilor Ali to adjourn the meeting, seconded by Councilor Chong. Mayor Snyder asked for a vote on the motion and it passed unanimously (4-0) to adjourn the meeting at approximately 7:28 p.m.

Respectively submitted, Lori Paulette and Victoria Volent