HOUSING & ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, February 15, 2022
TIME: 5:30 PM
LOCATION:This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland City Council and as authorized under 1 M.R.S. 403-B because of the existence of an emergency or urgent issue that requires the Committee to meet by remote methods. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available following the meeting.

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 public comment.

1. Zoom Public Meeting Information

a. Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/82356283380?pwd=UmNvTEVPbFdDY0IvZGhPckptTC8ydz09
Passcode: 486622
Or One tap mobile :
US: +13017158592,,82356283380# or +13126266799,,82356283380#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833
Webinar ID: 823 5628 3380
International numbers available: https://portlandmaine-gov.zoom.us/u/kfYEo9SNE

2. Public Hearing and Vote to accept Minutes of February 1, 2022, Committee meeting.

a. See attached draft meeting Minutes.

3. Presentation of Part I of the 2021 Housing Report - No Public Hearing or Vote Required

a. See attached 2021 Housing Report - Part I

4. **Update from the Portland Harbor Common Working Group - No Public Hearing or Vote Required**

a. See attached update Report.

5. **Harbor Dredge Project Status and Funding - Update, Public Hearing, and Vote Required**

a. Update on Harbor Dredge/Confined Aquatic Cell (CAD) Project - see attached Memorandum.

b. Public Hearing and Vote on a recommendation to the City Council to authorize the City Manager to apply for Federal funds to dredge public and private berthing and vessel support services and to develop a CAD Cell in Portland Harbor – see attached Memorandum.

6. **Communications - No Public Hearing or Vote Required**

a. See attached 2022 Work Plan and Schedule.

b. See attached Memo re: HOME Program Federal Funding Formula

c. See attached Memo on prior use of HOME Funds for Home Owner and Home Buyer Programs

7. **Other Items to be discussed/brought up by Board Directors and/or staff.**

8. **Public Hearing and Vote Required - Executive Session: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee will go into executive session to provide staff guidance related to Fort McKinley Hospital property sale opportunity (a tax-acquired property).**

a. See confidential Memo from Greg Mitchell.

Next Meeting Date: March 1, 2022

City of Portland Commissions are not required to take public comment under FOAA and our Ordinance is silent regarding the duties of the Commission. The Commission has the discretion to not allow or allow public comment during its meetings, including the authority to limit the duration of comments. Since the Commission makes recommendations to the City Council, public comment is available at that level.

Minutes

Remote Housing and Economic Development Committee

February 1, 2022

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 1, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and members Councilors Tae Chong, and Councilor Roberto Rodriguez. Present from the City staff were Acting Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent.

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

Item #2: Review and vote on January 18, 2021, draft meeting Minutes.

On motion made by Councilor Rodriguez, seconded by Councilor Chong, the Committee voted unanimously (3-0) to accept the Minutes as amended.

Item #3: Review and vote to recommend to the City Council the FY 2023 Housing Program Budget

Mary Davis introduced this item by noting the 2023 Fiscal Year Housing Program Budget, as part of Housing and Community Development grant packet, will be reviewed by the Council in two public meetings (one meeting in March and the other in April). The Council would approve the allocation for the CDBG, the Emergency Solutions Grant (ESG), and this Housing Project Budget. The CDBG allocation budget is reviewed by the CDBG Allocation Committee then forwarded to the City Manager who makes recommendations for the Council to take action on. The ESC Program works through the ESC Committee and Continuum of Care Manager and then brought forward to the Council for approval. The Housing Program Budget is reviewed by the Housing and

Economic Development Committee for action. Mary provided the historical background on the Federal HOME program for the Committee. HUD has not announced the allocation for fiscal year 2022-2023, therefore, the City will estimate the same allocation level as the previous year ($991,679) with adjustments allowed. Mary explained how the HOME Program is divided into three categories (administration, tenant based rental assistance, and affordable housing development) and the proposed budget for each category as well as the proposed budget for the Lead Safe Housing and the Jill C. Duson Housing Trust Fund. Staff is requesting Committee approval and recommendation to the City Council of the FY 22/23 Housing Program Budget with allowable adjustments.

Council Ali asked staff if they knew when they would hear from HUD regarding the final allocation. Staff indicated it does not know when that would be but the best-case scenario would be before this item appears before the Council for final action. Should that not occur the Council order would include a clause that allows for a proportional adjustment.

The Committee held a discussion regarding the Housing Program Budget application process, the HOME funding formula, and the recommended minimum balance of the Housing Trust Fund. Staff will provide the HOME funding formula to the Committee.

Councilor Ali opened the meeting to public comment.

Liz Trice (Brackett Street) - thanked the City for thinking about housing and the work they do around it.

Councilor Ali closed the public comment period.

On motion made by Councilor Rodriguez, seconded by Councilor Chong, the Committee voted unanimously (3-0) to forward the recommendations to the City Council with a recommendation for approval.

Item #4 and Item #5: Review and vote to recommend to the City Council the 2022 Jill C. Duson Housing Trust Fund Annual Plan, and review and vote to approve the issuance of the Affordable Housing TIF CEA and Affordable Housing Development Fund Application for City Housing Trust and HOME funds.

Victoria Volent introduced this item by noting staff is seeking direction from the Committee regarding the guidelines and priorities for the allocation of city resources (i.e. HOME, Jill C. Duson Housing Trust Funds, and Affordable Housing Tax Increment Financing) through the *Affordable Housing Development and Tax Increment Financing Application,* and the *Jill C. Duson Housing Trust Fund Annual Plan*. Each document is amended on an annual basis to reflect the City Council's housing policy goals and to establish funding priorities. The priority for the Housing Trust Fund is for workforce housing units that are affable to households earning

60% to 100% of the area median income. The priority for the use of HOME funds is for rental housing to households earning up to 60% of the area median income, and the priority for the use of an AHTIF is for households earning 60% to 100% of the area median income. The project guidelines for funding is to promote economic diversity within the development and within the neighborhood in which the development is located, but HOME funding would create rental housing only.

Councilor Ali opened the meeting to public comment.

Tim Wells (33 Montreal Street) - would like the Committee to review the scoring criteria as well as language affecting the creation of homeownership units, and design standards. He will forward his comments to staff.

Eammon Dundun (Sawyer Street) – concerned Portland will not be creating as many residential housing units in the future and should be judicial with funding from the Jill C. Duson Housing Trust Fund. Does the City know how many projects are still in the development pipeline that have pledged to pay the fee-in-lieu, how many projects do not move forward, or how many units have been created through the leveraging of funds from the Housing Trust Fund?

The Committee discussed their support of homeownership and equity building in its many forms. Staff noted the 2021 Housing Report, expected to be presented during the February 15 meeting of the Housing and Economic Development Committee, would contain the information Mr. Dundun is requesting.

Councilor Ali closed the meeting to public comment.

The Committee discussed the timing of distributing the *Affordable Housing TIF CEA and Affordable Housing Development Fund Application,* and recommendation for adoption of the Jill C. Duson Housing Trust Fund while taking into account Tim Wells request for review of the scoring criteria . The Committee agreed to recommend adoption during this evening's meeting but leaving open the possibility of amending the scoring criteria found in Jill C. Duson Housing Trust Fund Annual Plan during a future meeting of the City Council when the document will be brought forward for a vote. Staff indicated it would communicate to the Committee and to the Council if Tim Well's comments or questions warranted changes to the scoring criteria.

On motion made by Councilor Rodriguez, seconded by Councilor Chong, the Committee voted unanimously (3-0) to forward the Jill C. Duson Housing Trust Plan to the City Council with a recommendation for approval.

On motion made by Councilor Chong, seconded by Councilor Rodriguez, the Committee voted unanimously (3-0) to approve staff to issue the application with the recommendation that staff bring forward any proposed changes to the Committee after review of public comment.

Councilor Ali opened the meeting to comments by Committee members.

Councilor Chong indicated he is looking forward to receiving the 2021 Housing Report to review data concerning the impact brought about by changes to Inclusionary Zoning as a result of the Citizens Referendum. He would also like to invite our state delegates to a meeting of the Committee to encourage them to advocate on behalf of the City to change MaineHousing policies in such a way as to encourage the funding of more cooperative housing development and land trust developments as workforce housing for the missing middle.

Councilor Ali would like a communication from staff on the HomePort program.

A motion was made by Councilor Rodriguez to adjourn the meeting, seconded by Councilor Chong. Councilor Ali asked for a vote on the motion and it passed unanimously (3-0) to adjourn the meeting at approximately 6:32 p.m.

Respectively submitted, Victoria Volent

2021 HOUSING REPORT

February 2022

Victoria Volent
HOUSING & ECONOMIC DEVELOPMENT DEPARTMENT

Part I of the 2021 Housing Report has been prepared by the Housing and Community Development Division, Housing and Economic Development Department at the request of the City Council's Housing and Economic Development Committee. This report is designed to provide an overview of housing activity and accomplishments by the City to address the issues of housing availability and affordability. Part II of the 2021 Housing Report will be released at a later date and will look at housing policy issues such as Inclusionary Zoning and the ReCode Portland initiative.

2021 HOUSING DEVELOPMENT ACHIEVEMENTS

- **10 new residential buildings completed**
- **535 new rental units leased-up**
- **45 low-income rental units under construction on City-owned property**
- **925 approved housing units**
- **140 housing units under review**
- **205 units on City-owned property in the pipeline**

The City Council housing goal for 2021 included increasing access to rental and home ownership that is safe, affordable, and accessible. Portland's Plan, the City's comprehensive plan, set the production goal of 2,557 housing units by 2027, or an average of 256 units per year. During 2021, 535 units within ten new residential buildings were completed – more than double the production goal. Of those units, 132 are affordable to low-income households, and 31 were created by Inclusionary Zoning. In addition, $602,070 was collected as fee-in-lieu payments for deposit into the Jill C. Duson Housing Trust Fund.

In 2021, the Planning Board approved 925 housing units - over three times the annual goal. The planned construction of 66 units for the "missing middle" and 33 low-income units located within 6 market-rate development projects are a result of actions by the Council (through Inclusionary Zoning and the Munjoy Hill Neighborhood Conservation Overlay District) to ensure critically needed below market-rate housing is built or subsidized through the fee-in-lieu option. 95 additional units will be subsidized low-income apartments in two buildings to be located on the former Mercy Hospital campus.

In 2021, the City also advanced its goals around the disposition of city-owned property for the purpose of housing development. Currently projects on city-owned parcels are projected to add approximately 248-258 new units of market rate and affordable rental, homeownership and cooperative housing to the City's overall supply. Those projects are in various stages of the development pipeline; one has broken ground and when completed will provide 45 low-income rental units on the peninsula.

2021 PLANNING BOARD APPROVED UNITS

- **925 Approved Housing Units**
  - **861 Rental Units**
  - **99 Inclusionary Zoning Units**
    - **33 Units Affordable at 80% AMI**
    - **66 Units Affordable at 100% AMI**
  - **95 Low Income Affordable Units (60% AMI or less)**

The Planning Board approved 925 rental and condominium units during 2021 including 99 units created under the Inclusionary Zoning Ordinance. Of those IZ units, 33 were approved under the Green New Deal meaning they are deed restricted to households at or 80% AMI (low-income) as opposed to the 66 remaining IZ units that are deed restricted to household at or below 100% AMI ("missing middle). 95 units were subsidized and will remain affordable to households earning less than 60% AMI.

2021 Planning Board Approved Residential Units

Address	Type	# of Residential Units Approved	# of Units Created by Residential IZ Ordinance	Pending IZ Contribution	Total # of Low Income or Subsidized Units	Affordability Level of: IZ; Low-Inc.; or Subsidized Unit
1844 Forest	Rental	17	2	0	0	100% AMI
52 Hanover	Rental	171	20	0	0	100% AMI
200 Federal	Rental	263	27	0	0	100% AMI
387 Commercial	Condo	64	0	$707,130	0	Market
73 Winter	Rental	43	0	0	43	60% AMI
91 Winter	Rental	52	0	0	52	60% AMI
120 State	Rental	170	17	0	0	100% AMI
Winchester Dr.	Rental	48	12	0	12	80% AMI
45 Forest	Rental	81	21	0	21	80% AMI
19 Willis	Rental	12	0	$132,588	0	100% AMI
32 Atlantic	Rental	4	0	0	0	Market
Totals		**925**	**99**	**$839,718**	**128**	

2021 CERTIFICATE OF OCCUPANCY - RESIDENTIAL BUILDINGS WITH GREATER THAN 10 UNITS

- **10 New Residential Buildings completed**
- **535 Rental Units**
- **31 Inclusionary Zoning Units**
- **109 Low Income Affordable Units (60% AMI or less)**
- **$602,070 Collected in IZ fee-in-lieu payments (for deposit into the Jill C. Duson Housing Trust Fund)**

Address	Type	# of Residential Units Approved	# of Units Created by Residential IZ Ordinance	Collected IZ Contribution	Total # of Low Income/ Subsidized Units	Affordability Level of: IZ; Low-Inc.; or Subsidized Unit
53 McAuley Way	Condo	21	2	0	0	Market
10 Hammond St	Condo	16	0	$169,744	0	Market
50 Monument Sq.	Rental	21	0	$222,789	0	Market
40 Free St	Rental	51	5	$10,609	0	100% AMI
132 Marginal Way	Rental	196	23	0	0	100% AMI
61 Deering St.	Rental	23	0	0	23	60% AMI
510 Cumberland	Rental	52	0	0	52	60% AMI
977 Brighton	Rental	40	0	0	34	60% AMI
56 Hampshire	Condo	29	1	$198,928	0	100% AMI
383 Commercial	Condo	86	0	0	0	Market
Total		**535**	**31**	**$602,070**	**109**	

INCLUSIONARY ZONING

During 2021, the Planning Board:

- **Approved 7 Inclusionary Zoning projects**
- **Approved 99 on-site workforce units**
  - **66 Units Affordable at 80% AMI**
  - **19 Units Affordable at 100% AMI**
- **Approved $707,130 in fee-in-lieu payments for the Jill C. Duson Housing Trust fund**

Inclusionary Zoning Development Projects: December 2015 – February 2022
WITH ALL PROJECTS RECEIVING ANY TAX CREDITS OR CITY SUBSIDIES REMOVED

Address	Status	# of Units	Type	Workforce Units	On-Site	Off-Site	Fee-in-lieu
645 Congress Street	Completed	56	Rental	5	5	0	$0
169 Newbury St (Luminato)	Completed	26	Condo	2	0	2	$0
62 India Street (Mason Block)	Completed	29	Condo	0	0	0	$276,500
443 Congress St	Completed	28	Rental	0	0	0	$280,000
20 Thames St (Twenty Thames)	Completed	27	Condo	0	0	0	$270,000
1 Joy Place (Onejoy)	Completed	12	Condo	1	1	0	$0
60 Parris St (Parris Terraces)	Completed	23	Condo	2	2	0	$0
70 Anderson St	Completed	10	Rental	1	1	0	$0
132 Marginal Way (The Linden)	Completed	192	Rental	23	23	0	$0
50 Monument Square	Completed	21	Rental	0	0	0	$222,789
583-605 Stevens (Seacoast at Baxter Woods)	Completed	20	Condo	2	0	2	$0
383 Commercial (Hobson's Landing)	Completed	89	Condo	8	0	8	$0
56 Hampshire St (Verdante)	Completed	29	Condo	1	0	1	$198,928
40 Free Street	Completed	51	Rental	5	5	0	$10,609
10 Hammond Street	Completed	16	Condo	0	0	0	$169,744
1006 Congress St	Completed	16	Rental	2	2	0	$0
1700 Westbrook St (Stroudwater) (Phase 1)	Building permit issued	46	SF Homes	4	4	0	$0
5 India Street	Building permit issued	24	Rental	0	0	0	$261,086.40
58 Fore Street (Bldg 12) (aka 115 Thames)	Building permit issued	2	Rental	2	2	0	$0
200 Federal Street	Building permit issued	263	Rental	27	27	0	$0
75 Chestnut St (Lofts 75)	Building permit issued	54	Condo	0	0	0	$587,444
52 Hanover Street	Building permit issued	171	Rental	20	20	0	$0
153-165 Sheridan St (Sumner Hghts)	2017 Approval extended	19	Condo	1	1	0	$0
1700 Westbrook St (Stroudwater) (Phase 2)	Approved (2017)	51	SF Homes	5	5	0	$0
1700 Westbrook St (Stroudwater) (Phase 3)	Approved (2017)	25	Townhouses	3	3	0	$0
22 Hope Ave Subdivision (Brandy Ln)	Approved (2018)	16	SF Home	0	0	0	$150,000
300 Allen Avenue	Approved (2018)	12	Condo	1	1	0	$10,609
86 Newbury Street (Shipyard)	Approved (2018)	10	Rental	1	1	0	$0
57 St. Lawrence Street (MHNCDO)	Approved (2019)	15/1	Rental/SF	2	2	0	$63,654
130 Morning Street (MHNCDO)	Approved (2019)	7	Condo	1	1	0	$0
58 Fore Street (Block 4)	Approved (2020)	12	Rental	0	0	0	$0
844 Stevens Ave.	Approved (2020)	21	Rental	0	0	0	$217,572
128R North St (MHNCDO)	Approved (2020)	6	Condo	1	1	0	$0
126 North Street	Approved (2020)	6	Rental	1	1	0	$21,757
1844 Forest	Approved (2021)	17	Rental	2	2	0	$0
387 Commercial Street	Approved (2021)	64	Condo	0	0	0	$707,130
120 State Street	Approved (2021)	170	Rental	17	0	0	$0
Winchester Woods	Approved (2021)	48	Rental	12	12	0	$0
45 Forest Avenue	Approved (2021)	81	Rental	81	21	0	$0
19 Willis Street (IZ and MHNCDO)	Approved (2021)	12	Rental	1	0	0	$132,588
MHNCDO= Munjoy Hill Neighborhood Conservation District Overlay							

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All residential development projects of ten or more units of housing are required to provide either on-site or off-site affordable/workforce housing units, or make a payment into the Jill C. Duson Housing Trust Fund. Passage of referendum Question C from the Citizens Initiated Referendum Question (the Green New Deal) amended the Inclusionary Zoning section of the Land Use Code.

Under the Green New Deal, workforce housing for rent is now defined as dwelling units for which the rent is affordable to households earning 80% or less of the Area Median Income (AMI), and the unit is rented to a household earning 80% or less of AMI (amended from 100% or less of AMI to households earning 100% of less of AMI). Workforce housing for sale is now defined as a dwelling unit for which the purchase price is affordable to a household earning 80% or less of AMI, and the unit is sold to a household earning 80% or less of AMI (amended from 120% or less of AMI, and the unit is sold to a household earning 110% or less of AMI).

The Green New Deal greatly reduced the long-term affordability of rental units. Before the Green New Deal, the affordability term for the minimum-required workforce units was 99 years; that term is now 30 years. Projects now approved under the Green New Deal will become market rate units 69 years sooner - potentially affecting long-term affordability for future tenants. Two projects to-date, Winchester Woods and 45 Forest Avenue, were approved in accordance with the Green New Deal requirements.

Since passage of the original Inclusionary Zoning Ordinance in 2015, there have been 39 projects reviewed under the Inclusionary Zoning requirements, 2 projects reviewed under the Munjoy Hill Neighborhood Conservation District Overlay Ordinance, and 2 under both. Developers have chosen a number of creative approaches towards meeting the Inclusionary Zoning requirement, which are designed to provide flexibility in how to produce affordable/workforce housing.

1006 Congress Street

HOTEL INCLUSIONARY ZONING 2021

- 1 Center Street (Canopy by Hilton), fee-in-lieu of $513,810 deposited into the Jill C. Duson Housing Trust Fund

HOTEL INCLUSIONARY ZONING DEVELOPMENT PROJECTS April 2019 - Nov. 2021			
Address	Status	# of guest rooms	fee-in-lieu
121 Middle Street (3rd floor)	Completed	11	$ 41,866
121 Middle Street (2nd floor)	Completed	8	$ 30,448
1 Center Street (Canopy by Hilton)	Completed	135	$ 513,810
754 Congress Street (Longfellow Hotel)	Approved 1-15-20	48	$ 182,688
Totals			$ 768,812

HOTEL INCLUSIONARY ZONING 2020

- 121 Middle Street, fee-in-lieu of $30,448 deposited into the Jill C. Duson Housing Trust Fund
- 754 Congress Street (Longfellow Hotel), Planning Board approved pending fee-in-lieu of $182,688

HOTEL INCLUSIONARY ZONING 2019

- 121 Middle Street, fee-in-lieu of $41,866 deposited into the Jill C. Duson Housing Trust Fund

SUBSIDIZED HOUSING DEVELOPMENT

The City Council approved funding subsidies for 73 Winter and 91 Winter Street which will create 95 low-income rentals. 977 Brighton Avenue (Wessex Woods) and Deering Place were completed in 2021, creating and placing into service 79 affordable and 36 market rate units.

Subsidized Housing Development in Portland Since 2000

Owner/Project	Appropriation Date	Units	HOME	HDF	CDBG	HTF	TIF	NSP
Unity Village at Bayside	2000	33	$ 86,500	$ -	$ 363,863	$ -	$ -	$ -
Island View Apartments	2001	70	$ 71,015	$ 192,639	$ 136,346	$ -	$ -	$ -
St. Dominic's Family Housing	2002	12	$ -	$ 436,500	$ -	$ -	$ -	$ -
Brannigan House	2002	10	$ 93,000	$ -	$ -	$ -	$ -	$ -
Wellesley Estates	2002	45	$ -	$ 256,000	$ -	$ -	$ -	$ -
Logan Place	2003	30	$ 435,000	$ -	$ -	$ -	$ -	$ -
Yale Court	2002	30	$ 150,000	$ 200,000	$ -	$ -	$ -	$ -
Peninsula Community I	2003	12	$ 300,000	$ -	$ -	$ -	$ -	$ -
Peninsula Community II	2004	16	$ 307,700	$ -	$ -	$ -	$ -	$ -
IRIS Park Apartments	2004	30	$ -	$ 250,000	$ -	$ -	$ -	$ -
Fay Garman Senior Housing	2004	12	$ 150,000	$ -	$ -	$ -	$ -	$ -
Peninsula Community III	2005	10	$ 200,000	$ -	$ -	$ -	$ -	$ -
Walker Terrace	2004	40	$ 382,000	$ 220,000	$ -	$ -	$ -	$ -
Fore River	2006	20	$ 388,474	$ -	$ -	$ -	$ -	$ -
Valley Apts. (Shalom House)	2006	24	$ 320,000	$ -	$ -	$ -	$ -	$ -
Pearl Place I Apartments	2007	60	$ 427,000	$ -	$ -	$ -	$ 615,502	$ -
Bayside East	2007	20	$ 250,000	$ -	$ -	$ -	$ -	$ -
53 Danforth Street	2008	43	$ 325,000	$ -	$ -	$ -	$ -	$ -
Florence House	2008	25	$ 240,000	$ -	$ -	$ -	$ -	$ -
Oak Street Lofts	2011	37	$ -	$ -	$ -	$ 380,585	$ -	$ -
Pearl Place II Apartments	2011	54	$ 400,000	$ -	$ -	$ -	$ -	$ -
Elm Terrace	2011	38	$ 403,795	$ -	$ -	$ -	$ -	$ -
409 Cumberland	2013	57	$ 500,000	$ -	$ -	$ -	$ 759,392	$ -
Adams School	2013	16	$ -	$ -	$ -	$ -	$ -	$1,710,000
Thomas Heights (134 Washingtor	2014	18	$ 522,448	$ -	$ -	$ -	$ 207,116	$ -
Bayside Anchor	2015	45	$ 500,000	$ -	$ -	$ -	$ -	$ -
17 Carleton Street Apts.	2015	37	$ -	$ -	$ -	$ -	$ 726,000	$ -
Rosa True School	2015	10	$ 149,500	$ -	$ -	$ -	$ -	$ -
Motherhouse	2017	88	$ 627,223	$ -	$ -	$ -	$ -	$ -
65 Munjoy	2017	8	$ -	$ -	$ -	$ 175,000	$ -	$ -
58 Boyd Street	2018	55	$ 200,000		$ 30,000		$ 2,144,566	
977 Brighton Avenue	2018	40	$ -	$ -	$ -	$ 300,000	$ 1,954,486	$ -
Deering Place (510 Cumberland)	2018	75	$ 500,000	$ -	$ -	$ -	$ 4,185,757	$ -
37 Front Street	2018	60	$ 306,104	$ -	$ 250,000	$ 555,000	$ 6,056,916	$ -
63 Front Street	2018	45	$ 204,070	$ -	$ -	$ 370,000	$ -	$ -
178 Kennebec Street	2018	51	$ 370,000	$ -	$ -	$ -	$ 2,889,164	$ -
83 Midde Street	2019	45	$ 193,266	$ -	$ 200,000	$ 136,734	$ 1,559,287	$ -
66 State Street	2019	38	$ -	$ -	$ -	$ -	$ 2,672,169	$ -
155 Danforth Street	2019	30	$ 299,999	$ -	$ -	$ 150,000	$ -	$ -
18 Luther Street, Peaks Island	2019	2	$ -	$ -	$ -	$ 36,000	$ -	$ -
200 Valley Avenue	2020	60	$ -	$ -	$ -	$ 491,540	$ 4,092,269	$ -
337 Cumberland Avenue	2020	60	$ -	$ -	$ 220,000	$ 500,000	$ 2,722,057	$ -
577 Washington Avenue	2020	100	$ 400,000	$ -	$ 184,150	$ -	$ 3,809,991	$ -
104 Grant Street	2020	23	$ -	$ -	$ -	$ -	$ 2,749,457	$ -
73 Winter (Equinox)	2021	43	$ 400,000	$ -	$ -	$ -	$ 1,337,426	$ -
91 Winter (Winter Landing)	2021	52	$ 151,190	$ -	$ -	$ 48,810	$ 1,473,978	$ -
		Units	**HOME**	**HDF**	**CDBG**	**HTF**	**TIF**	**NSP**
Total		**1729**	**$ 10,253,284**	**$1,555,139**	**$1,384,359**	**$3,143,669**	**$ 39,955,533**	**$1,710,000**

RESOURCES

FEDERAL SOURCES OF REVENUE

The U. S. Department of Housing and Urban Development's (HUD) mission is to "create strong, sustainable, inclusive communities and quality affordable homes for all." To fund this mission, HUD allocates money directly to state and local governments for community planning and development projects through a variety of programs such as HOME Investment Partnership Program (HOME), Community Development Block Grants (CDBG), and Housing Development Services (HDF).

Home Investment Partnership Program (HOME)

- $551,190 HOME Funds Allocated for Fiscal Year 2021-2022
- 2 Affordable Housing Projects
- 95 New Rental Units

Portland has been a participating jurisdiction in the U.S. Department of Housing and Urban Development (HUD) HOME Program since its inception by Congress in 1992. HOME funds are awarded annually as formula grants to participating jurisdictions.

HOME Funding			
Year	Total	Portland	County
FY21-22	$ 991,679	$ 607,899	$ 383,780
FY20-21	$ 1,053,039	$ 645,647	$ 407,611
FY19-20	$ 1,020,693	$ 625,685	$ 395,008
FY18-19	$ 1,151,710	$ 705,998	$ 445,712
FY17-18	$ 824,856	$ 505,637	$ 319,219
FY16-17	$ 832,642	$ 510,410	$ 322,232
FY15-16	$ 820,832	$ 473,597	$ 347,236
FY14-15	$ 913,178	$ 543,341	$ 369,837
FY13-14	$ 866,153	$ 515,216	$ 350,937
FY12-13	$ 898,543	$ 533,230	$ 365,313
FY11-12	$ 1,221,812	$ 752,982	$ 468,830
FY10-11	$ 1,379,749	$ 850,155	$ 529,594
FY09-10	$ 1,387,142	$ 853,921	$ 533,221
			$ 5,238,530

Individuals, for-profit entities, nonprofit housing providers, and public housing authorities can participate in the HOME Program as owners, developers, or sponsors of housing. HOME funds can be spent on mixed-income projects.

The intent of the HOME Program is to:

- Provide decent, safe, affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

PORTLAND HOME FUNDING 2009 - 2021

Owner/Project	Project	Appropriation Date	Low/Mod Units	Total Units	HOME
Pearl Place II	New Construction	2011	54	54	$ 400,000
Elm Terrace	New Construction	2011	38	38	$ 403,795
409 Cumberland	New Construction	2013	46	57	$ 500,000
Bayside Anchor	New Construction	2013	36	45	$ 500,000
Island View Apartments	New Construction	2013	29	70	$ 71,015
Thomas Heights 134 Washington	New Construction	2014	18	18	$ 522,448
Rosa True School	Rehabilitation	2015	10	10	$ 149,500
Motherhouse	Rehabilitation	2017	66	88	$ 627,223
58 Boyd Street	New Construction	2018	44	55	$ 200,000
Deering Place (510 Cumberland)	Rehab/ New Const.	2018	45	75	$ 500,000
37 Front Street	New Construction	2018	60	60	$ 306,104
63 Front Street	New Construction	2018	45	45	$ 204,070
178 Kennebec Street	New Construction	2018	40	51	$ 370,000
83 Middle Street	New Construction	2019	50	50	$ 193,266
155 Danforth Street	New Construction	2019	30	30	$ 299,999
577 Washington Avenue	Rehabilitation	2020	100	100	$ 400,000
73 Winter Street (Equinox)	New Construction	2021	43	43	$ 400,000
91 Winter Street (Winter Landing)	New Construction	2021	52	52	$ 151,190
City Sub Totals			**806**	**941**	**$6,198,610**

Total City Investment	**$6,198,610**
Avg. City Contribution/Unit	**$6,587.26**

HOME has been the largest funding source for the City, helping to develop approximately 1,359 units of housing, 84% as affordable housing, through the allocation of approximately $10.2 million in funds since 2000.

HOME FUNDED HOUSING DEVELOPMENT

- **73 Winter Street (the Equinox)**: Community Housing of Maine (CHOM)
  - $400,000 HOME Funds
  - $1,337,426 Affordable Housing Tax Increment Financing (TIF)
  - 43 new units of rental housing for families
  - 6 efficiency units, 15 one-bedroom units, 13 two-bedroom units and 9 three-bedroom units
  - 26 units affordable to households earning at or below 50% Area Median Income (AMI), and 17 units affordable to households earning at or below 60% AMI
  - 10 units set aside for women and families working through recovery in the McAuley Program

Source: Community Housing of Maine and Portland Housing Authority

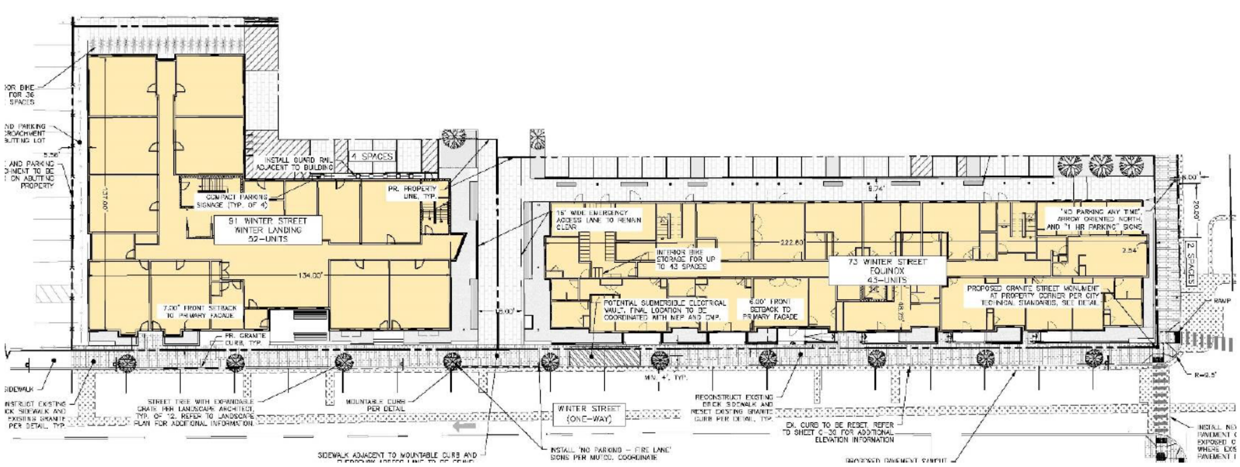

Figure 5 Proposed Site Plan (73 and 91 Winter Streets)

Source: Community Housing of Maine and Portland Housing Authority

- **91 Winter Street (Winter Gardens):** Community Housing of Maine (CHOM)
    - $151,190 HOME Funds
    - $48,810 Jill C. Duson Housing Trust Funds
    - $1,473,978 Affordable Housing Tax Increment Financing (TIF)
    - 52 one-bedroom units of senior rental housing
    - 32 units affordable at or below 50% AMI, and 20 units affordable at or below 60% AMI
    - 15 units set aside for Long-Term Shelter Stayers
    - 15 Project Based Vouchers

PROPOSED WINTER STREET SENIOR APARTMENTS
ELEVATIONS

Source: Community Housing of Maine and Portland Housing Authority

CUMBERLAND COUNTY HOME CONSORTIUM

- 547 housing units proposed, rehabilitated or created from July 2009 to December 2021
- 521 low and moderate-income units
- $2,500,265 invested over twelve years

Portland and Cumberland County have formed a HOME Consortium to receive an annual allocation of HOME Investment Partnership funds through the U.S. Departments of Housing and Urban Development (HUD). The HOME funds are used for the creation of affordable housing development throughout Cumberland County, but outside of Portland.

CUMBERLAND COUNTY HOME CONSORTIUM FUNDING 2009 - 2021

Owner/Project	Community	Project	Appropriation Date	Low/Mod Units	Total Units	HOME
Oak Leaf 2	Freeport	3 new mobile homes	2011	3	3	$ 118,994
Sandy Creek	Bridgton	Rehabilitation	2013	20	20	$ 125,000
Steeple Square	Westbrook	Rehabilitation	2014	73	73	$ 173,650
Bartlett Woods	Yarmouth	New Construction	2015	28	28	$ 122,236
Blackstone Apartments	Falmouth	19 New (39 total)	2016	19	19	$ 123,125
Larrabee Commons	Westbrook	New Construction	2017	38	38	$ 220,000
Riverview Terrace/Larrabee Woods	Westbrook	Rehabilitation	2017	83	83	$ 240,000
West End Phase I	South Portland	New Construction	2018	50	64	$ 246,046
Harnois Apartments	Westbrook	New Construction	2018	61	61	$ 100,000
West End Phase II	South Portland	New Construction	2019	40	52	$ 423,225
15 Harrison Road	Bridgton	New Construction	2020	48	48	$ 200,000
16 Hancock Street	Gray	New Construction	2020	27	27	$ 132,611
Firehouse Village	Scarborough	New Construction	2021	31	31	$ 275,378
County Sub Totals				**521**	**547**	**$2,500,265**

Total County Investment	**$2,500,265**
Avg. County Contribution/Unit	**$4,570.87**

Firehouse Village: Avesta Housing, Scarborough

- $275,378 County HOME Funds
- 1 efficiency and 30 one-bedroom units of 55+ rental housing
- 19 units affordable at or below 50% AMI, and 12 units affordable at or below 60% AMI
- All utilities included
- Town-owned property (former firehouse)

Source: Kaplan Thompson Architect and Avesta Housing Scarborough

LEAD HAZARD REDUCTION GRANT

- 490 housing units have been made lead-safe in Greater Portland since 1995.

The City of Portland has committed to eliminating lead poisoning in children since 1995 when it received its first HUD Lead Hazard Reduction Grant. The control and elimination of lead-based paint remains a critical focus of the City of Portland and in the Housing and Community Development Division, and over the years, 490 units have been made lead-safe in Greater Portland. Within the Lead Hazard Reduction Grant Program, Portland has effectively and successfully addressed lead hazards that are prevalent in the City's older housing stock. In doing so, the City has made available these lead safe units to families with children under the age of six, the population who are most vulnerable to the effects of lead poisoning.

The 2020-2023 Lead Hazard Reduction grant from HUD is currently being administered by the City's Lead Safe Housing Program and will complete lead hazard control work in 100 units throughout Cumberland County by the time it is completed. To date, lead hazard remediation work has been completed in 45 units, despite many obstacles that were presented by the COVID-19 shutdowns. The program has 15 additional units currently enrolled in the program, with completion of these units expected by June. A Healthy Homes inspection is also performed by program staff on all qualifying units, enabling the program to address code violations and health and safety issues separate from the lead hazards.

111 State Street (before and after)

LOCAL SOURCES OF REVENUE

JILL C. DUSON HOUSING TRUST FUND

- $1,153,672.26 was deposited during 2021
- 198,810 in expenditures were committed during 2021
- 52 new affordable rental units received subsidy approval during 2021 (91 Winter Street)

The Housing Trust fund was established to promote, retain; and create an adequate supply of housing, particularly affordable housing, for very-low, low, and median-income households. Former Councilor Jill Duson was dedicated towards funding the Housing Trust Fund, which has contributed to the creation of 439 affordable housing units. Owing to Councilor Duson's passion and committee for affordable housing, the Housing and Economic Development Committee recommended to the City Council to change the name of Housing Trust Fund to the Jill C. Duson Housing Trust Fund, which the City Council approved on March 15, 2021.

YEAR	DEPOSITS		YEAR	EXPENDITURES	
2002/03	Maine Medical Center HRO	$ 315,580.00	2011	Avesta Oak Street Lofts	$ (380,585)
2002	Sportsman's Grill HRO	$ 40,000.00	2014	Housing First Pre-Development RFP	$ (75,000)
2009	Berlin City Auto HRO	$ 116,000.00	2015	65 Hanover & 52 Alder Sts Feasibility Study	$ (9,250)
2010	Stop n Shop HRO 2010	$ 289,250.00	2017	65 Munjoy Street	$ (175,000)
2012	Rockbridge/Eastland Park HRO	$ 42,500.00	2018	60 Parris Downpayment Assistance	$ (24,000)
2012	Riverwalk/Ocean Gateway HRO	$ 250,000.00	2018	37 Front Street - not spent yet	$ (555,000)
2012	118 Congress LLC Easement	$ 3,500.00	2019	63 Front Street - not spent yet	$ (370,000)
2017	91 & 97 Belfort Street (sale of TAP)	$ 86,423.99	2019	977 Brighton Avenue	$ (300,000)
2017	116 Upper A Street (sale of TAP)	$ 78,526.74	2020	Affordable Rental Housing Incentive	$ (1,000)
2017	443 Congress Street IZ	$ 280,000.00	2019	83 Middle Street - not spent yet	$ (136,734)
2018	62 India Street IZ	$ 276,500.00	2020	200 Valley Street - not spent yet	$ (497,455)
2018	Short Term Rental Fee transfer	$ 33,138.80	2020	337 Cumberland Ave - not spent yet	$ (500,000)
2018	0 Thames Street (WEX) sale	$ 1,000,000.00	2021	18 Luther Street	$ (36,000)
2019	20 Thames Street IZ	$ 270,000.00	2021	91 Winter Street - not spent yet	$ (48,810)
2019	20 Thames Street (for balcony overhang)	$ 7,500.00	2021	155 Danforth Street - not spent yet	$ (150,000)
2019	17 Sumac Street (sale of TAP)	$ 79,617.86		Total	$ (3,258,834)
2019	Short Term Rental Fee transfer	$ 176,118.00			
2019	Short Term Rental penalty fees	$ 15,200.00			
2020	Short Term Rental penalty fees	$ 7,700.00			
2019	56 Hampshire St Easement Fee	$ 12,123.00			
2019	121 Middle Street HOTEL IZ 3rd floor	$ 41,866.00			
2020	99 Capisic Street (sale of TAP)	$ 163,168.93			
2020	Short Term Rental Transfer Fee	$ 122,964.50			
2020	22 Bramhall Street (MMC overhang)	$ 3,799.00			
2020	50 Monument Square IZ	$ 222,789.00			
2020	121 Middle Street HOTEL IZ 2nd floor	$ 30,448.00			
2020	Order 89 20/21	$ 500,000.00			
2021	56 Hampshire (Verdante) IZ	$ 198,928.00			
2021	40 Free Street IZ	$ 10,609			
2021	1 Center St. HOTEL IZ	$ 513,810			
2021	Short Term Rental Fee transfer	$ 109,681.26			
2021	Newell Street (sale of TAP)	$ 900.00			
2021	10 Hammond Street IZ	$ 169,744.00			
2021	22 Hope Ave. IZ	$ 150,000.00			
2022	5 India Street	$ 261,086.40			
	Previous INTEREST EARNED	$ 51,555.81			
	Total Deposits	**$5,931,028.29**		**BALANCE**	**$2,672,194.29**
HRO - Housing Replacement Ordinance; IZ = Inclusionary Zoning Fee-in-lieu; TAP = Tax Acquired Property as of 2-1-22					

During 2021, seven deposits, totaling $1,153,672.26 were received into the fund. Of those deposits, $109,681.26 was transferred from the short-term rental registration program, $900 was received from the sale of tax-acquired property at 0 Newell Street, $513,810 represented the Hotel Inclusionary Zoning deposit from the developers of 1 Center Street (Canopy by Hilton), and $529,281 was the total of fee-in-lieu contributions from four developers who triggered the Inclusionary Zoning Ordinance. Expenditures for 2021 included $48,810 to leverage the creation by Community Housing of Maine of 52 affordable rental units for seniors at 91 Winter Street (Winer Landing), $150,000 towards 30 units of housing for Developers Collaborative 155 Danforth Street project (the Phoenix at Danforth), and $36,000 towards the construction of affordable housing at 18 Luther Street on Peaks Island. On February 1, 2022 a deposit, representing the Inclusionary Zoning fee-in-lieu payment of $261,086.40, was received from 5 India Street. The Jill C. Duson Housing Trust Fund has a balance of $2,672,194.29 as of February 1, 2022.

5 India Street

AFFORDABLE HOUSING TAX INCREMENT FINANCING (TIF)

Tax Increment Financing (TIF) is a financing tool that allows municipalities to pay for major improvements projects and affordable housing developments without raising taxes or relying on ever-scarcer federal subsidies. Affordable housing benefits the community and but for this funding assistance, developers would not pursue these projects due to financial unfeasibility. 33% of the units in the development must be designated as affordable units, which significantly reduces revenue against the continued backdrop of all-time high construction costs.

Funding revenue is generated from the new assessed value of a development and the new, higher property taxes resulting from the increase in assessed value. Two affordable housing TIFs, approved during 2021, will provide affordable rental housing for years to come.

73 Winter Street (the Equinox): Community Housing of Maine (CHOM)

- 43 new units of affordable family housing
- 26 units at 50% Area Median Income; 17 units at 60% Area Median Income
- 6 efficiency units, 15 one-bedroom units, 13 two-bedroom units, 9 three-bedroom units

91 Winter Street (Winter Landing): Community Housing of Maine (CHOM)

- 52 new units of affordable senior housing
- 32 units at 50% Area Median Income; 20 units at 60% Area Median Income
- 52 one-bedroom units

Portland has prioritized the use of the Affordable Housing Tax Increment Financing Program (AHTIF) to support projects receiving assistance through the Low Income Housing Tax Credit Program as well as the projects that create housing units that are affordable to households earning 60% to 100% of the area median income. To comply with the AHTIF Statute's requirements, at least 33% of the housing units in the district are required to be affordable housing. Local policy requires that the ongoing affordability period is matched by the length of the term of the district. The affordability term is secured by a declaration of covenants and restrictions recorded in the Cumberland County Registry of Deeds.

Portland has fifteen AHTIF districts of which fourteen were allocated Low Income Housing Tax Credit funding from the State of Maine. The fifteenth project, 104 Grant Street, is a homeownership development.

CITY-OWNED PROPERTY

- 7 Properties
- 1 Single Family (Historical Renovation)
- 1 Single Family home with two accessory dwelling units (proposed)
- 13 Condominiums (proposed)
- 101 Rental Units (proposed)
- 130-140 Cooperative Housing Units (proposed)

The City of Portland is committed to providing housing opportunities and has set a goal to evaluate the use of City-owned property on which to construct housing. Developing city owned land provides the city with unique control over the timing, location, and affordability of housing development in Portland. It also has the added benefit of turning land with little or no tax liability into an income generating property for the City's tax rolls.

Address	**Type**	**# of Residential Units Proposed**
622 Auburn/0 Gray Road	Co-ops	48
18 Central Ave, Peaks Island	1 Single Family with 2 ADUs	3
165 Lambert St	Co-ops	30-40
21 Randall St	Condo	13
43 & 91 Douglass	Rental/Co-ops	56/52
83 Middle St	Rental	45
99 Capisic St	1 Single Family	1
Total		248-258

622 Auburn Street/0 Gray Road proposes the creation of 48 dwelling units consisting of 16 one-bedroom, 16 two-bedroom, and 16 three-bedroom units, or the maximum number of units feasible under the current zoning. The developer, Maine Cooperative Development Partners, proposes to provide limited equity cooperative townhouses to low and moderate income households earning between 80% and 100% of the area median income for a period of no less than 99 years.

18 Central Avenue, Peaks Island proposes to create a new single-family home with up to two accessory dwelling units affordable to renter households earning up to 80% of the area median income. Occupancy is expect in June of 2023.

165 Lambert Street has proposed 30-40 duplex style, three-bedroom, limited equity cooperative townhouses in accordance with the recent amendments to Chapter 14 (the "Green New Deal"). The developer, Maine Cooperative Development Partners requested and received a zoning map amendment from R-2 to R-3 Zone to facilitate the development of multi-family housing as part of a Planned Residential Unit Development (PRUD).

21 Randall Street, also known as Back Cove Flats, will be a condominium consisting of 16 units of one to three-bedrooms. The project will provide affordable housing to households earning from 80% to 110% of the area median income through a 99-year land lease between the Greater Portland Community Land Trust and the individual condo owner. To support the project density, the developers will request a zoning map amendment from R-5 to R-5a Zone.

43 & 91 Douglass Street, also known as Douglass Commons, proposes the creation of 56 rental apartments of low income (40 units) and market rate (16) units in one new building along with 52 affordable limited equity cooperative homes within seven new buildings. The developers, the Szanton Company and Maine Cooperative Development Partners requested and received a zoning map amendment from R-5 to R-5a Zone to increase the allowable density for a Planned Residential Unit Development (PRUD). Both projects will be affordable for 99 years.

83 Middle Street, currently under construction by Community Housing of Maine, will include forty-five affordable units of rental housing (with eleven units set-aside for Long-Term Stayers) at 60% of the area median income or below, deed restricted for affordability for 90 years.

99 Capisic Street is currently under renovation. On September 8, 2021, the City Council voted to approve the Marguerite Emerson House at 99 Capisic Street as a Historic Landmark.


99 Capisic Street (before and after)

2021 INCOME AND RENTAL DATA

2021 INCOME LIMITS- PORTLAND HUD METRO AREA

- HUD describes households in the 30% AMI bracket as extremely low-income
- 80% AMI households are described as low-income households
- 100% AMI represents Portland's "missing middle" rental households
- 120% AMI represents Portland's "missing middle" home ownership households

2021 Income Limits - Portland HUD Metro FMR Area						
				Household Size		
AMI	1	2	3	4	5	6
30%	$ 21,000	$ 24,000	$ 27,000	$ 29,950	$ 32,350	$ 34,750
50%	$ 35,000	$ 40,000	$ 45,000	$ 49,950	$ 53,950	$ 57,950
60%	$ 42,000	$ 48,000	$ 54,000	$ 59,940	$ 64,740	$ 69,540
80%	$ 55,950	$ 63,950	$ 71,950	$ 79,900	$ 86,300	$ 92,700
100%	$ 69,950	$ 69,950	$ 89,950	$ 99,900	$ 107,900	$ 115,900
110%	$ 76,950	$ 87,950	$ 98,950	$ 109,900	$ 118,700	$ 127,500
120%	$ 83,950	$ 95,950	$ 107,950	$ 119,900	$ 129,500	$ 139,100

The U.S. Department of Housing and Urban Development (HUD) computes income limits for Portland based on local Area Median Income (AMI). Portland applies HUD's income limits to determine and monitor household eligibility with the City's Inclusionary Zoning and Low-Income Housing programs, and for residential housing funded through HOME and Community Development Block Grants (CDBG).

2021 MAXIMUM MONTHLY RENT – PORTLAND HUD METRO AREA

- HUD's measure of housing affordability is spending 30% or less of gross monthly income towards housing expenses
- An affordable two-bedroom rental unit for a Workforce household of two to four people is $2,018

Maximum Rents						
				Bedroom Count		
AMI	1	2	3	4	5	6
30%	$ 525.00	$ 600.00	$ 675.00	$ 748.75	$ 808.75	$ 868.75
50%	$ 875.00	$ 1,000.00	$ 1,125.00	$ 1,248.75	$ 1,348.75	$ 1,448.75
60%	$ 1,050.00	$ 1,200.00	$ 1,350.00	$ 1,498.50	$ 1,618.50	$ 1,738.50
80%	$ 1,398.75	$ 1,598.75	$ 1,798.75	$ 1,997.50	$ 2,157.50	$ 2,317.50
100%	$ 1,748.75	$ 1,998.75	$ 2,248.75	$ 2,497.50	$ 2,697.50	$ 2,897.50
120%	$ 2,098.75	$ 2,398.75	$ 2,698.75	$ 2,997.50	$ 3,237.50	$ 3,477.50

The chart above presents the maximum affordable housing expenses (rent plus utilities) broken down by household size and income levels.

PORTLAND, MAINE AREA MEDIAN INCOME

During 2021, the Housing and Economic Development Committee requested a review, and suggested alternatives regarding the City of Portland's use of the U.S. Department of Housing and Urban Development's (HUD) Metro Fair Market Rent Area (FMRA) when determining the Area Median Income (AMI) for affordability housing projects.

The term "affordable housing" traditionally means the percentage of income a household is charged in rent and utilities, or must pay in monthly mortgage payments (including insurance and taxes), does not exceed 30% of a household's gross income.

The notion of only using 30% of one's household income for housing expenses has been unobtainable for many citizens due to the median income of the average resident being less than the existing federally established Area Median Income (AMI) guidelines used to determine the affordability of housing in the City for families.

AMI is the median, or middle, household income based on household size for a specific region as defined by US Department of Housing and Urban Development (HUD) pursuant to section 3 of the 42 U.S.C. 1437, the Housing Act of 1937, as amended. AMI is a general term that is used when Median Family Incomes (MFI) for various geographical locations are adjusted for family size and areas with unusually high or low family income.

The adjustments to MFIs to account for household size and income levels are defined as "income limits," which are expressed as a percentage of AMI. Income limits are represented by three income level categories established by the US Housing Act of 1937: Low-income (income does not exceed 80% of AMI), Very low-income (income does not exceed 50% of AMI), and Extremely low-income (income does not exceed the greater of 30% of AMI or the federal poverty guidelines).

HUD calculates income limits based on Census data for the median family income of metropolitan and non- metropolitan areas. The metropolitan areas are divided into OMB Defined Metro Areas (established by Office of Management and Budget) and HUD Metro Fair Market Rent Areas (HMFA). The City of Portland and 18 additional towns and cities in Cumberland County and 4 towns in York County make up the Portland, ME HUD Metro Fair Market Rent Area (Portland HMFA).

The income limits established for the Portland, ME HUD Metro FMRA are used to determine eligibility for housing assistance programs subject to 42 USC 1437a(b)(2), including Public Housing, Section 8 project-based vouchers, Section 8 Housing Choice Voucher, and other government subsidized housing programs such as HOME and CDBG.

As noted above, Portland is a part of the Portland HMFA. All 19 cities and towns included in the HMFA use the same AMI benchmark to determine housing affordability. The Area Median Income is based on a special tabulation of the Median Family Income (as opposed to Median Household Income) estimate data inflated using a Consumer price Index (CPI) forecast from the Congressional Budget Office (CBO). Family refers to the Census definition of a family, which is a householder with one or more persons living in the same household who are related to the householder by birth, marriage, or adoption. The definition of family excludes one-person households and multi-person households of unrelated individuals. Because many households consist of only one person, average household income is usually less than average family income.

According to 2019 Census data, Portland's median family income is approximately $88,946, and median household income is approximately $63,493. The median family income is approximately $15,000 greater than the median household income. Within the Portland HMFA community, the median income ranges from $83,506 (family)/ $57,060 (household) for Old Orchard Beach to approximately $159,772 (family)/ $124,944 (household) for the town of Cape Elizabeth. Currently, the 2-person household median income for the Portland HMFA for 2021 is $63,950 at 80% AMI; $40,000 at 50% AMI; and $24,000 at 30% AMI.

Local municipalities cannot make changes to the calculation of AMI as defined by HUD because the methodology is established by the federal government to create a uniform nationwide standard. However, there is no specific prohibition to creating a Portland specific area median income level (Portland AMI). If created, the Portland AMI would have very limited applicability and in many cases would be difficult to use because of the layering and complexity of the various affordable housing development funding sources. The use of a Portland AMI would best be used for projects whereby Portland is the only government entity providing subsidy; there are few instances in affordable housing development where this is the case. As regards Inclusionary Zoning, Chapter 14 Section 18.2 (Affordable Housing), this section of the City Code was recently amended through a citizen referendum and cannot be altered for five years except through another ballot measure.

As an alternative, local municipalities are adopting auxiliary policies to create more affordable housing at different income levels. For example, through the sale of City-owned property, investment of financial resources (HOME, Housing Trust Funds, Affordable Housing TIF), and removing regulatory barriers (map and text amendments to facilitate housing through increased density and height), Portland is adopting best practices to create hundreds of units of affordable housing as further described in this report.

Given that AMI calculations are linked to funding provided by HUD for housing, no U.S. municipalities has created a city specific area median incomes. Rather (as noted above) communities have employed other creative policy combinations in order to increase the number of affordable housing units available in their city.

As mentioned before, the City of Portland could theoretically create its own affordable rate separate from the established HUD AMI calculations for non-federally funded residential projects, but it would have limited impact for the reasons stated above.

Most developers often rely on federal funding to finance affordable housing units to some degree. Therefore, creating a new version of AMI that would only impact non-federally funded residential projects which is less effective in reaching the highest number of residents in need of affordable housing than other policy options undertaken by the City.

LICENSING AND HOUSING SAFETY DIVISON

The Housing Safety Inspectors have resumed in-person inspections in 2021 for complaints, but due to the ongoing COVID-19 pandemic have still limited Long Term Rental Registration inspections. Inspectors were still able to respond to tenant and resident complaints and assist landlords with resolving Building Code and Fire Code issues. See Click Fix issues were responded to as they were received, as were disorderly houses, code violations, and land use violations.

This past year Licensing and Housing Safety has assisted the Fire Prevention Bureau in the Fire Department with inspections and review. All of the Housing Inspectors are NFPA certified and the office has dedicated at least 15 hours of inspector time per week to Fire Prevention inspections and tasks. The Permitting and Inspections Department and Fire Department continue to work together in the goal of preventing dangerous fires in Portland.

Licensing and Housing Safety also works closely with Community Policing on issues that are reported through dispatch or by Police Officers in the field. Other close relationships include Corporation Counsel concerning pending court cases or consent agreements, and General Assistance to inspect units associated with housing placement.

In 2021, new Rent Control requirements were added to the Licensing and Housing Safety's administration responsibilities. Many staff hours went into answering questions and educating landlords and tenants on their new rights and responsibilities and following up on complaints. The collection of data required by the new ordinance has also increased the amount of administrative time required to process each registration.

The ordinance also required that Licensing and Housing Safety Office staff the Rent Board. Staff is responsible attending monthly meetings, taking meeting minutes, and preparing the agenda. A considerable amount of time is also spent intaking applications to the Rent Board and advising landlords on their applications.

SHORT TERM RENTAL REGISTRATION

- Non-owner occupied short-term rental units on the mainland are limited to 400 in any one calendar year.
- Once the cap has been reached for non-owner occupied mainland units, applicants are placed on a waitlist. The waitlist totaled 68 at the end of 2021
- No individual or entity may register a short-term rental in any single-family home unless it is: owner-occupied, tenant-occupied with permission of the owner, or located on an island.

The intent of short-term residential registration is to require the disclosure of the ownership of such property, to regulate the renting of property within the City to ensure housing units remain available for rent to those who reside or seek to reside within the City, and to ensure residential areas are not unduly impacted by the operation of short-term rentals.

Short-term Rentals by Applicant and Unit Totals

	TOTAL	ISLAND	NON-OWNER OCCUPIED	OWNER OCCUPIED	TENANT OCCUPIED
APPLICANTS	660	144	281	215	20
UNITS	789	145	396	228	20

LONG TERM RENTAL REGISTRATION

- City of Portland has 4,307 long-term rental properties as of 12-31-21
- City of Portland has 17,932 long-term rental units as of 12-31-21

The intent of long-term rental registration is to require the disclosure of the ownership of real estate proprietorships, partnerships, and trusts, to regulate the renting of property within the City to ensure owners and persons responsible for the maintenance of property are more accessible and accountable with respect to the premises.

LONG TERM & SHORT TERM RENTAL INSPECTIONS

- 2,530 Housing Safety rental inspections were conducted in 2021 (see breakdown below)

In response to the ongoing COVID-19 pandemic, Housing Safety Inspectors limited the number of routine Long-Term Rental Inspections, instead focusing primarily on specific complaints received and following up with outstanding violations. Rent Control Inspections were a new category of inspections in 2021.

TYPE	AMOUNT
Housing Safety Inspections (Long- & Short-Term)	231
Housing Safety Re-inspections (Long- & Short-Term)	558
Illegal Unit Inspections	11
Illegal Unit Re-inspections	10
Complaints/Land-Use/Infestations Inspections	992
Complaints/Land-Use/Infestations Re-inspections	692
Rent Control Inspections	36
TOTAL	2,530

HOUSING SAFETY OUTREACH

The Licensing and Housing Safety office was limited in its abilities to perform in person outreach due to the ongoing pandemic. Otherwise the office attempted to educate and assist residents and landlords in the following ways:

- Created a Rent Control & Rental Housing Rights Webpage and Housing Rights Document.
- Created FAQs on the new Rent Control Ordinance for tenants and landlords.
- Began offering the ability to renew Long-Term Rental Registrations on-line.
- Continue to field calls and emails regarding questions about rights and responsibilities.

Addendum

Annual activity comparison between 2020 and 2021

Planning Board Approved Housing Units

	Total Units	Rental Units	Inclusionary Zoning Units Affordable at 80% AMI	Inclusionary Zoning Units Affordable at 100% AMI	Low Income Units Affordable at 60% AMI or less
2021	909	845	33	66	95
2020	271	233	n/a	9	176

Inclusionary Zoning Planning Board Approved Projects

	# of Projects	Inclusionary Zoning Units Affordable at 80% AMI	Inclusionary Zoning Units Affordable at 100% AMI	Approved Fee-in-lieu payments
2021	7	66	19	$707,130
2020	7	n/a	23	$239,329

Hotel Inclusionary Zoning Projects Completed

	# of Projects	Fee-in-lieu Collected
2021	1	$513,810
2020	1	$30,448

Subsidized Housing Development

receiving City Council Approval	# of Projects	# of Units
2021	3	96
2020	4	243

Jill C. Duson Housing Trust Fund	Deposits Received	Funds Committed	Units Subsidized
2021	$1,003,672	$198,810	82
2020	$1,042,899	$998,455	120

Parks, Recreation and Facilities Management
Ethan Hipple
Director

TO:	Members of the Housing and Economic Development Committee
FROM:	Ethan Hipple, Director of Parks, Recreation & Facilities
SUBJECT:	Update on Portland Harbor Common Park
DATE:	2/3/22

Hello Members of the Housing and Economic Development Committee,

In March of 2021, City staff and members of a pro-bono design team presented to your committee a concept detailing a new waterfront park for Portland. The project has a working name of Portland Harbor Common.

Since that time, considerable work has been done. This is a short synopsis of progress to date, as well as a timeline for moving forward.

- March 16, 2021: **Presentation** to Housing and Economic Development Committee
- June 15, 2021: **Public Forum #1,** Hosted by pro-bono design team. Initial concepts were presented to the general public.
- August 2021: **Portland Parks Conservancy**, a local 501c(3) organization that supports Portland's Parks, signs on as a partner for fundraising and public engagement. MOU is drafted and signed with City.
- September 22, 2021: P**ublic Forum #2**, Hosted by Planning Department, Parks Conservancy, and Parks, Recreation and Facilities Department.
- December 2021: Parks, Recreation and Facilities Department submits Capital Improvement Project request of $150K for Design and Permitting services.
- January 2022: **Working Group** is formed:
    - Mayor Kate Snyder
    - Anne McGuire, Assistant City Manager
    - Ethan Hipple, Parks, Recreation and Facilities Department Director
    - Christine Grimando, PLanning and Urban Development Director
    - Sean King, Urban Designer
    - Dick Barringer, Community Member
    - Angelina Klothis, Office of Economic Opportunity
    - Bill Needelman, Waterfront Coordinator
    - Kathy Alves, Waterfront and Public Buildings Director

- The Working Group is meeting bi-weekly

Next Steps

- Seeking $150K of CIP funding to pay for construction drawings, permitting, and more detailed budget estimates. Total construction cost for Phase 1 is $2M.
- Request for Proposals will be issued for design and permitting services.
- Portland Parks Conservancy is prepared to seek grants and raise funds for the project once construction drawings and final project budget is completed.
- Working with the Office of Economic Opportunity, the Working Group plans to do further outreach to neighborhood residents in affordable housing and public housing settings in order to get more detailed feedback on desired park amenities and design and how the new park can be truly inclusive.

City of Portland
Housing and Economic Development Department
Mary P. Davis, Interim Director

Memorandum

To: Chair Ali and members of the Housing and Economic Development Committee

From: Bill Needelman, Waterfront Coordinator

Date: February 9, 2022

RE: Update on Portland Harbor Dredge Project and Public Hearing, Vote, and Motion to Recommend to the City Council Authorizing City Application of up to $25 Million Federal Funds to Dredge Public and Private Berthing and Vessel Support Resources and to Develop a Confined Aquatic Disposal (CAD) Cell in Portland Harbor.

CC: Danielle West, Interim City Manager
Anne McGuire, Deputy City Manager
Mary Davis, Interim Housing and Economic Development Director

Note: Updates to the Committee have been provided advance of applications for federal funding in 2021 and 2020. This memo provides a brief summary of the dredge planning process to date and concentrates on updates and new information. Staff will also be making a presentation at the meeting. For those members of the Committee and the public seeking greater depth, an extensive amount of background and detail on the project is found in the 2021 RAISE application which is posted on the Portland Harbor Commission website at: https://portlandharbor.org/raise

Introduction

The City of Portland, with funding from the Maine Department of Transportation and partnership with the Portland Harbor Commission and the City of South Portland, continues to work toward dredging the piers, wharfs, and berthing resources of Portland Harbor. The project additionally includes the creation of Maine's first Contained Aquatic Disposal (CAD) cell to permanently sequester the dredged material. The February 15, 2022 Housing and Economic Development Committee meeting provides an opportunity to update Councilors on recent progress, funding opportunities, and next steps. The EDC and HEDC previously received updates on the Portland Harbor Dredge Project by the Waterfront Coordinator in June 2019, February 2020, and February 2021.

Background

Most observers of Portland's waterfront are aware of the ongoing efforts to dredge berthing and vessel support infrastructure along both shores of the Fore River. Since the creation of the Waterfront Coordinator position in 2014, the City has led this effort and engaged in a consistent process of building public and private partnerships, procuring funding from outside sources, producing technical material, conducting public outreach, and overseeing permitting and design processes needed to secure project funding. Over the last three years, the project team has concentrated on permitting and funding. Having been unsuccessful through two rounds of

Federal funding requests, the project has reached a pivotal juncture and is seeking City Council support and authorization to apply for a new round of funds from the RAISE program administered by USDOT.

Policy Basis

The City policy directing the dredge efforts were established in the year 2000 report, *Investing in our Working Waterfront* (aka, Waterfront II), which also laid the policy basis for the Waterfront TIF program. Private efforts to dredge the piers and wharfs of Portland Harbor go back even further. Waterfront II clearly articulates the need for dredging and the rationale for public assistance. In FY2003, the report was adopted into the City's Comprehensive Plan and the Waterfront TIF program was established. Current policy guidance in *Portland's Plan 2030* and *One Climate Future* reiterate and continue to support dredging for Portland Harbor.

Permitting Status

The dredging of the piers and wharfs and creation of the CAD cell disposal facility are ***fully permitted by the Maine DEP and the US Army Corps of Engineers***. The CAD cell permit (issued to the City of Portland) requires that construction on the CAD cell is complete by 2024. The other permits have longer timeframes, but the timeline established for the CAD creates genuine urgency to secure funding for the project as soon as possible.

Dredging Need

Simply put, all urban harbors need dredging eventually. Working waterfronts need sheltered infrastructure to function, and sheltered areas accumulate sediment. The foundation of a working waterfront economy depends on piers, wharfs, ramps, boat yards, and marinas. Working waterfronts exist at the transition between vessels and land. Sediment build up separates the vessel from its "berth" where the vessel interacts with the pier. If the pier cannot support "berthing," the pier no longer serves the working waterfront as functional infrastructure.

To solve the problem of sediment build up, all harbors dredge material to remove sediments and regain or improve water depth needed for vessel service.

Unfortunately, older urban sediments typically contain pollutants that negatively impact the marine environment, while also providing a significant barrier to dredging. Polluted sediment needs a responsible disposal plan, subject to extensive permitting. Such a disposal site for Portland Harbor does not currently exist, although dredging and the CAD Cell are now fully permitted, resulting in no dredging for most berthing resources for decades.

In the Central Waterfront alone, ***over 26% of potential berthing has been lost to sediment build up*** – over 3000 feet of lost berthing *(enough space to support 60 lobster boats or other smaller commercial vessels).* Other parts of the harbor have experienced similar loss with extensive additional loss of water depth and berthing value. As time passes, marine industry loses capacity while the costs to dredge increases as sediment accumulates.

Dredging Benefits

The benefits of dredging Portland Harbor and creating a CAD cell are multi-faceted and significant.

- ***Improved environmental conditions*** - Removing contaminants from the harbor bottom and sequestering them into a CAD cell will improved sediment conditions and water quality in the Fore River. The Friends of Casco Bay, the Casco Bay Estuary Partnership, and the fishing community all support the environmental benefits of the project.
- ***Future Adaptation for Climate Change*** – Returning berthing resources to functional use is critical to creating a solid financial future for working waterfront infrastructure. Climate change adaptation will require large investments and polluted sediments is a major barrier to financing.
- ***Supporting an Equitable Economy*** – In 2020 the Cities of Portland and South Portland contracted with AECOM to estimate the value of Portland Harbor to the regional economy. According to the final report, there are *"120 marine businesses (not including individual commercial fishing vessels) in Portland and South Portland. These 120 marine businesses have* ***over a billion dollars in annual revenue*** *and provide employment for approximately* ***2,270 workers****. Commercial fishing adds another $17 million in revenue and* ***570 jobs****." Portland Harbor Economic Assessment and Data Collection, 2020, AECOM, page 9.* Original research by the City HEDD concluded that within 700 regional seafood jobs, that over 70% of workers were either immigrant or minority, with as many as 8 languages spoken at one individual processing facility. Seafood needs a functional harbor, and seafood supports a highly diverse employment base.

Dredge Statistics:

- 244,000 cubic yards of material needs to be removed from Portland Harbor to restore lost or degraded berthing areas, estimated to cost +/-$40/cubic yard or $9,760,000.
- 370,000 cubic yards of material to build the CAD cell (which must be "over-dredged" to accommodate the contributing sediments) at an estimated $30/cubic yard or $11,100,000.
- +/-108,000 cubic yards of material are estimated for dredging from the Portland side of the Fore River
- +/-136,000 cubic yards of material anticipated from the South Portland waterfront.
- City owned public facilities in Portland (East End boat ramps, Ocean Gateway and the Amethyst lot, Maine State Pier, and the Portland Fish Pier) will contribute nearly 52,000 cubic yards of material.

- The South Portland "Portland Street Pier" is estimated at +/-2,300 cubic yards.
- The balance of sediment will come from 30 private piers, boat yards, and marinas throughout the harbor.

Funding Strategy:

Funding to Date:

To date, a mix of State, Federal, and municipal funding has taken the process from concept to 30% design and permitting. US EPA Brownfields funds awarded to the Portland Harbor Commission (with smaller amounts to the City of Portland) have totaled over $400,000 targeted toward assessment and permitting of dredging the berthing resources themselves. The Portland Harbor Dredge project is the first Brownfields program project in the nation to fund a submerged lands assessment. MDOT has contributed $325,000 toward the CAD cell portion of the project. The City of Portland has allocated $100,000 of Waterfront TIF funding to complete the process of permitting and permit review support. MTI granted $25,000 to assist with chemical and geotechnical assessments, design and permitting.

The above funds are in addition to years of staff time and thousands of volunteer hours committed by waterfront advocates and members of the Portland Harbor Commission.

Future Project Costs

The above soft costs, while significant, represent only a fraction of the anticipated construction costs moving forward. Including future soft costs for final engineering and design, bidding document prep, mobilization, and mitigation fees, the Portland Harbor dredge project is estimated at +/-$30,500,000 to $35,000,000.

Assumed Funding Structure (subject to confirmation revision prior to application)

MaineDOT Funds (Matching local, see below)		$ 6,000,000
Needs confirmation from MDOT		
City Allocation:		
City of Portland	$ 500,000	
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(Note: Brownfield revolving loan fund could be used to finance public and private tipping fees)

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Potential RAISE Application		**$20,323,555**

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Next Steps

The RAISE application deadline is April 14, 2022.

Staff is requesting that the HEDC vote to recommend to the City Council Authorizing City Application of up to $25 Million Federal Funds to Dredge Public and Private Berthing and Vessel Support Resources and to Develop a Confined Aquatic Disposal (CAD) Cell in Portland Harbor.

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DRAFT
Housing & Economic Development Committee
2022 Work Plan Schedule
as of February 11, 2022

February 15, 2022
1. Presentation of Part I of the 2021 Housing Report
2. Update from the Portland Harbor Common Working Group
3. Harbor Dredge Project Status and Funding - Applications due 4/14/2022 for RAISE
4. Executive Session re: Fort Mckinley Property Sale Opportunity

March 1, 2022
1. Presentation of Age-Friendly Portland and the Portland Age-Friendly Business Program
2. Update and Discussion on use of TIF funds to invest in workforce training (including a possible collaboration between Portland Adult Ed and PATHS).
3. Review and approval of a Purchase and Sale Agreement for City-owned property at 622 Auburn Street and 0 Gray Road, Falmouth

March 15, 2022
1. (Public Hearing) Review and Vote to Recommend Approval to the City Council of the Draft 5-Year HUD Consolidated Plan and FY23 HUD Annual Allocation Plan
2. (Public Hearing) Review and Recommendation Approval to the City Council of a Tourism Improvement District
3. Communication Item re: Minimum Wage Ordinance; are amendments permitted after 2020 referendum

April 5, 2022
1. Communication Item: Community Development Week – April 18-22/Fair Housing Month
2. Presentation by Waterstone Properties re: Future Development Plans for Rock Row

April 19, 2022
1. (Public Hearing) Review and Vote to Recommend Approval to the City Council of an Analysis of Impediments to Fair Housing.
2. Overview of the Outdoor Dining Permitting and Licensing Program

May 3, 2022
1. (Public Hearing) Review and Vote to Approve Affordable Housing TIF CEA Applications
2. (Public Hearing) Review and Vote to Approve Funding Requests Received from the Affordable Housing Development Fund Applications for City Housing Trust and HOME Funds
3. Portland Downtown Annual Budget, Work Plan and City Agreement

May 17, 2022
1.

June 7, 2022
1. Presentation of Part II of the 2021 Housing Report, including a review of the Green New Deal impacts on housing production

June 21, 2022

1. Presentation, Annual Overview and Integrated Report from Permitting and Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report
2. Overview of the Short Term Rental Registration Program

July 5, 2022
1.

July 19, 2022
1.

August 2, 2022
1. Review of Impacts of 2020 Green New Deal Referendum on housing development.

August 16, 2022
1.

September 6, 2022
1.

September 20, 2022
1.

October 4,2022
1.

October 18, 2022
1.

November 1, 2022
1. Review of 2022 Committee Accomplishments Annual Report – Issue to the City Council as a communication
2. City Annual TIF District Activity Report – Issue to the City Council as a communication

November 15, 2022

December – No Committee meeting

COMPLETED WORK

January 4, 2022
1. Discussion of Committee priorities for 2022, including housing policy/investment strategies.

January 18, 2022
1. Finalizing Committee priorities for 2022, including housing policy/investment strategies.
2. (Public Hearing) Review and Vote to Recommend Approval to the City Council of the HUD Citizen Participation Plan
3. Executive Session: Discussion of Possible Disposition of City-owned property on Great Diamond Island.

February 1, 2022
1. (Public Hearing) Review and Vote to Recommend to the City Council – FY23 Housing Program Budget
2. (Public Hearing) Review and Vote to Recommend to the City Council – 2022 Jill C. Duson Housing Trust Fund Annual Plan
3. (Public Hearing) Review and Vote to Approve to Issue - Affordable Housing TIF CEA and Affordable Housing Development Fund Application for City Housing Trust and HOME Funds

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
ECONOMIC DEVELOPMENT POLICY				
a. City/School-wide approach to procurement focusing on locally owned businesses (Phoenix AZ as example) (carried over from the 2021 work plan) b. Explore and expand relationship with Portland Buy Local			AZ	
Explore Neighborhood Identity/Branding (carried over from the 2021 work plan)			TC	
Review Tax Increment Financing (TIF) investment in workforce training for FY2023 funding.		X		
Explore TIF investment options to increase annual TIF support to Creative Portland (CP) (raise the funding floor from $155k to $200k) and to support performing art centers and the arts eco-system, which makes Portland unique as a destination for visitors and local residents.		X	TC	
Explore designation of a Tourism Improvement District		X	TC	
Research and present options for public-private partnerships to support parking garage and possible new affordable housing - City-owned Bayside Lot 6, (corner of Somerset & Chestnut St) acquired by the City Council through eminent domain		X		
Update on Harbor Dredge Status and Funding		X		
Review Outdoor Dining Permitting & Licensing Program			PA/AZ	
Explore the possibility of creating a workforce training program between Portlan Adult Ed and Portland Technology High School .			PA	
Increase to minimum wage (discuss if permitted under 2020 citizen referendum?)			AZ	

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
AFFORDABLE HOUSING POLICY AND BUDGETS				
Policy Discussion re: (1) Impacts of 2020 Referendum (Green New Deal) on housing development, (2) Guidelines and Priorities for the allocation of city resources for housing development		X	TC	(2)✔
Encourage developers seeking assistance through the City's Affordable Housing Development and/or TIF Programs to participate in the Section 8 Family Self Sufficiency Program.			TC	✔
Encourage housing development that supports the Comprehensive Plan goal for development along major thoroughfares off peninsula.		X	TC	✔
Review of FY 2023 Housing Program Budget (February)	X			✔
Review of 2022 Jill C. Duson Housing Trust Fund Annual Plan and the 2022 Affordable Housing Development Application (February)	X			✔
Host a Housing Summit (similar to one held in 2016)			PA	
Review of Short Term Rental Registration Program			PA	

AFFORDABLE HOUSING PUBLIC-PRIVATE PARTNERSHIPS				
Review and Vote to Approve Funding Requests Received from (1) the Affordable Housing Development Applications for City Housing Trust and HOME funds and (2) Affordable Housing TIF CEA Requests. (May)	X			
Review City surplus property to sell/lease to support affordable housing		X	PA	

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
REAL ESTATE TRANSACTIONS				
622 Auburn Street and 0 Gray Road P&S Agreement		X		
Purchase and Sale Agreement for the sale of a portion of City-owned Thames Street Property		X		
Kennebec Street Realignment (from Brattle to Forest)		X		

	Annual Committee Work	Staff Recommendations	Committee Members' Priorities	Status
ANNUAL REPORTS AND ACTIONS				
Presentation of 2021 Housing Report (February)	X			
5-Year HUD Consolidated Plan and FY223 Annual Allocation Plan (Jan-April) (1) Analysis of Impediments to Fair Housing & (2) Amendments to the HUD Citizens Participation Plan		X		
Presentation, Annual Overview and Integrated Report from Permitting & Inspections and Fire Department re: Short-term and Long-term Rental Housing Safety & Inspection Program - Implementation and Financial Report (April)	X		Process established under prior Housing Committee	
Fair Housing Month (April) Community Development Week Activities (April 18-22, 2022)	X	X		
Portland Downtown Annual Budget, Work Plan and City Agreement (May)	X			
City TIF District Annual Activity Report (November)	X			
Committee Annual Accomplishment Report (November)	X			

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

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

FROM: Mary Davis, Interim Director Housing and Economic Development Department

DATE: February 11, 2022

SUBJECT: COMMUNICATION ITEM: HOME Program Formula

Introduction

In response to the Housing and Economic Development Committee request for additional information regarding how HOME Program funds are allocated to local communities, staff is providing this communication regarding the HOME Program Formula.

HUD distributes the funds appropriated to the HOME program to participating jurisdictions (PJ) (like the City of Portland or the Cumberland County HOME Consortium) using a formula. By law, 40% of the funds are allocated to states and the remaining 60% are allocated to localities. The HOME formula is defined within the Code of Federal Regulations at chapter 24 Part 92 subpart B.

HUD provides a tool that calculates estimated HOME award allocations based on potential participating members of a consortium. The tool uses U.S. Census and HOME data to calculate an estimate of the amount of HOME funds that a potential single consortium might qualify for under the HOME formula. The formula estimate produced by the builder is based on the selected members of the consortium, the geography of the proposed consortium, and the formula factors required by the HOME Program formula calculation.

Formula Factors

CFR Formula Factor	Formula Data Title	Acronym	Factor Weight
Incidence of poverty	Families in poverty	FAMPOV	20%
Supply of substandard rental housing	Vacancy adjusted rental housing occupied by persons in poverty	AVACRATRP	10%
Relative inadequacy of housing supply	Rental housing with one of four problems	TRHC4	20%
Cost of producing housing	Cost indexed rental housing with one of four problems	AMTRHC4	20%
Number of low-income families in rental housing units likely to need rehabilitation	Pre-1950 rental housing occupied by persons in poverty	P50RHP	20%
Fiscal incapacity to carry out housing activities without federal assistance	Population indexed by per capita income	POPPCI	10%

The actual amount awarded to a consortium is determined by the amount of funding that Congress appropriates to the HOME Program, the number of set-asides in the appropriation for other purposes, the qualification of new Community Development Block Grant (CDBG) Entitlement communities and urban counties, and the formation of other eligible and participating consortia.

HOME Consortia Calculation for Portland

STUSAB	GEO NAME	GEO GROUP	COUNTY NAME	FAMPOV	P50RHP	TRHC4	AMTRHC4	AVACRATRP	POPPCI
ME	Portland city	City	Cumberland County	1,775	2,280	8,025	7,334	7,638	67,206

Estimated value of the FAMILIES IN POVERTY factor:	*$58,240*
Estimated value of the PRE-1950 RENTAL HOUSING OCCUPIED BY THE POOR factor:	*$215,600*
Estimated value of the RENTAL HOUSING WITH 1 OF 4 PROBLEMS factor:	*$84,240*
Estimated value of the COST INDEXED RENTAL HOUSING WITH 1 OF 4 PROBLEMS factor:	*$74,660*
Estimated value of the VACANCY ADJUSTED RENTAL HOUSING WITH PROBLEMS factor:	*$69,720*
Estimated value of the POPULATION INDEXED BY PER CAPITA INCOME factor:	*$25,980*
Estimated TOTAL:	**$528,440**

HOME Consortia Calculation for Cumberland County

STUSAB	GEO NAME	GEO GROUP	COUNTY NAME	FAMPOV	P50RHP	TRHC4	AMTRHC4	AVACRATRP	POPPCI
ME	Baldwin town	Town/MCD	Cumberland County	25	4	15	14	0	2,023
ME	Bridgton town	Town/MCD	Cumberland County	220	45	285	260	31	8,153
ME	Brunswick town	Town/MCD	Cumberland County	215	210	930	850	719	19,532
ME	Cape Elizabeth town	Town/MCD	Cumberland County	40	0	265	242	28	5,111
ME	Casco town	Town/MCD	Cumberland County	100	35	290	265	85	5,095
ME	Chebeague Island town	Town/MCD	Cumberland County	4	4	4	4	4	245
ME	Cumberland town	Town/MCD	Cumberland County	75	25	205	187	72	3,972
ME	Falmouth town	Town/MCD	Cumberland County	14	19	435	398	0	5,438
ME	Freeport town	Town/MCD	Cumberland County	105	50	250	228	0	5,550
ME	Frye Island town	Town/MCD	Cumberland County	0	0	0	0	0	21
ME	Gorham town	Town/MCD	Cumberland County	100	0	395	361	416	16,068
ME	Gray town	Town/MCD	Cumberland County	160	60	380	347	254	7,023
ME	Harpswell town	Town/MCD	Cumberland County	60	20	185	169	35	2,838
ME	Harrison town	Town/MCD	Cumberland County	110	20	110	101	0	3,512
ME	Long Island town	Town/MCD	Cumberland County	4	10	4	4	4	198
ME	Naples town	Town/MCD	Cumberland County	175	0	90	82	12	4,295
ME	New Gloucester town	Town/MCD	Cumberland County	125	15	115	105	0	6,223
ME	North Yarmouth town	Town/MCD	Cumberland County	30	14	20	18	0	2,599
ME	Pownal town	Town/MCD	Cumberland County	15	4	35	32	0	1,525
ME	Raymond town	Town/MCD	Cumberland County	30	15	115	105	41	3,771
ME	Scarborough town	Town/MCD	Cumberland County	160	75	630	576	191	13,777
ME	Sebago town	Town/MCD	Cumberland County	10	0	35	32	7	1,490
ME	Standish town	Town/MCD	Cumberland County	75	0	85	78	60	10,853
ME	Windham town	Town/MCD	Cumberland County	215	0	400	366	90	18,636
ME	Yarmouth town	Town/MCD	Cumberland County	90	10	435	398	0	5,123
ME	Portland city	City	Cumberland County	1,775	2,280	8,025	7,334	7,638	67,206
ME	South Portland city	City	Cumberland County	570	380	1,995	1,823	1,785	24,296
ME	Westbrook city	City	Cumberland County	470	405	1,605	1,467	1,122	20,635

Estimated value of the FAMILIES IN POVERTY factor:	*$163,130*
Estimated value of the PRE-1950 RENTAL HOUSING OCCUPIED BY THE POOR factor:	*$349,880*
Estimated value of the RENTAL HOUSING WITH 1 OF 4 PROBLEMS factor:	*$182,000*
Estimated value of the COST INDEXED RENTAL HOUSING WITH 1 OF 4 PROBLEMS factor:	*$161,300*
Estimated value of the VACANCY ADJUSTED RENTAL HOUSING WITH PROBLEMS factor:	*$114,970*
Estimated value of the POPULATION INDEXED BY PER CAPITA INCOME factor:	*$102,520*
Estimated TOTAL:	**$1,073,800**

City of Portland | Housing and Economic Development Department
Mary P. Davis, Interim Director

To: Councilor Ali and Members of the Housing and Economic Development Committee
From: Mary P. Davis, Interim Director
Date: February 11, 2022
Re: Communication Item re: Prior Use of HOME Funds for Home Owner and Homebuyer Programs

When the City began receiving HUD HOME Program funding in 1992, a first time homebuyer program and a home repair program were established. The homebuyer program provided up to $30,000 for down payment, closing costs and repair assistance for eligible households purchasing a single family home or condominium unit. The home repair program provided up to $15,000 to assist with home repairs. Both programs extended throughout the county with the formation of the Cumberland County HOME Consortium in 2009. The homebuyer program ended in 2015 and the home repair program ended in 2019.

The decision to end both programs was based on several factors. HOME Program regulations require that any home purchased and/or repaired using HOME funds, must meet local building code. The HOME Program also establishes a maximum purchase price or existing value limit (in FY2021 the limit is $304,000). To use HOME Program funds for either a homebuyer program or home repair program, the value of the home, including purchase price and repair costs, cannot exceed this number. To be eligible for the HOME Program, a household's income cannot exceed 80% of the area median income (FY2021 4-person household $79,900). Often there was a gap between the purchase price and the level of subsidy available to make a home purchase affordable. It was also financially difficult to complete the repairs necessary to bring properties up to current building codes within the available subsidy.

With limited HOME resources, rising home values, increased repair costs, and the emphasis on development of affordable rental housing, the decision was made to no longer offer these programs.