

Minutes

Remote Housing and Economic Development Committee

February 15, 2022

NOTE: This meeting was held via Zoom and can be viewed at this link:

<https://www.portlandmaine.gov/129/Agendas-Minutes> 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 18, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Pious Ali, and members Councilors Tae Chong, Roberto Rodriguez, and Councilor Andrew Zarro. Also present from the City Council was Mayor Kate Snyder. Present from the City staff were Acting Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Director of Parks, Recreation and Facilities Ethan Hipple, Waterfront Coordinator Bill Needelman, Director of Planning and Urban Development Department Christine Grimando, Urban Designer Sean King, Director of Public Buildings Kathy Alves, 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 February 1, 2022, draft meeting Minutes.

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

Item #3: Presentation of Part 1 of the 2021 Housing Report

Mary Davis introduced this item by noting the 2021 Housing Report will be presented in two parts with the first part to be presented this evening. Part 2 will be delivered in June.

Prior to the presentation, Committee members discussed items of interest for Part 2 of the

Housing Report such as, the anticipated economic impact of the Citizens Referendum on Inclusionary Zoning as regards the reduction in the affordability term from 99 years to 30 years; as regards the impact on the local job market should fewer Inclusionary Zoning units be created; and as regards the impact on fee-in-lieu contributions to the Jill C. Duson Housing Trust Fund.

Victoria Volent then provided a high-level overview of the 2021 Housing Report.

Committee members followed-up with a question regarding if Portland could adopt a policy change to introduce a “Portland AMI” that would essentially decrease the affordability levels described as area median income by using median household income as opposed to median family income in the metric used to determine affordability benchmarks, and asked if the Comprehensive Plan has a requirement as to the number of low-income or affordable units that should be created annually. In response, staff noted that yes, the City can adopt a “Portland AMI”, however by creating another layer of regulations that differ from those used by other subsidy sources, the feasibility impact may essentially persuade developers to create much needed subsidized housing outside of Portland potentially negatively influencing housing and economic development, or it would require a greater investment of scarce city funding to offset a lower “Portland AMI” level, again, potentially negatively influencing housing production.

Staff also noted that the Comprehensive Plan does not include a metric as to the number of affordable units that should be created annually. The Committee indicated they would like to see more “missing middle” units created. Staff noted the Jill C. Duson Housing Trust Fund is one means of incentivizing developers to create that category of housing.

Committee members asked if staff knew why the 2021 HOME funding was less than previous funding years. Staff noted HUD’s funding formula is included as a communication item in the packet but could not provide additional insight into why the funding was decreased.

In regards to complaints received by the Rent Board, the Committee would like to know more

details regarding the types of complaint, resolutions, enforcement efforts, data collection, and how the data is disseminated. Staff noted data collection and analysis is compiled by the Permitting and Inspection's Departments Housing Safety Division. The Work Plan includes a presentation by Permitting and Inspections during the June 21 meeting of the HEDC.

Item #4: Update on Portland Harbor Common

Mr. Hipple provided some history, noting that a year ago private pro bono representatives, with Richard Barringer leading the group, presented the City with a concept, now being called Portland Harbor Common between Ocean Gateway and the Maine State Pier. Today is to provide the Committee with the progress made and where this is heading. He noted that Nan Cummings, of the Portland Park Conservancy, is in attendance to also speak to this project.

Ms. Cummings thanked Mr. Hipple and noted that the Portland Park Conservancy (PPC) was formed the end of 2018 in response to Congress Square Park being considered for development and is currently still open space. The PPC's mission is to enhance the Portland Parks and Recreation program, and to support programs/projects that the City does not have the budget to do. The PPC and the City have a Memorandum of Understanding (MOU) in that regard, and another MOU just for this project - an opportunity to create a park on the water. Currently, there is no budget for the latter MOU, but moving forward the PPC will help with the public process and to raise funds.

Mr. Hipple then noted that the area is now a parking lot managed the City's Parking Department, adding that it supports the tugboat operations as well. Since March last year, there have a been a couple of public forums held and they heard from many for its future uses. He described Phase I of the project with open space, native plants, trees, seating, and walking areas. Public and private funding will be needed, and since January of this year a working group has

been formed to meet bi-weekly in furtherance of this project. A CIP request has been submitted for \$150,000 to pay for construction drawings, permitting, and more detail budget estimates, with total construction costs estimated at \$2 Million for Phase I. This would be followed up with a Request for Proposals for design and permitting services.

Ms. Cummings noted that the Office of Opportunity (OEO) is also part of the working group in support of inclusion for all, welcoming for all.

The Committee expressed support for the project and asked about the timeline for construction.

Mr. Hipple said that, depending on fund-raising, construction could start in 2023.

In response to Councilor Zarro, Ms. Cummings noted that with Federal grants there is generally a challenge to the recipient with a match, which could come from a variety of sources. She also noted that PCC would form a capital campaign fund-raising committee.

Mayor Snyder said she first heard of this project right after she was elected and thanked all for the work done to date and for PCC's involvement.

In response to Councilor Chong about Waterfront TIF Funds, Mr. Needelman noted that TIF funds cannot support public parks per State Statute. However, values in that TIF District would most likely go up with a park along the waterfront, thereby increasing TIF revenue.

Chair Councilor Ali noted his support and thanked staff and PCC for their involvement to move this forward.

Item #5: Harbor Dredge Project Status and Funding – Update, Public Hearing, and Vote Required

Mr. Needelman provided an update for the Committee, noting that the City has the permits for the CAD Cell in Portland Harbor and for dredging for wharfs and piers; the dredging is not for the channel as that is under the purview of the Federal Government. There are many

partners for this project, and he explained the need for dredging which will open up more berthing for Portland's waterfront. Because of the lack of dredging, Portland has lost over 26% of potential berthing, enough space to support 60 lobster boats or other smaller commercial vessels.

As part of the permitting process, a waterfront economic assessment report was needed to estimate the value of the Portland Harbor to the regional economy. This report noted that with 120 marine businesses in Portland and South Portland, these businesses have generated over \$1 Billion in annual revenue and provide employment for over 2,200 workers.

Mr. Needelman then described the CAD Cell and its construction. With this being a \$35 Million project, there have been two unsuccessful applications for Federal funding. A third attempt is now underway for Federal RAISE Grant funding of up to \$25 Million, the remainder to come from the State, Cities of Portland and South, and maybe ARPA funds.

Mr. Needelman closed by noting that an action item for this Committee would be to vote to recommend to the City Council authorizing the City Manager to apply for this Federal RAISE Grant in support of the project.

The Committee expressed support for the project, and Councilor Zarro noted that this should be also brought to Sustainability and Transportation Committee meeting (TSC).

Mr. Needelman agreed and noted that it would be presented at the next TSC meeting. Regarding the RAISE Application process coming up and due April 14, 2022, he noted that staff received a debrief from the Federal DOT regarding the previous failed attempts and expects, therefore, to have a stronger application for this round of funding.

Chair Councilor Ali opened the meeting for public comment.

Eamonn Dundon of the Portland Chamber of Commerce noted the Chamber's support for this critically important project and offered assistance with the Federal delegation. He noted

that a lot of cities get Federal lobbyists to assist and asked if this was being considered.

Ken Capron noted that the RAISE Grant has a 20% match. He asked about dredging the full harbor, and asked to see a copy of the debrief to review.

George Rheault of 28 Hanover Street noted that this project seems like welfare for wharf owners and questioned why this large investment is needed. He noted that in the Winter businesses are required to clear their sidewalks, and, similarly, wharf owners should dredge their own areas. Regarding construction of the CAD cell, to build it you have to remove contamination there and where would that contaminated product be disposed.

Mr. Needelman noted that as part of this process, the area for the CAD Cell was determined to be clean enough for the product removed there to go to a licensed site for disposal out to sea six miles off of Cape Elizabeth. He also noted that pier owners will contribute to the costs of the project, and that there is no formal debrief documents but could provide his redlined application to Mr. Capron based on the debrief discussion.

On motion then made by Councilor Chong, seconded by Councilor Zarro, the Committee voted 4-0 to recommend to the City Council to authorize the City Manager to apply for Federal RAISE Grant funds up to \$25 Million to support this project.

Item #6: Communications – No Public Hearing or Vote Required

Chair Councilor Ali noted that the 2022 Work Plan and Schedule are living documents and invited Committee members to offer their edits/additions to both he and Mary Davis.

The memo on HOME Program Federal Funding Formula and Memo on prior use of HOME Funds for Home Owner and Home Buyer Programs were the result of Committee discussions at the last meeting.

Item #7: Other items to be discussed/brought up by Board Directors and/or staff.

Seeing none, Chair Councilor Ali then moved to the last item on the Agenda.

Item #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).

Chair Councilor Ali asked if there was any public comment before voting to go into executive session.

George Rheault of 18 Hanover Street questioned why an executive session is needed the second time this month and no overview being presented. This is a large piece of property and expensive/complicated to reuse, and the residents of Great Diamond Island are concerned.

Ken Apron noted that the Committee has to state why going into executive session and wanted assurance that no action would be taken after the session.

Chair Councilor Ali, seeing no further public comment, closed the public comment session.

Councilor Zarro then made a motion to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) to provide staff guidance related to Fort McKinley Hospital property sale opportunity; Councilor Chong seconded the motion.

Chair Councilor Ali noted that the executive session is to provide guidance to staff in moving forward on putting this property out for sale, and that no action would be taken after the executive session. The meeting here would now end, and the Committee will adjourn after the executive session.

A vote was then taken on the motion and it passed 4-0 at 7:34 p.m.

On motion made by Councilor Chong, seconded by Councilor Rodriguez, the Committee voted 4-0 to come out of executive session and adjourn at 7:52 p.m.

Respectfully, Lori Paulette and Victoria Volent