



HOUSING & ECONOMIC DEVELOPMENT COMMITTEE

DATE: Tuesday, April 19, 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 in the [Agenda Center](#) 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.

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/82356283380?pwd=UmNvTEVPbFdDY0lvZGhPckptTC8ydz09>

Passcode: 486622

Or One tap mobile :

US: +13017158592,,82356283380# or +13126266799,,82356283380#

Or Telephone:

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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/j/82356283380?pwd=UmNvTEVPbFdDY0lvZGhPckptTC8ydz09>

- 1. Review and accept Minutes of previous meeting held on April 5, 2022.**
 - a. See attached draft Minutes.
- 2. Presentation and Committee discussion regarding preliminary findings of the Analysis of Impediments to Fair Housing.**
 - a. See attached Memorandum.
 - b. See attached presentation.
- 3. Overview of the Outdoor Dining Permitting and Licensing Program.**

- a. See attached Memorandum.

4. Communications – No Vote or Public Hearing Required.

- a. See attached 2022 Committee Workplan and Schedule.
- b. See attached Memorandum from Mary Davis Responding to Committee Questions re: Minimum Wage.
- c. See attached Memorandum from ME Center for Economic Policy Re: Minimum Wage and Hazard Pay.

Next Meeting Date: May 3, 2022

Minutes

Remote Housing and Economic Development Committee

April 5, 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, April 5, 2022, at 5:30 p.m. via Zoom. Present from the Committee were Chair Councilor Pious Ali, and members Councilors Tae Chong, Roberto Rodriguez, and Andrew Zarro. Also present from the City Council was Councilor April Fournier, with Mayor Kate Snyder joining as noted herein. Present from the City staff were Public Buildings Manager Kathy Alves, Interim Housing and Economic Development Department Director Mary Davis, Corporation Counsel Michael Goldman, Permitting and Inspections Director Jessica Hanscombe, Principal Administrative Officer Lori Paulette, and Housing Program Manager Victoria Volent. Also present was City Consultant Greg Mitchell.

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

Item #2: Review and vote on March 1, 2022, draft meeting Minutes.

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

Item #3: Public Hearing-Review and Vote to Recommend to the City Council

Approval to Issue a Request for Proposals (RFP) for the Sale and Redevelopment of City-Owned Property – Diamond Cove Former Fort McKinley Hospital Property

Mr. Mitchell displayed pictures of the property before and after it was tax-acquired in FY2003. A Purchase and Sale Agreement (PSA) for the property expired in 2019, and the property remains vacant and derelict. The property includes just the footprint under the building, as the remaining property in the area is owned by the Diamond Cove Homeowners Association (DCHA). The City has done its best to maintain this historic property for a number of years for safety purposes.

The goal of the RFP process is to attract private sector investment. Mr. Mitchell then went over the selection criteria, scoring, and the financial section. The latter he noted that the City expects to receive fair market value for the property, including repayment of past due property taxes and maintenance expenses, currently estimated at \$180,000.

Mr. Mitchell then described the process for the HEDC to forward the RFP to the City Council for its approval to issue it. Proposals would then come in and be reviewed by a City staff selection committee, as well as representatives from the DCHA. The Committee would then make a recommendation to the HEDC, and the HEDC would approve of a proposal for staff to begin negotiating a PSA. A PSA would then be brought to the HEDC for its recommendation to the City Council for approval.

Chair Councilor Ali asked Mr. Goldman if an executive session is needed, and Mr. Goldman indicated in the negative at this time.

Chair Councilor Ali then opened the meeting for public comment.

George Rheault of Hanover Street questioned why the Committee and public could not have had this introduction at prior meetings. He questioned a wastewater system for the subject property, noting that a 10-person restaurant opened on the island recently and its issues with water/sewer capacity.

MaryEllen Fitzgerald, DCHA Board Director, noted that there are some water restrictions to be sure. DCHA, however, has an overboard discharge license which has capacity to assist in the redevelopment of the subject property. The restaurant noted was a change of use from a general store and sits approximately 35 people.

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

A motion was then made by Councilor Zarro, seconded by Councilor Chong to forward this to the City Council for approval.

Councilor Chong noted that this a great idea and supports it, noting that it costs the City more to keep it.

Councilor Zarro agreed, and asked about a timeline and how it will be marketed.

Mr. Mitchell estimated that this may get to the City Council early Fall with a PSA. He also noted that ME Biz did an online article about this in today's edition. He would also work with brokers and anyone who is interested would be notified, noting that properties on the islands are in demand. Also, City has the full cooperation of DCHA to work in partnership for its future redevelopment.

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

Item #4: Communication Item/Public Hearing and Vote to Recommend to the City

Council Issuance of a Proclamation RE: Community Development Week

Ms. Davis presented this communication item. National Community Development Week (CD week) brings national attention to the Community Development Block Grant (CDBG) Program and HOME Investment Partnerships (HOME) Program. National Community Development Week provides the opportunity for communities to promote, educate and advocate on behalf of both programs. Typically, each year a proclamation is made publicly recognizing CD

week. Prior to the pandemic, the HCD office would organize several public events during the week. Staff is hopeful that we will be able to return to a more robust, public celebration of National Community Development Week in 2023. This year the week will run from April 11- April 15.

Councilor Ali opened the meeting to public comment. Seeing no requests to speak, the public comment period was closed.

On motion made by Councilor Zarro, seconded by Councilor Rodriguez, the Committee voted unanimously (4-0) to accept recommend to the City Council issuance of a Proclamation regarding National Community Development Week.

Item #5: Communication Item: Additional guidance from Corporation Counsel regarding the City's Minimum Wage Ordinance

Ms. Davis noted that Interim Corporation Counsel responded to Councilor Zarro's updated questions, and this response is in the packet. Staff is looking for guidance from the Committee on moving this forward for further discussion, clarification, and possible amendments that would need to go out to the voters during its initial 5-year period from its effective date.

Councilor Zarro thanked Ms. Davis, and noted that he has been hearing a lot from his constituency regarding various issues on this topic. He would like to have a discussion with fellow Councilors to determine their thoughts about amendments to make it better, which, again, would need to be voted on by the public as the Ordinance is still in its five-year period from its effective date. Thereafter, the City Council may amend/repeal by vote of five of its members.

Chair Councilor Ali asked about the process, and Mr. Goldman noted that to move forward, staff would need clarification on any proposed amendments the Council would like to propose to the public.

There was discussion that Portland has the highest minimum wage in the State and a dollar less than Boston. The Committee would like to see a proposed timeline to get this to the voters, and also questioned if this had been done before. Mr. Goldman noted that he would need to do a bit of research to see if this has been done before and could put a timeline together.

Councilor Fournier noted that she too has heard from her constituency and would welcome a minimum wage and hazard pay discussion, as well as a discussion about a living wage.

Councilor Chong said that these are complicated issues (hazard pay, minimum wage, living wage) and questioned whether it would be ready for a November vote, noting that this may also involve one or two Council workshops.

Chair Councilor Ali said that he would work with Ms. Davis to move this forward for a discussion, possibly at the next meeting, based on what Mr. Goldman's research uncovers for a timeline and if this has been done before. He also noted that he will share information he received from ME Dept. of Economic Policy on the issues.

Item #6 Communication Item: Housing Safety and Rent Board- Overview of Roles and Responsibilities

Ms.Davis introduced this item by noting there are two memos for this item. The memo titled *Roles and Responsibilities of the Rental Housing Advisory Committee* notes both the Rental Housing Advisory Committee (RHAC) and the Rent Board are tasked with addressing policy changes, including recommending changes to Chapter 6 provisions that govern landlord and tenant policies in the City of Portland which may lead to duplication of efforts or recommendations that conflict. Not included in the memo is the City Manager's authorization to staff to form an internal staff working group to review the tenant's housing rights ordinance. The working group would be tasked with identifying any redundancies or loopholes in the ordinance as well as providing an audit

of the program and formulating recommendations to be presented to the Housing and Economic Development Committee for review. The Committee would then have the option of referring the recommendations to the Council who can then decide whether amendments to the ordinance should be presented to the voters. In addition, the Rent Board would be asked to participate. The second memo is from Jessica Hanscombe who is available to answer any questions.

The Committee asked how many years does it take to inspect all rental units in Portland to which Jessica Hanscombe responded that the plan is for an inspection to occur once every four years. This includes both long-term and now short-term rental units. The Committee asked how many units fall under Section 8 housing, and does the City inspect those units. Staff will provide the number of Section 8 housing units to the Committee during its annual overview and integrated report scheduled for June 21. Staff does inspect all units applying for general assistance. Ms. Hanscombe provided an overview of her staff and highlighted the certifications (Fire Inspections and Code Enforcement) and many other responsibilities inspectors are expected to address (i.e. responding to all fire calls, sewer back-ups, heat calls, hoarding dangers, social service issues, working with the Red Cross to find temporary housing, etc.). Also discussed was the work by staff to work with landlord and tenants regarding lease agreement violations; communication links between the Rent Board and Health and Safety Department; and follow-up inspections. No other communities in Maine conduct the breadth or depth of work provided by Permitting and Inspections; Portland is both proactive and innovative.

Item #7 Communication/Discussion of 2022 Work Plan and Schedule

Councilor Ali requested Committee members to send email communications to him and Ms. Davis in regards to adding items to the Work Plan. Councilor Chong would like to explore

the Green New Deal and also rent control as part of the Work Plan.

On motion then made by Councilor Chong, seconded by Councilor Zarro, the Committee voted 4-0 to adjourn the meeting at approximately 7:04 p.m.

Respectfully, Lori Paulette and Victoria Volent

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

FROM: Heidi McCarthy, Compliance Officer
Housing and Community Development Division

DATE: April 14, 2022

SUBJECT: Affirmatively Furthering Fair Housing Reports

Background

Title VIII of the Civil Rights Act of 1968, known as the Fair Housing Act, requires HUD and recipients of federal funds from HUD to affirmatively further the policies and purposes of the Fair Housing Act, also known as “affirmatively further fair housing” or “AFFH.” The obligation to affirmatively further fair housing requires recipients of HUD funds to take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics, which are: Race, Color, National origin, Religion, Sex (including gender identity and sexual orientation), Familial status, and Disability.

In order to identify barriers to fair housing, many communities engage in a planning process called “Analysis of Impediments to Fair Housing” (AI) or “Assessment of Fair Housing” (AFH). These plans evaluate various aspects of the public sector, such as zoning and land use, and the private sector, such as loan practices, as well as demographics of the community to identify areas of opportunity to increase fair housing.

2022-2026 Fair Housing Report

In 2021, the City of Portland and Cumberland County jointly engaged Root Policy, a consulting firm out of Colorado, to undertake an assessment of fair housing process to inform the 2022-2026 Consolidated Plan. Frankie Lewington and Heidi Aggeler conducted analysis of local zoning and land uses, a survey, and several focus groups to identify greatest barriers within Cumberland County and Portland. At tonight’s meeting, they will present their findings to the committee and discuss next steps in the process.

Cumberland County HOME Consortium

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING REPORT UPDATE

April 19, 2022



Denver, Colorado 80220
970.880.1415 x 102
hello@rootpolicy.com

Agenda

- Introductions/who we are
- Preliminary engagement results
- Next steps



WHAT WE DO

- Housing Market Studies
- Strategic Plans for Housing & Community Development
- Fair Housing Studies
- HUD Consolidated Plans
- Economic Mobility Studies

EXPERIENCE

- Years of Housing Market Research = **19**
- Years of Fair Housing Planning = **17**
- Years of Consolidated Plan experience = **28**
- Years of Economic Equity Research = **11**

Root Policy was founded to advance economic consulting and policy analysis in many areas critical to the development of thriving communities.

PRELIMINARY ENGAGEMENT RESULTS

Resident survey: 828 survey responses

Focus groups and interviews with:

- Economic development professionals
- Government representatives
- Public housing authorities
- Public health professionals
- Town managers
- Homeless shelter provider
- Advocates for residents experiencing disabilities, residents experiencing homelessness, women, single parents, and low income families

FOCUS GROUPS AND INTERVIEWS: WHAT WE HEARD

**Describe the
Portland/
Cumberland
County
housing
market in 1-3
words**

“Priced out”

**“Crazy! It’s impossible
now to look for homes”**

**“Demand outweighs what we
have available”**

**“Insane. Prices have
gone through the roof”**

“Unsustainable”

Common themes we heard

Lack of (affordable) housing throughout Portland and Cumberland County

- Demand is far outpacing supply. *“A lot of our issues are associated with “chronic underproduction.”*
- Stakeholders attributed the current state of greater Portland’s housing market to several issues, including pressures of the market, impacts of the COVID-19 pandemic, and people moving in from other parts of the country. *“If there is available housing, it’s so expensive.”*
- Stakeholders articulated a need for more diverse (and accessible) housing types. Demographics show a significant aging of the population and a growing mismatch in type of housing available and what is affordable.
- Ability to work remotely has made some of the more rural areas more appealing and led to an increase in domestic in-migration.

Common themes we heard

Barriers to housing development

NIMBY-ism

- One stakeholder noted that several communities feel “housing issues should be dealt with by bigger cities... [and] affluent communities tend to accumulate land to slow down development”

Land use regulations

- Several stakeholders mentioned zoning and land use regulations as barriers to getting affordable housing built. *“To build a duplex in our community, the lot would need to be four acres”*

Local control

- Several stakeholders spoke about urban/rural polarization and that *“local control is a hindrance in getting more affordable housing built.”*

Common themes we heard

Barriers to accessing rental housing, particularly for low income families and New Mainers

- Onerous requirements pose several barriers for people trying to access rental housing, including administrative fees, income requirements, criminal background checks, credit history, rental history and past eviction records.
- Several stakeholders noted that because there are more barriers for low income and New Mainers when trying to find housing, they will often live in unsafe housing situations. *"Immigrants want to live in urban places...and will often live in substandard conditions to make it work."*
- Landlords are more reticent to rent to voucher holders due to stigma and perceived administrative burden participating in the program.
- Because of the lack of available and affordable housing, the time allotted for those with housing vouchers to find housing is too short. *"It's really hard to find a home...[when time runs out], they lose their voucher and rejoin the waitlist."*

Common themes we heard

The transportation system in the greater Portland region could be improved

- Stakeholders spoke to the difficulty of people experiencing disabilities in finding a place to move that is within the range of (fixed route) paratransit services. Even if these residents live close to transit, other barriers (e.g., lack of snow removal on sidewalks) can also prevent them from using it.
- Outside of Portland, South Portland, and Westbrook, transportation is basically lacking. *"The further you get from urban areas, the less services are available."*
- One Portland area stakeholder described that *"we don't have resources to make the bus system work for everyone."* They also noted that residents with multiple jobs who are reliant on transit *"spend way too much on the bus."*
- Several stakeholders advocated for building housing, particularly workforce housing, in and near commercial and transportation corridors. Stakeholders also advocated for a more efficient, connected and reliable transportation system. *"More people would move out further if they could get around in a better public transportation."*

SURVEY RESULTS

WHO TOOK THE SURVEY?

Geography

n=828

- Portland: **41%**
- South Portland: **12%**
- Windham: **7%**
- Westbrook: **6%**
- Cape Elizabeth: **6%**

At least one respondent from each jurisdiction in the county except for Long Island

Tenure and housing type

n=806
(tenure)

n=723
(housing type)

-
- Homeowners: **53%**
 - Renters: **38%**
 - Precariously Housed: **8%**
-
- Single family home: **55%**
 - Apartment: **23%**
 - Townhome, duplex, triplex, or fourplex: **15%**

Race/ ethnicity

Respondent
could check all
that applied.

n=620

- White: **95%**
- Black/African American: **4%**
- Asian: **3%**
- American Indian or Alaskan Native: **2%**
- Native Hawaiian or Other Pacific Islander: **1%**
- Hispanic: **3%**

Income

n=595

- Less than \$25,000: **14%**
- Income between \$25,000-\$50,000: **26%**
- Income between \$50,000-\$100,000: **32%**
- Greater than \$100,000: **28%**

Selected characteristics

n=178
(single parent)

n ranged from
618 to 650
(other categories)

- Respondents who experience or have a member of their household experiencing a disability: **30%**
- Household with children under 18: **26%**
- Single parent households: **24%**
- Older adults (65+): **24%**
- Large households: **6%**

HOUSING CHALLENGES

Housing challenges

n=753

- **64%** of survey respondents reported experiencing no housing challenges.
- Of those who do experience challenges:
 - **12%** reported that their home or apartment is in bad condition
 - **12%** reported that their home or apartment is too small for their family members
 - **11%** reported that they worry if they request a repair it will result in a rent increase or eviction
 - **7%** report that their landlord refuses to make repairs despite their requests

Paying for housing

n=732

- **77%** of survey respondents reported experiencing no challenges paying for housing.
- Of those who do experience challenges:
 - **12%** reported they cannot keep up with utilities
 - **6%** reported they cannot keep up with their property taxes
 - **5%** reported they are often late on their rent payments

Neighborhood challenges

n=713

- **58%** of survey respondents reported experiencing no neighborhood challenges.
- Of those who do experience challenges:
 - **27%** reported their neighborhood does not have good sidewalks, walking areas, and/or lighting
 - **16%** reported they cannot get to public transit or the bus easily or safely

LOOKING FOR HOUSING IN CUMBERLAND COUNTY

Looking to rent

n=723

- **31%** of survey respondents reported looking for housing to rent in the past five years.
- Of those looking to rent:
 - **66%** reported that the landlord did not return their calls/emails asking about the unit
 - **42%** reported “Other” challenges
 - Most common responses were “landlord does not accept housing voucher” and “rent was too high”
 - **33%** reported they were told the unit was available over the phone, but when they showed up in person, the landlord told them it was no longer available

Looking to buy

n=723

- **37%** of survey respondents reported looking for housing to buy in the past five years.
- Of those looking to buy:
 - **44%** reported “Other” challenges
 - Most common response was “nothing was affordable in my price range”
 - **34%** reported the real estate agent said they would need to show they were prequalified with a bank before they could see properties
 - **18%** reported that a bank or other lender would not give them a loan to buy a home

Denied housing (rent or buy)

n=475

- **28%** of survey respondents reported having been denied housing in the past five years.
- Of those denied housing:
 - **41%** reported they were denied housing because their income was too low
 - **34%** reported that another renter/applicant was willing to pay more for rent
 - **30%** reported that they were denied because of bad credit

Moving when you did not want to

n=699

- **19%** of survey respondents reported moving when they did not want to in the past five years.
- Of those who moved:
 - **33%** reported the rent increased more than they could pay
 - **27%** reported that the landlord was selling the home/apartment
 - **19%** reported moving because of personal/relationship reasons
 - **14%** reported moving because of the poor condition of the property (mold, bugs, etc.)

Section 8

n=668

- **6%** of survey respondents reported they or someone in their household has a Section 8 voucher.
- Of those with a Section 8 voucher in their household:
 - **90%** reported it is somewhat or very difficult to find a unit that is affordable, even with a Section 8/housing choice voucher.
- Of those who said it was somewhat or very difficult:
 - **68%** reported that landlords have policies of not renting to voucher holders
 - **56%** reported that the voucher is not enough to cover the rent for places I want to live

Disability

n=650

- **30%** of survey respondents reported they or someone in their household experiences a disability.
- **25%** of those respondents reported that their current housing situation does not meet their needs.

Disability

n=650

- Of respondents that reported their current housing situation doesn't meet their needs:
 - **45%** reported "Other" challenges
 - Most common answers were "Better public transportation options" and "more accessible housing options (e.g., no or fewer stairs)"
 - **29%** reported needing services onsite to help with mental health/counseling
 - **27%** reported needing grab bars in the bathroom or a bench in the shower
 - **19%** reported needing a service or emotional support animal allowed in their apartment/home

Children changing schools

n=131

- Of respondents who had moved in the past five years, **15%** reported their children had to change schools as a result of the move.
- Of those who had to move:
 - **35%** reported their children are in a worse school
 - **35%** reported things are about the same for their children

Discrimination

n=648

- **16%** of survey respondents report being or knowing someone who has been discriminated against when looking for housing in Cumberland County.
- The most common reasons reported by those who had been discriminated against include:
 - Race or ethnicity
 - Source of income discrimination
 - Eviction history
 - Being a “New Mainer”
 - Disability
 - Mental health challenges

Discrimination

n=648

- **40%** of survey respondents reported that the discrimination took place in the past year
- When asked what was done in response to the discrimination:
 - **51%** reported they didn't do anything because they weren't sure what to do
 - **25%** reported they moved or found another place to live
 - **22%** reported they didn't do anything because they were afraid of being evicted or harassed

SOLUTIONS

Improve your housing security?

n=658

- **51%** of survey respondents reported they are satisfied with their housing situation.
- Of those who would like to improve their housing security:
 - **19%** reported they needed help with a down payment
 - **16%** reported they needed help getting a loan to buy a house
 - **14%** reported they needed help paying rent each month

Improve your neighborhood situation?

n=625

- **29%** of survey respondents reported they are satisfied with their neighborhood situation.
- Of those who would like to improve their neighborhood situation:
 - **39%** said building more sidewalks or improving current sidewalks
 - **26%** said installing better street lighting
 - **22%** said improving street crossings

Improve your health situation?

- **44%** of survey respondents reported they are satisfied with their health situation.
- Of those who would like to improve their health security:
 - **31%** said make it easier to exercise
 - **21%** said access to healthier food
 - **13%** said more playgrounds for children

Improve your job situation?

- **45%** of survey respondents reported they are satisfied with their job situation.
- Of those who would like to improve their job security:
 - **37%** said increase wages
 - **19%** said improve public transportation
 - **12%** said they need help paying for job training/college
 - **10%** said they need access to consistent childcare

Improve your children's education?

- **57%** of survey respondents reported they are satisfied with their children's education.
- Of those who would like to improve their children's education:
 - **12%** said stop bullying/crime/drug use at school
 - **12%** said they would like to have more activities afterschool for their children
 - **12%** said better school facilities (building quality, playgrounds, etc.)

NEXT STEPS

City of Portland | Executive Department

Dena Libner, *Chief of Staff*



To: Members of the Housing & Economic Development Committee

From: Dena Libner, Chief of Staff

Date: April 15, 2022

Re: Overview of the Outdoor Dining Program

The purpose of this memo is to describe the recent history of changes in the administration of Portland's outdoor dining program, as well as current rules and regulations.

The City of Portland's Outdoor Dining Program is enabled by three different types of outdoor dining permits: public property (primarily sidewalks), private property, and parklets.

While the permits for outdoor dining on public and private property have not changed in recent history, the rules related to parklet permits have evolved significantly since they were first enacted by the Council (April 2019). This is due in large part to administrative changes made during the COVID-19 pandemic, which were implemented in order to slow the spread of the virus and help businesses survive the pandemic's economic impact.

Below is a brief overview of the history of the parklet program's evolution.

April 2019: Passage of first "parklet ordinance" (Order 193-18/19)

Consideration of this order was prompted in part by a change in State law, allowing establishments with liquor licenses to serve alcohol on public property not immediately adjacent to the licensed establishment if the municipality has given its approval.

Order 193-18/19 created a new outdoor dining permit to enable "parklets" for the first time. Businesses were required to meet certain requirements in order to be eligible (e.g., not being immediately adjacent to sidewalk space where outdoor dining could take place), and the number of parklets allowed citywide was capped. Businesses were limited to one parklet each, and the application fee was \$5,520. Interest in this program was extremely limited.

June 2020: Pandemic-era outdoor dining program begins

In May 2020, the Council amended an emergency order enacted in response to COVID-19 to allow the City Manager to temporarily close streets and expand outdoor commercial premises.

A significant number of temporary administrative changes were made to the existing outdoor dining program to enable social distancing and help businesses survive. Those changes

included no cap on the number of parklets allowed citywide; a limit of two parklets per business; an 80% reduction in initial application fees; the closure of six streets to traffic; and outdoor dining being permitted year-round.

This version of the program continued until April 15, 2022, when all outdoor dining permits approved during the pandemic expired.

September 2021: Council, City Manager adopt Open Air Portland

Through a combination of administrative rule changes and Council amendments, some elements of the COVID-era outdoor dining program were made permanent.

These included the permanent closure of Dana Street and Milk Street (between Exchange and Market) to through-traffic; the ability of businesses to apply for up to two parklets; a permanent fee reduction; no cap on the number of parklets allowed citywide; and fewer eligibility restrictions.

These changes are currently in effect and were applied to parklet applications for the April–November 2022 season.

	Pre-Pandemic	Pandemic Era	Open Air Portland
Parklet Regulations	- Citywide Cap (5) - Eligibility Restrictions - One per business	- No cap - Fewer eligibility restrictions - Two per business	- No cap - Fewer eligibility restrictions - Two per business
Parklet Fees	\$5,520 application fee	\$1,092 application fee	One parklet: \$3,000 Two parklets: \$5,000
Street Closures*	None	- Exchange (2020) - Dana - Wharf - Milk - Boothby Square (2021) - Middle (partial)	- Dana - Wharf - Milk (Market and Exchange) - Amend Festival Order for Middle
Seasonality	Outdoor business activity permitted April - November	Outdoor business activity permitted all seasons	Outdoor business activity permitted April - November

This table was originally included in backup materials for the Council's September 20, 2021 consideration of Open Air Portland.

Outdoor Dining Permits Issued Over Time

The below table shows the number of active outdoor dining permits for the 2019, 2020, 2021, and current seasons (April to November of each year).

The spike observed for the 2020 and 2021 seasons is related to the addition of temporary outdoor dining permits established in response to the pandemic.

The majority of licenses for temporary outdoor dining on public and private property were issued to businesses that also renewed a more permanent outdoor dining license. In other words - while the number of active permits increased significantly, the increase in the number of businesses operating outdoors was not as significant.

Type of Permit Issued	2019 Season	2020 Season	2021 Season	Currently*
Parklet	0	23	34	8
Public Property	64	134	120	11
Private Property	118	165	145	21
Total	182	322	299	40

**As of April 13, 2022, the Council has approved the issuance of 13 new outdoor dining licenses for the current season. At least 24 more new applications are scheduled to come before the Council for consideration.*

The other 27 permits represented in the above table are renewals. Since permits expire at various times over the course of a calendar year, that total number for 2022 is likely to continue to increase until December 31, 2022.

Growing Pains

Adapting to meet the many challenges of the last two years has been difficult for both City staff and restaurateurs. The surge in outdoor dining applications has been overwhelming for Business Licensing staff, who have been tasked with administering a rapidly expanding and increasingly complex program without any additional resources.

In an effort to help businesses make it through the pandemic, staff were lenient in their enforcement of City Code. This was an uncomfortable and unprecedented position for them to be in, but they worked diligently to find a balance. In short - they were doing more than ever before, in a different way than ever before.

This year's return to relative normalcy has been accompanied by its own set of challenges for applicants and staff. For most applicants, this is the first time their outdoor dining

applications have been subject to City Code. For many of them, the application of Life Safety Code, Building Code, and Plumbing Code will mean they cannot expand their capacity to the extent they did during the pandemic; for some applicants, it will mean they cannot expand at all.

Staff appreciate how difficult the past two years have been for small business owners, and are committed to doing what they can to be supportive and helpful throughout the application process. We will continue to work closely with applicants to determine their eligibility for outdoor dining and provide helpful solutions whenever possible.

DRAFT
Housing & Economic Development Committee
2022 Work Plan Schedule
as of April 15, 2022

April 19, 2022

1. Presentation and Committee Discussion regarding preliminary findings of the Analysis of Impediments to Fair Housing.
2. Overview of the Outdoor Dining Permitting and Licensing Program

May 3, 2022

1. Presentation by Waterstone Properties re: Future Development Plans for Rock Row
2. (Public Hearing) Review and Vote to Approve Affordable Housing TIF CEA Applications (tentative)
3. (Public Hearing) Review and Vote to Approve Funding Requests Received from the Affordable Housing Development Fund Applications for City Housing Trust and HOME Funds (tentative)
4. Portland Downtown Annual Budget, Work Plan and City Agreement

May 17, 2022

1. Public Restroom Plan for Downtown Portland

June 7, 2022

- 1.

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
3. Presentation of Part II of the 2021 Housing Report, including a review of the Green New Deal impacts on housing production.
4. (Public Hearing) Review and Recommend Approval to the City Council of a Tourism Improvement District (Tentative)

July 5, 2022

- 1.

July 19, 2022

- 1.

August 2, 2022

- 1.

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. Dusen 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

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. Communication Item re: Minimum Wage Ordinance; are amendments permitted after 2020 referendum

March 22, 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. Presentation and Committee Direction to Staff re: Food Truck Plan for the Eastern Prom
3. Update, Review, Committee Direction to Staff re: Tourism Improvement District
4. (Public Hearing) Review and approval of a Purchase and Sale Agreement for City-owned property at 622 Auburn Street and 0 Gray Road, Falmouth and amendments to the 165 Lambert Street Purchase and Sale Agreement

April 5, 2022

1. Review and Approval to Issue RFP for the Sale and Redevelopment of City-Owned Property - Diamond Cove Former Fort McKinley Hospital Property
2. Communication Item: Community Development Week – April 11-15/Fair Housing Month
3. Communication Item re: Additional Guidance from Corporation Counsel regarding the City's Minimum Wage Ordinance
4. Communication Item: Housing Safety Office and Rent Board - Overview of Roles and Responsibilities

2022 Housing and Economic Development Committee Work Plan April 15, 2022

	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)			AZ	
b. Explore and expand relationship with Portland Buy Local				
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 Portland 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) Part I and Part II	X			Part I ✓
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		Con Plan ✓ (2) ✓
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 11-15, 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			



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

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

DATE: April 15, 2022

SUBJECT: Response to Committee Questions re: Minimum Wage

During the April 5, 2022 Committee discussion regarding minimum wage, Committee members asked staff two questions.

Question 1:

In the past, has the City Council ever placed a proposition on the ballot to amend an ordinance that was approved by the citizen referendum process?

Answer: The City Clerk and staff from Corporation Counsel's Office searched the City Code and the records in the City Clerk's office and could find not any record of the City Council having done this in the past.

Question 2:

What is the timeline for submitting a proposition for inclusion on the ballot in November?

Answer: The City Clerk indicates that the City Council would have to conduct a first reading on a proposed amendment in July and the second reading would have to be in August. The ballots for the November election are ordered by September 1.



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To: Pious Ali, Portland City Council
From: James Myall, Maine Center for Economic Policy
Subject: Minimum wage and hazard pay options in Portland

Councilor Ali – I'm happy to provide the following information in answer to your questions regarding Portland's minimum wage. Please feel free to follow up with any questions or if you need more information.

Consideration of an appropriate minimum wage for Portland

Scholarship of the impact of state-level minimum wage increases in the United States suggest that there are little to no employment effects of minimum wage increases up to 60% of the median hourly wage for full-time, year-round wage workers. Based on pre-pandemic data with adjustments for inflation, I estimate the median hourly wage for full-time, year-round workers in Portland is currently \$24.45 per hour.¹ On this basis, Portland could support a minimum wage of \$14.67 per hour in 2021, and likely at least \$15 per hour in 2022.

Some of the most recent minimum wage increases have pushed this threshold further, without apparent negative effects.² These have included minimum wages as high as 80% of the median hourly wage for full-time, year-round workers.³ Under this methodology, Portland could sustain a minimum wage of up to \$19 per hour.

Another point of consideration should be a livable wage in Portland. The MIT living wage calculator estimates that in Cumberland County, a living wage for a single childless adult is \$17.11 per hour. For a family of two working parents with two children, it's \$23.58 per hour.⁴

Finally, any minimum wage increase should consider the increments in which the wage level is increased. Typically, minimum wage increases are introduced gradually over time (for example at the rate of an additional \$1 per hour each year). While I have not read studies on the impact of rapid increases in the minimum wage, it's reasonable to assume that a very large immediate increase in the minimum wage would cause a bigger shock to businesses and the economy.

Business size composition in Portland

There is no comprehensive public data source which gives a complete overview of business sizes in Portland. The following is based on data for Cumberland County.⁵ Note that it is important to distinguish between the number of employees at a business *establishment* or *site* compared to the number of employees at a *firm* or *company*. For example, a McDonald's restaurant might show up as a small business based on the number of people at the work site, despite being part of a global corporation with

hundreds of thousands of employees nationwide. The best policy is to apply any size threshold based on firm or company size. The data below is based on firm/company size.

Note that the data is based on payroll employment in the second quarter of 2021. While the number of businesses has remained consistent, employment before the pandemic was significantly higher (65,800 in all sectors and 7,100 in the food and accommodation sectors). It's unclear how quickly employment will return to 2019 levels, and whether it will occur at different rates for different-sized businesses.

Employment by company size in Portland

	Total employment	Food and accommodation
Under 10 employees	5,600	900
10 to 24 employees	7,500	1,400
25 to 99 employees	5,600	400
100 to 499 employees	10,100	600
500 to 999 employees	6,200	500
Over 1000 employees	25,700	1,400
Total	61,800	5,100

Source: Maine Department of Labor Estimates based on US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Q2 2021 and US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2019-21 data. Totals do not sum due to rounding.

Minimum wage levels by business size or type

While some jurisdictions have considered or adopted different minimum wage rates by size of business, it is relatively uncommon. The problem with such a policy is that it unfairly compensates workers less if they work at a smaller business, even if they are conducting the same work. It is generally better policy to have a universal minimum wage regardless of employer type or size.

New York City distinguished between small and large businesses when it phased in its \$15 minimum wage. While all workers eventually received a \$15 minimum wage, small businesses had an extra year to adjust to the change.⁶

Another example from New York state may be of interest. They recently implemented a \$15 statewide minimum wage for fast food workers (the regular minimum wage in upstate New York is currently just over \$13 per hour).⁷ This provision applies only to chain restaurants with limited service.

American Rescue Plan funds

It is worth considering whether the impact of hazard pay or a higher city minimum wage could be partially subsidized by city government. Local funding through the American Rescue Plan Act can be used to administer hazard pay to essential workers.⁸ Portland could adopt a temporary hazard pay only for individuals covered by ARPA funds – or it could create a broader wage increase, and use ARPA funding to subsidize the extra cost for some essential businesses. This would allow for higher wages

during the pandemic while mitigating the cost to some businesses, especially those like home care agencies with restricted sources of revenue.

Notes

¹ Calculation based on US Census Bureau, American Community Survey data for Portland in 2018. In 2018, the median hourly wage for FT, YR workers was \$22.62 per hour. Adjusting for inflation using the Consumer Price Index, this is the equivalent of \$24.45 per hour in 2021.

² Arindrajit Dube and Attila Lindner, "CITY LIMITS: WHAT DO LOCAL-AREA MINIMUM WAGES DO?" *National Bureau of Economic Research: Working Paper 27928*.

https://www.nber.org/system/files/working_papers/w27928/w27928.pdf

³ Anna Godøy and Michael Reich, "Minimum Wage Effects in Low-Wage Areas," *Institute for Research and Labor Employment*, July 2019 <https://irle.berkeley.edu/files/2019/07/Godoy-Reich.pdf>

⁴ MIT Living Wage Calculator: Cumberland County <https://livingwage.mit.edu/counties/23005>

⁵ The Maine Department of Labor publishes estimated payroll employment for cities in Maine. According to these estimates, the average employment size per establishment in Portland is very similar to that of Cumberland County as a whole.

⁶ See <https://www.ny.gov/new-york-states-minimum-wage/new-york-states-minimum-wage>

⁷ <https://dol.ny.gov/minimum-wage-fast-food-workers-frequently-asked-questions>

⁸ <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>