



## Housing & Community Development Committee Minutes of August 27, 2014 Meeting

A meeting of the Portland City Council's Housing and Community Development Committee (HCDC) was held on Wednesday, August 27, 2014 at 5:30 p.m. in Room 209 on the second floor of Portland City Hall. Present from the HCDC was its Chair Councilor Kevin Donoghue, and members Councilors John Coyne, Jon Hinck, and Nicholas Mavodones. City staff present included Housing & Community Development Division Director Mary Davis, Associate Corporation Counsel Michael Goldman, Senior Planner Christine Grimando, Planning and Urban Development Director Jeff Levine, Island/Neighborhood Services Administrator Mike Murray, Senior Executive Assistant Lori Paulette, and Corporation Counsel Danielle West-Chuhta.

**Item 1: Review and accept Minutes from previous meeting held on August 13, 2014.**

On motion made and seconded, the Committee voted unanimously to accept the minutes with an amendment on p. 1, Item #1, to delete the date of August 13, 2014, and change it to June 25, 2014.

**Item 2: Review and recommendation to staff to move forward with disposition process for tax-acquired property at 16 Fisherman's Cove, Cliff Island. Note: Pursuant to 1 M.R.S.A. 405(6)(C), the Committee may go into executive session.**

Mr. Murray introduced this update to the Committee, noting that the draft RFP now takes into consideration feedback received at the most recent Committee meeting, both from the public and Committee members. The update reflects the weighted criteria section, wherein now the maximum points are suggested at:

A.	Fuel Station Kept in Operation	50 Points
B.	Year Round Affordable Island Housing	30 Points
C.	Total price offered for property	20 Points
D.	Donation of Land for Public Services (1 to 2 acres buildable Land)	10 Bonus Points

Mr. Murray said that, conceivably, a proposal could score 110 points if all four items get these highest points.

Mr. Murray then indicated that Corporation Counsel would be able to address Councilor Hinck's question regarding environmental liability for the City in executive session.

The Committee consensus concurred to go into executive session at this time.

On motion made and seconded, the Committee voted unanimously at approximately 5:40 p.m. to go into executive session pursuant to 1 M.R.S.A. 405(6)(C) and (E) to consult with the City's attorney regarding disposition of property, where premature public disclosure may prejudice the competitive bargaining position of the City. At approximately 5:55 p.m., the Committee came out of executive session.

Councilor Donoghue asked Mr. Murray about the review committee, and perhaps a Cliff Island resident being on it. Mr. Murray noted that staff discussed this and it may be difficult to identify a resident who would be unbiased. Therefore, staff has suggested in the alternative that Bill Needelman, the City's Waterfront Coordinator and who is also an island resident on Casco Bay (not Cliff Island), be on the review committee.

Councilor Donoghue then opened the meeting for public comment.

Roger Berle, Cliff Island Resident and officer on Sustainable Cliff Island (SCI), said that SCI is a non-profit organization with a mission to sustain Cliff Island by fostering year-round housing and economic development. This property fits in with that mission and was one of the reasons/impetus why SCI was formed. SCI is a good candidate to be a proposer, and also noted

that the State's "Land for Maine's Future" program may also be a component of their proposal, which targets, for one, rehabilitation of working waterfronts for fishermen.

Chair Donoghue, noting no further public comment, closed public comment.

Councilor Mavodones said that he appreciated staff re-working the weighted criteria, noting it does reflect the feedback from the last meeting. He also noted that an email suggested that there be robust notification/advertisement of this RFP to spur a lot of interest and proposals. Regarding Bill Needelman on the review team, Councilor Mavodones said that Mr. Needelman would offer a good perspective.

Chair Donoghue asked about the wharf/dock/boat launch, and Mr. Murray said that rehabilitation of the wharf/dock/boat launch would be considered as part of the Fuel Station points where there is a maximum of 50 points.

There being no further discussion, a motion was made and seconded for staff to advertise the RFP in substantially the form as presented.

Ms. West-Chuhta requested an amendment to the main motion that the draft Purchase and Sale Agreement, as an attachment to the RFP, be amended to include a release of indemnity to be exercised as part of the sale process.

On motion made, seconded, and passed unanimously, the Committee amended the main motion as indicated by Ms. West-Chuhta. Chair Donoghue then asked for a vote on the main motion and it passed unanimously.

**Item #3: Review and recommendation to City Council of proposed Housing Trust Fund Annual Plan.**

Ms. Davis said that the source of funds for the Housing Trust Fund (HTF) have been primarily the result of the Housing Replacement Ordinance. This HTF Annual Plan will be the

first adopted by the City Council, and it is fashioned to be a part of annual budget process. The Plan identifies the balance of the Fund as of August 21, 2014 at \$652,801, and identifies how funds should be distributed. For FY15, the staff recommendation is that the funds be focused on opportunities where other City funding sources do not work or are not effective, i.e., projects to create workforce housing targeted to households earning 80% to 120% of AMI, and rental housing projects targeted to very-low income households at or below 50% of AMI.

Mr. Levine added that since these funds are not federal funds, they are more flexible and less restrictive in their use. Therefore, the City should think about spending these funds in a thoughtful manner, given the amount is limited; staff is considering a revolving loan program.

Chair Donoghue asked if the HTF is for both home ownership and rental, and it was indicated it was for both. Chair Donoghue noted, in the “Staff Recommendation”, that the “100%” should be “120%”, and Ms. Davis concurred.

Chair Donoghue then opened the meeting for public comment.

Steve Hirshon, Bayside Resident, asked if there was any TIF money in the HTF, and Ms. Davis indicated that there was not. Mr. Hirshon suggested that some Affordable Housing (AH) TIF money be directed towards the Stone Street playground for a basketball court. There are many children at this playground, noting the Pearl Place affordable housing I and II are now completely done, and additional playground space is desperately needed.

Chair Donoghue, noting no further public comment, closed the public comment session. He said that in the Bayside TIF fund, there is approximately \$600K that can be looked into for future expenditures.

There being no further comments/discussion, a motion was made, seconded, and passed unanimously to forward the HTF Annual Plan to the City Council for adoption.

**Item #4: Review and recommendation to City Council of proposed Work Plan for the re-use of Reed School.**

Ms. Grimando described the former Reed School, as well as noting the open space on the property in an area of Portland lacking substantial open space. The building, with 32,692 sq. ft., is conducive to workforce housing or a mix of housing. She said that a work plan for the re-use of the Reed School is proposed to follow the same process as the disposition of the former Nathan Clifford School. Particularly, the formation of a Re-use Advisory Task Force, which will report its findings to this Committee.

Mr. Levine added that staff would like the Committee's feedback on the proposed work plan. It would be staff's intention to inform the area residents of this process by placing information on door knobs.

Councilor Mavodones said that following the Nathan Clifford School process is a good idea to expedite this reuse. Future housing for the Reed School should fit in with the Riverton community, and representatives from that community can add that voice.

Councilor Coyne appreciated this first step in the process. He suggested to add on the Task Force listing of groups a parent/teacher organization representative. He would be willing to serve on this Task Force until the end of his term on the Council, but would also see it through if it goes longer than the end of the year.

Chair Donoghue asked why a GPCOG member was on the Task Force listing, and Mr. Levine indicated because of their planning expertise. Chair Donoghue indicated that the groups listed for the Task Force is a good listing, together with the additions suggested today. He also applauded that its re-use does not rely solely on zoning.

Councilor Hinck also agreed with the proposed Task Force and work plan, and noted that email lists for notification of this process, as well as placing information on door knobs, would be beneficial as well.

Chair Donoghue, noting no further comments/questions, said that the consensus of the Committee is to move forward with the proposed Task Force, with additional representatives as noted, and work plan.

**Item #5: Update and recommendation to staff regarding proposed amendments to the R-6 zone.**

Ms. Grimando updated the Committee saying that over the past few months, staff has met with neighborhood organizations concerning proposed R-6 amendments. The Planning Division's website has a link to the status of the process. The recurrent topics of concern with the proposed changes are: (1) the 5-foot minimum side setbacks, combined with a 45-foot height limit would create light and air impacts for adjacent properties; (2) allowing higher densities will hasten the loss of larger housing units; and, (3) the proposed parking exemption for the first 3 units will have negative impacts on the livability of the impacted neighborhoods. She noted that the last concern may garner the most attention in the next few months. Regarding the second concern about hastening the loss of housing units, she said that there is a provision that places size limits on the conversion of existing buildings into additional dwelling units.

Ms. Grimando said that one goal is to have the zoning better match existing patterns of development.

Chair Donoghue noted from Ms. Grimando's memo one idea that one parking space be mandatory, and the next 3 exempted to insure a driveway. Ms. Grimando said that this would provide for offstreet parking, and driveways tend to be able to park more than one car.

Chair Donoghue asked about a timeline for Planning Board review, and Ms. Grimando estimated that within the next two months she should have a date for its review.

Councilor Hinck thanked staff for the update, particularly the recurring concerns. Regarding the light and air impacts for some properties, he asked about varying footages depending on the size of the property. Mr. Levine said that with zoning you try to avoid that so that all lots have the same requirements. Councilor Hinck asked if staff looked at other cities' regulations, and Mr. Levine said that they did and many are doing what Portland is doing now to get zoning to go with what is already built.

Councilor Mavodones said that these proposed amendments make sense and appreciated the work to get this point. He would look forward to the Planning Board's recommendation to the City Council.

Chair Donoghue thanked staff for the update. He indicated that the best way for people to offer comments was through the website, and/or emailing Christine Grimando at [cdg@portlandmaine.gov](mailto:cdg@portlandmaine.gov).

**Item #6: Update and recommendation to staff regarding the potential sale and redevelopment of 65 Munjoy Street lot (former Adams School)**

Ms. Davis said that she is requesting no action on this item, nor on items #7 and #8, but rather feedback from Committee members.

Ms. Davis said that at an HCDC meeting in April this year, the HCDC requested an Environmental Site Assessment (ESA) be done, as well as a development feasibility analysis. The ESA Phase I and Phase II have been done and the executive summaries are in the Committee backup. The findings mirror the findings on the other portion of the site for the Adams School Condo report. The RFP can have language that appropriate remediation steps be

taken by the developer, to be highlighted in its proposal back to the City. In September, the development feasibility analysis should be completed.

Mr. Levine added that the feasibility analysis will include 2 or 3 alternatives. In general, this site can accommodate 8 to 12 units of housing. The consultant is running the financial feasibility based on ownership and rental, focusing on 100% of Area Median Income (AMI) to start with. If the City were to require permanent affordable housing on this site, it would have to offer the property at no charge. Regarding the ESA reports, it is not believed that remediation costs would be excessively high.

Chair Donoghue then opened the meeting for public comment for this item, and apologized for inadvertently not opening the Reed School item for public comment.

Paul Morrissey asked why this parcel was broken out, and Chair Donoghue said that it was at his direction to see about this lot being developed between the two abutting buildings.

Bob LeBlanc expressed concern about parking, as there is not much parking in that area now. The current lot serves a need now, and during snow bans. He also noted there could have been more notice about the item.

Chair Donoghue, noting no further public comment, closed the public comment session.

Ms. Davis said that notices were sent to property owners within a 750' radius. She also noted that there was a glitch in the GIS system so the notices were mailed later than she wanted. There was discussion about also noticing renters, as well as having the Munjoy Hill Neighborhood Organization notified of the next HCDC meeting on this item.

Mr. Levine said that the report from the consultant will most likely be on an agenda for a September Committee meeting, at which time staff will seek guidance from the Committee on an RFP.



Chair Donoghue said that he would like to have some information on snow ban parking for this area. Noting no further comments/questions from Committee, he then thanked staff for the work to date on the item.

**Item #7: Review and discussion to provide guidance to staff on potential redevelopment of City-owned property at 65 Hanover/52 Alder Street and 71 Hanover Street.**

Ms. Davis said that this is intended to be a discussion to give guidance to staff on potential disposition of these properties. As part of the Tax Acquired Property Committee (TAPC) review of these properties, a Department wide survey was conducted to determine if these were excess to the City's needs. The responses are included in the backup. The TAPC recommendation was to hold these properties and market the Public Services site as a whole when available to maximize value. Ms. Davis then described the properties for discussion, noting that should the Committee want to move forward with disposition, it is recommended that 65 Hanover Street/52 Alder Street be marketed together for residential use through an RFP process, and a separate competitive RFP process for the 71 Hanover Street property for a commercial use.

Mr. Levine added that the 71 Hanover Street property is the sand/salt site for Public Services; the staff recommends that a contingency that allows the City to locate an alternative site and obtain regulatory approvals for the relocation of the salt/sand shed be a part of the RFP conditions.

There was discussion about the type of residential housing, either very low AMI or 80-120% of AMI could be a target as there will be market rate housing developed in this area.

Chair Donoghue opened the meeting for public comment.

Ron Spinella said that the entire Public Services site needs to be planned out more than it is now before disposing of properties.

Chair Donoghue said that the Bayside Vision speaks to the development of this area.

Deb Van Hoek said that she agreed with Ron Spinella, for a planned development that benefits the Bayside neighborhood. She noted that the average AMI in 2011 was \$74,600, while the average AMI in Bayside was \$23,845 at that time.

Steve Hirshon also agreed with Ron Spinella. A broader look at the entire Public Services campus is needed for a unique opportunity to do something different. The Bayside neighborhood needs more stakeholders; as it is now, families with young children do not stay long. Workforce housing would be beneficial. He also advocated for the reopening of Lancaster Street between Alder and Hanover Streets.

Robert Hains agreed with the sentiment that a plan needs to be in place first; it would be premature sell these properties.

Tom Blackburn agreed that a master plan should be done prior to putting out properties for sale, as there are a variety of uses that have been discussed – including an arts space, workforce housing, and commercial development. He suggested to place this on hold, particularly since USM is working on an arts and creativity innovation center which could possibly be housed in Bayside.

Bob LeBlanc said that he sees more value in disposing of the entire Public Services as one property.

Lou Sims said that he would like to see the properties placed for disposition now, adding that he believed they would bring positive development to the area.

Alex Landry encouraged workforce housing development for Bayside, as there will be market rate housing soon. He also encouraged commercial development on the ground floor and workforce housing on the upper floors for these two properties.

Chair Donoghue noting no further public comment, closed the public comment session.

Councilor Mavodones asked where the City's use for 65 Hanover/52 Alder would be relocated. Mr. Levine said that it is anticipated that they will vacate the premises by the end of year, being relocated to Canco Road. Councilor Mavodones said that he would like to see these properties move forward with the disposition process, with housing and commercial uses through the RFP process. He agreed that stakeholders for Bayside are important.

Councilor Hinck also agreed with the RFP process to move the disposition process of these two properties forward.

Chair Donoghue said that the neighborhood does need stabilization/stakeholders. Regarding 65 Hanover/52 Alder Street, this could be done through the RFP process for affordable home ownership on the upper floors, with ground floor commercial use. He would be interested in feasibility analysis of such a development, with options for development similar to the Adams School analysis underway now. The disposition process of this property does not have to be in tandem with the 71 Hanover Street property.

Mr. Levine said that it may be late fall for this analysis to be completed.

Chair Donoghue thanked the Committee and staff for the discussion/feedback.

**Item #8: Review and discussion to provide guidance to staff regarding potential redevelopment of City-owned property at 157 Brackett Street.**

Ms. Davis said that a Departmental survey was done with the results being that this lot is actively used for parking by Reiche School employees, as well as used after hours by the

residents during snow bans and street maintenance projects. There are approximately 20 parking spaces there now, and Reiche School staff have indicated that a loss of this parking would be detrimental.

Chair Donoghue opened the meeting for public comments.

Robert Hains said that parking is very tight in this area, and additional development would require additional parking.

Noting no further public comment, Chair Donoghue closed the public comment session.

Councilor Mavodones said that he is open to maintain existing parking either at this location or close by. The School Department would need to feel comfortable with no impacts.

Councilor Hinck agreed.

Chair Donoghue added that Councilor Marshall indicated that he is open for creative ways to develop housing if a solution to the parking issues can be identified.

Consensus of the Committee was to bring a draft RFP for the property back to the Committee for its review/direction.

**Item #9: 2014 HCDC Work Plan for review and discussion.**

Chair Donoghue said that he anticipates the Public Services properties to be back on an agenda late Fall; the Munjoy Street property in perhaps 30 days; and the Brackett Street property draft RFP perhaps in late September/early October.

There being no further business, the meeting adjourned at approximately 8:00 p.m.

Respectfully,

Lori Paulette