

Housing Committee Meeting  
Tuesday September 2, 2008  
5:30 – 8:00 p.m. City Hall – Room 209

Attendance: Councilor Jill Duson, Chair, and Housing Committee Members Councilor Kevin Donoghue and Councilor Nicholas Mavodones, TJ Martzial, HNS Division Director, Alex Jaegerman, Planning Division Director, Amy Grommes Pulaski, HCD Program Manager, Mary Davis, HNS Loan Officer , Peter Hodgkin, HNS Office Assistant (note taker)

- 1.) **Meeting Minutes of August 5, 2008** (beginning at 5:30 p.m. [08.20]) move to approve by Councilor Mavodones and seconded by Councilor Jill Duson, Chair.

- 2.) **Peaks Island Affordable Housing**

T.J. did a short introduction informational re the proposal for affordable housing on Peaks Island which is being held tonight to hopefully provide clarification for the residents and the committee on some of the controversial issues surrounding the project.

Ellen Mahoney, 30 Central Avenue, Peaks Island, is an Advisory Board Member of Homestart which was established from the Peaks Island Neighborhood Plan whose mission is to create and maintain affordable housing. To this end, currently they have an opportunity on Luther St. and they are considering both a deed restriction model and a community land trust model. The group has held 12 public meetings since 12/07 to provide public dialogue with the community about creating affordable housing on Luther St.. this resulted in identifying a need for a formal housing needs assessment for the Island. They recently wrote a grant to the Peaks Island Fund for money to further Peaks Island initiatives and those funds were granted. This process should begin in late September.

Homestart has recently acquired some tax acquired parcels from the city of Portland for the purpose of both affordable housing and creating home ownership possibilities. Next, in order to acquire additional land they also made a call to the community to take advantage of the bargain sale of real estate provision to a 501(3)(c) organization. They have secured one property that is currently occupied by a young working family and Homestart intends to turn that property over to the family as soon as possible. They also have another property which they are renovating as a rental unit. And, they would like to construct additional units. They would like the support of the City.

Anything they propose to develop on these lots would require a conditional re-zone because the lots are less than 20,000 SF.

Before they undertake a conditional rezoning process, which is an onerous and time consuming activity for a volunteer organization, they would like to have an understanding that what they are trying to do would garner community support to make their efforts and expenditures payoff with affordable housing.

Homestart is hoping for a strategic alliance with the City to create a climate of preservation of the peaks island quality of life and to maintain economic diversity in the community.

What Homestart owns right now is one cottage with two traditional building lots in the village. They do not currently fit zoning because they have been co-joined (under one ownership in the past 25 years). Once they acquired that parcel, the abutter, homeowner Leslie Kaynor, her dad owned 22,000 SF of land, or 4 traditional building lots. Leslie Kaynor approached Homestart after they acquired 18 Luther St. and said in an effort to bring forth her parent's legacy, they would love to see this property turned into affordable housing. Homestart then convened the December 2007 meeting to present this concept to the island community.

What they would like to do ideally buy the Kaynor property which is currently a non-conforming two unit which would bring Homestart's holding to around 40,000 SF on water/sewer. Renovate 36 Luther, bring it into conformance. Renovate 18 Luther and maintain it as an affordable rental property in perpetuity. Then, just east of the Kaynor property are two lots that are 10,000 SF for green space, deed restricted conservation easement in perpetuity as the Sam and Martha McCain arboretum.

That leaves three parcels between the two existing structures. There has been numerous public meetings, Homestart asked for public input on their concept for new construction. That's basically where we are right now, in dialog with the community for the last 10 months on this concept. Personally, Ellen would like to see somewhere between one and three single-family homes, or one or two townhouse style buildings for homeownership either through a community land trust, or deed restrictions so whatever is developed is affordable in perpetuity.

Homestart has looked at several other options and locations, but feels this location is their best opportunity right now. They would like the City's support. [19.30].

Councilor Duson asked if there were any questions from the Councilors and there were none at that time. Councilor Duson states: [19.54] "I have followed the work of this group and I think that while procedurally the Housing Committee is not likely to provide 'support', I personally, as one

Councilor want to encourage you guys to go forward. I think that once you get into the official processes, that the zoning process, the planning process will...what goes in is never exactly the same as what comes out. And there is plenty of room and time in that process for members of the public who have strong concerns about what the concept of the project is to try and have their say and have their involvement. I would hate to see you guys delay too much longer with trying to go forward with *something* so that gives Peaks something to react to, and eventually there will be some affordable housing on the island. That is my personal opinion.” [20.58]

Councilor Donoghue said he would like to hear public comment regarding the project as he believes it to be appropriate at this time from the Peaks Island Council housing policy liaison.

Councilor Mavodones asked about the McCain/Kaynor property site control status and Ellen responded that there was no commitment currently in writing but the owners are patient and willing to wait, as long as they are meeting their expenses, until the project goes forward.

Councilor Chair Duson invites public comment at this time.

[23.50] Rob Tiffany, 38 Centennial Street, Peaks Island, member of Peaks Island Council. Homestart has requested assistance with dialogue with both Luther and Elizabeth Street neighbors and abutters regarding this project. Has held three meetings and suggests Homestart does the needs assessment with Planning Decisions Inc. before proceeding with this project as affordable housing on Peaks Island “is a different animal than affordable housing on the mainland” with the cost of living about a third higher, taxes are higher transportation, fuel, etc.. “Do we need affordable housing? Yes, do we need affordable living? Extra Yes”. People on Peaks have a lot of the same concerns about residential density as residents in all areas of the City. Luther Street is atypical in that it has small 5 K lots so density is an issue as are concerns about clustering and losing a stand of maple trees located within the projects boundaries. Consistency within the neighborhood is a constant. The PIC is looking into zoning on the island, Planning Decisions Inc. will be looking at the affordable residential needs. When those studies are complete, that would be a better time to proceed rather than immediately. That was the major input from the recent meetings from neighbors and abutters.

Councilor Chair Duson asked about turnout at the meetings and inquired about any notes/minutes taken. Rob said that minutes had been taken and are available but that no audio was done and Councilor Chair Duson’s response was that she would like to review them.

Councilor Donoghue asks what the timeline might be for the PIC’s examination of zoning and the Planning Decisions’ housing needs assessment. Rob responds that he does not know of a timeline for the zoning study, it will

require extensive public participation. Ellen responds that they hope the housing needs assessment is completed by the end of this year.

Councilor Donoghue asks what would be the scope of the assessment. Ellen responds that it would be a combination of data and public comments. Some people are not convinced there is an affordable housing issue on the island, that will be a piece of the assessment.

, Councilor Chair Duson does not expect 100% consensus on this issue but would like the process to be open to ensure everyone have a voice due to Homestart needing the communities support in order to move forward. Councilor Duson hopes that this zoning and needs assessment process is not just a tactic to delay affordable housing development on the island because a 100% consensus cannot be reached. Rob concurred that an 80% “working consensus” was his goal. Councilor Duson states: “I guess at some point while the Homestart group certainly needs to make sure it has enough constituency supporting the project to go forward, otherwise they are wasting their time, money, and energy. The process is at some point to go to the Planning Board and I think that no matter how long these steps take, once it gets to the Planning Board it’s a whole other ball of worms, and they are going to look at specifics, and they are more expert at incorporating some of the public comment.” [13.20]

Rob responds: “I am looking forward to working with Homestart once they have finalized their plan and after this study to come to the Planning Board with them in agreement.”

Councilor Donoghue identifies two discussions; one a policy discussion on how Peaks should accommodate affordable housing, and two; how do we accommodate Homestart’s development ambitions because in this instance Homestart is before us as a developer? He states “I understand that they are a non-profit housing advocacy group on the island, but I see Homestart not just as a developer but I see the keeper of at least stewarding somewhat expeditiously the conversation about how one accommodates affordable housing on the island, irrespective of this proposal. I guess I see that residing with the Peaks Island Council.”

[33.26] Councilor Duson states: I’m not sure how to articulate my discomfort and this is specifically to the PIC trying to accommodate how it is that we support the Council’s leadership without having the Council become a roadblock, a barrier to other processes, and so that’s what I’m struggling with, I’m not sure how to express it. I’m trying to figure out how we work between the bodies to support the Council.”

Rob responds: “I see the PIC as having absolutely no right to stop Homestart from going to the Planning Board. I think we could help Homestart by going together. That’s collaboration, not a roadblock to the process.”

Councilor Duson: “I agree” [34.28]

Carol Eisenberg, 99 Luther Street, not an abutter to the project is not an island native but questions this funder-driven backwards process by a self appointed group that has acted unilaterally, and concerned that this rezoning could set a precedent, therefore, believes the project should work within the existing zoning and, furthermore, that enough green space already exists in the immediate neighborhood. She is pro affordability on the Island but questions if housing is the answer. Also, she does not favor this piece meal approach to zoning which could open the floodgates to inappropriate zoning that could result in Jones Landing, for example, to turn into Old Orchard Beach with high rise condo’s. Her belief is that zoning should be looked at on an island wide basis and be approached on an island wide forum and does not believe this particular proposal adds anything to the island community and questions if Avesta was unavailable whether Homestart would still be considering developing any multiunit project on Luther Street.

Susie Kane, 72 Torrington Avenue, is not an abutter and lives on a 2,200 non conforming lot in a house built in 1900. Clarified that Homestart was created a year+ before the Peaks Island Council and was formed to address the needs and ideas of what all Peaks Islanders thought about affordable housing and transportation needs. She has attended many open to the public meetings that were advertised in the monthly Star publication and found them very informative. Zoning is not one of the 10 Commandments and the zoning put in place “then” may not be appropriate zoning for “now” and it’s important to take advantage of city services that will allow affordable housing to be built on smaller lots

Kyra Atkins, 21 Luther Street, across the street from the Luther parcel, a teacher at Portland High School. She is pro affordability on the Island but is questions that housing is the answer and feels Homestart is trying to get around zoning with Avesta driving the process as Homestart could not do this alone and that this project is funding driven rather than needs driven. She is upset that when Homestart purchased their properties it was done “in secret”, islanders were not informed. Her concern is about how the project will contribute to the character of the neighborhood and felt there wasn’t enough information distributed about the project as it had caught her by surprise and is concerned that Homestart’s participants may not pay their share of taxes or any at all. Increasing density is not a good idea, we don’t need any new green space.

Colleen Craig, 31 Elizabeth Street, doesn't believe Homestart is representative of the community and is now presenting the same proposal presented on January 8th so her voice as well as other citizens is being ignored with Headstart again presenting this same plan to the city and now asking for support. She has attended many meetings and suggested a variety of alternative solutions and compromises but she was ignored. She does not believe Homestart is representative of the community. Homestart membership is declining.

Rob Mehard, 31 Elizabeth Street, an abutter who feels Homestart has done a good job with their rentals, however believes there are many ways to provide affordable housing but that the Luther Street project is not appropriate. In the current market there are many local listings for sale and perhaps other real estate opportunities could avail themselves.

Councilor Chair Duson requested additional public comment, there want none, so closed the comment period. [52.45]

Councilor Mavodones thanked everyone for their comments and for coming to the meeting and explained that no decisions were being made tonight as this meeting was for informational purposes and was present to get a feeling for consensus with this project and appreciated Carol's comment regarding other factors that could influence whether affordable housing could really work on the island which is a good point and needs analysis. He had a question regarding the Avesta relationship mentioned earlier and Ellen Mahoney said when they were initially working on affordable housing with Genesis who than recommended they get some assistance or guidance from an experienced non profit affordable housing developer, and suggested Avesta could undertake such a complicated project. Avesta initially said the proposed project was not their typical development. Homestart invited Avesta to view the site and afterwards Avesta said they would be interested because they realized how a small island project could have a significant impact. Avesta said should Homestart seek an agreement/partnership with an experienced developer, they would be interested. Councilor Mavodones said he and the other councilors knew Avesta well and would leave it to Homestart to choose who to partnership with on this project.

Councilor Mavodones comments that differing opinions on any development is not unusual, and he appreciates Rob Tiffany's comments on trying to reach a consensus. Affordable housing is important in Portland, but he agrees that some additional analysis of the unique complications to affordability on Peaks is a good idea. Planning Decisions and Sarah Curran is a good match for the task.

Councilor Donoghue sees a development proposal that he would view in a regulatory way like any other proposal presented and that 20 K lots on water

and sewer is squandering valuable resources that we all pay for. As for the affordability of people living on Peaks Island transportation costs are comparable to people commuting to Portland from outlying areas. Doesn't like contract zoning and would like other affordable housing groups to take advantage of thoughtful comprehensive zoning as every neighborhood needs it and every person deserves it.

Councilor Chair Duson would like to see all sides come together and continue their dialogue and realize there are more than just two opinions around this matter and not waste energy on negativity as everyone is genuinely and positively motivated to try to do what's right for the Peaks Island community. And no one is trying to turn the island into an incredibly dense neighborhood. She would hope to see something come forward that has significant support from the community. [1.02.45]

### **3. Florence House**

T. J. asked for a quick overview of executive summary for the Housing Committee.

Dana Totman, Executive Director from Avesta Housing spoke, in short, about looking to develop a 3 part project to create housing for 50 homeless and displaced women. They've gone thru a long process of contract zoning, including a lawsuit, in order to establish this project that is long overdue and desperately needed. Deb Keller has secured money from many, many funding sources which unfortunately creates more complications due to the many guidelines and restrictions each funding agent has in place. Unfortunately there is still a \$240,000 funding gap with the \$7,000,000 project. Maine State Housing was the first in with the Safe Haven piece of the project. There are many funding sources, not only for the construction, but for the services that Preble Street will deliver. Tax credits are ever changing and ever fluctuating and, for example, TDBanknorth and HUD came in with funds that can be used for one component but not another and these funding sources often need to be shifted to accommodate this ever changing "moving target" of the funding gap which won't be finally nailed down until construction actually begins.

T. J. is confident that although there is not adequate HOME funds available right now, Florence House does not need these funds until December 2009, and future HOME funds can be reserved similar to the Bayside East project. T.J. notes how in the past it has been sometimes difficult to disperse CHDO funds.

Councilor Duson states that T.J.'s memo on this was "astoundingly clear" and it didn't seem necessary to run through the financing.

Councilor Donoghue asked if uncommitted CHDO funds from past years are returned and T.J. responded that if they are not committed within two years from when HUD awards them then yes they are returned to HUD. This has never happened, but it has been close.

Councilor Duson opens the Public Hearing

Mary Jo with HVFJ stated Florence House is the first step with ending homelessness for women and feels fortunate to have an apartment now that provides safety and security instead of spending time in shelters.

Rose Strout a tenant from Logan Place spoke about needing a hand up and not a hand out and how more similar homeless housing, and not another shelter, is needed to assure residents a place where they're provided a quality of life, direction and mutual respect. Logan Place provides a stable life for its residents, peace of mind and purpose in their lives.

Councilor Chair Duson asked for additional public comment, there was none, so the meeting was turned over to the committee.

Councilor Mavodones moves to approve staff recommendation, Councilor Donoghue seconded the motion and asked if you phrase the \$43,500 either/or this or next years budget. T.J. said you could if you had funds carried over as there are no funds or allocation lines left for this year and Councilor Donoghue clarified that if there was "old" money it would be used to fund this spending gap and T.J. said if there was not enough money from CHDO the remaining dollars would come from the projected '09 HOME program income. First we would use \$98,250 in 2008 CHDO funds, then we would use 2009 CHDO funds, estimated to be a similar amount. The remaining balance of up to \$240,000 would use any available HOME program income. Then if there is not adequate program income, we would use funds the Housing Committee allocates to new construction of rental housing in 2009, we should not have to dip into that new construction line, two years of CHDO and the balance from program income should be adequate. Actually, technically HUD requires us to use program income before the annual allocation.

#### **4.) HUD HOME Program**

There are 5 eligible activities of 1. Homeowner Rehab, 2.) Homebuyer Assistance, 3.) Rental Development, 4.) Tenant Based Rental Assistance and 5.) Acquisition and Portland's HOME Program is divided into three funding categories: 1.) Housing Rehabilitation, 2.) Home Ownership and 3.) New Construction Rental Housing and Councilor Donoghue would like to know how the funds are allocated which has been typically done on a first come first serve basis which has worked okay for the past 8 – 10 years but for the first time agencies are asking for funds that are no longer available so now is the

time to instill a RFP process for requesting funds and to focus on the east/west Bayside area.

Mary Davis all HOME funds need to be committed to a project within a two year period from when the city receives the funds. Amount of funds allocated to each program flows with the economy and the market. T.J. '08 budget has already been done. In '07 the allocation for the rehab program was \$297,000 of which \$267,000 was carried over into '08 and is moving out the door very quickly. There is much interest in completing new applications now since the energy audit ad was published.

T.J. asked about whether an RFP needed to be created or to continue on the first come/first serve process and need to begin thinking about an RFP in Feb/Mar of '09.

Councilor Mavodones has nothing against doing them but wonders if other groups might have an interest about weighing in on this discussion.

Councilor Donoghue believes there needs to be a decision on who is the priority to house and to identify in which neighborhood should we house them because we see people coming to look for funds after identifying their financing gap. For example West Bayside could afford much more diversity in that area.

Councilor Chair Duson would like to see some collaboration with other communities and see how they utilize their funds. T.J. explained an action Plan needs to be filed with HUD each year explaining how the funds are distributed.

**5) Next Meeting Tuesday October 7, 2008 at 5:30 p.m. in room 209.**

Councilor Duson moves to adjourn, seconded by Councilor Donoghue.

Unanimously approved.