



Mary Davis

Division Director, Housing &amp; Community Development Division

**TO:** Councilor Duson, Chair  
Members of the Housing Committee

**FROM:** Mary Davis, Division Director  
Housing and Community Development Division

**DATE:** February 23, 2018

**SUBJECT:** Overview of the Housing and Community Development Division

The Division of Housing and Community Development (HCD) is part of the Planning and Urban Development Department. HCD manages and administers community development and housing programs with both local funds and funds provided by the U.S. Department of Housing and Urban Development (HUD). HCD is responsible for planning and expending funds received under four HUD programs: Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and the Lead Hazard Control Grant (LHC). HUD funds are utilized to benefit low and moderate-income Portland residents and city neighborhoods where a majority of the residents earn low and moderate incomes. HCD supports a wide variety of projects and programs including social and neighborhood services, public facilities and infrastructure in eligible neighborhoods and housing rehabilitation and housing development. The Division works in partnership with residents, non-profit agencies and City departments to benefit low and moderate-income residents and improve the neighborhoods in which they live.

In addition to managing HUD funded programs, the Division manages the monitoring of Inclusionary Zoning and Accessory Dwelling Units, administers the Housing Trust Fund, and staffs the Housing Committee.

### **Community Development Block Grant Program**

The goal of the CDBG Program is to develop strong communities by ensuring decent affordable housing, providing services to the most vulnerable, and expanding economic opportunities for low and moderate income persons.

CDBG funds are allocated through a competitive application process. CDBG applications are typically made available in October and are due by the end of November. The CDBG Allocation Committee meets from December through February to review, evaluate and score the applications. The Allocation Committee makes recommendations to the City Manager. The City Manager reviews the Allocation Committee's recommendations and



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makes his recommendations to the City Council. Typically, the City Council reviews the CDBG funding recommendations along with the other HUD program budgets (such as the HOME Program) at two public hearings held in March or April. At the second public hearing the Council takes action on the allocations.

### **Emergency Solutions Grant (ESG)**

HUD provides funding for the ESG program to operate, provide essential services, and improve the number and quality of emergency shelters for homeless individuals and families as well as to prevent families/individuals from becoming homeless. Portland's Health and Human Services Department operates both the Oxford Street Shelter, which is the largest emergency shelter in Maine, and the Family Shelter which is the largest shelter for families in Maine, and the Community Overflow Shelter(s) with ESG funding. The City's shelter programs provide a safe haven on a temporary basis for Portland's homeless population, as well as efficient and effective support services to promote rapid re-stabilization and the achievement of permanent housing.

### **Housing Assistance Programs: Resources**

HOME Investment Partnership Program: The Home Investments Partnerships Program (HOME) was established by Congress in 1992. Since 1992, the City of Portland and the Cumberland County HOME Consortium have received over \$19.7 million dollars in HOME funding. In 2009 the City became the lead entity in the Cumberland County HOME Consortium (CCHC). The Consortium is a partnership of the communities in Cumberland County that administers HOME Program funds in Cumberland County. The creation of the consortium expanded the financial resources for affordable housing activities in the region. The City retains independent operation of its HOME program. Because the City serves as the "Lead Entity" and City staff administers the County portion of the funding, all administrative funds are retained by the City. The County's Municipal Oversight Committee controls the allocation of the County's portion of the HOME funds.

Housing Trust Fund: The Housing Trust fund is established by Section 14-489 of the City's Code of Ordinances. The purpose of the Housing Trust Fund is the "...promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City." and "To serve as a vehicle for addressing very low, low and median income housing needs...". Housing Trust Fund revenue is generated from fees triggered by the Housing Preservation and Replacement Ordinance and fee-in-lieu contributions from the Inclusionary Zoning Ordinance, along with other funding resources under Council consideration. Affordability restrictions are required. In the case of rental or cooperative



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units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years. Homeownership units must include resale restrictions that maintain an “equitable balance” between the interests of the owner and the City. These restrictions must be documented and recorded in the Cumberland County Registry of Deeds.

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope.

Lead-Safe Housing Grant: The City of Portland was awarded funding through a competitive grant program offered by HUD’s Office of Lead Hazard Control and Healthy Homes. In 2016 the City received its sixth lead hazard control grant. As with our HOME Consortium, the program is administered by the City on a county-wide basis.

### **Housing Assistance Programs: Uses**

Housing Rehabilitation: The Housing Rehabilitation Program assists Portland property owners with repairs to their property. Typical repairs include health and safety issues, energy conservation/weatherization improvements, roof replacement, and heating system replacement. The program allows for different funding options depending on whether the property is owner-occupied or rental property. Owner-occupied properties can qualify for a 0% interest, forgivable loan or low interest payable loan. Owners of rental property can qualify for low interest loans. Income eligibility is required for owner-occupants. Rent and tenant income restrictions are required for rental property.

The housing programs are funded by both CDBG and HOME funds. The City is the lead entity in the Cumberland County HOME Consortium; HOME program funds are administered on a county-wide basis. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home owner assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income.

Tenant Based Rental Assistance (TBRA): The TBRA Program is funded with HOME funds and is administered by the City’s Social Service Division. The program provides security deposits, short term rental assistance and utility deposits for individuals and families residing in the City’s homeless shelters or in danger of being evicted. Eligible applicants must meet the standards for homelessness or be facing eviction and have an annual income of less than 30% of the area median income.

Portland, Maine



Yes. Life's good here.

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Lead-Safe Housing Program: The program is designed to reduce lead paint hazards in the City of Portland and throughout Cumberland County. Forgivable loans are available for properties, both rental and owner occupied, where low to moderate income families reside. Program assistance is restricted to households at or below 60% of the area median income for rental housing and 80% of the area median income for owner occupied housing. Assistance for rental housing units includes a three year affordability restriction.

Affordable Housing Development: Since the adoption of the 2002 Housing Plan, the City has been committed to the production of housing, using several sources of funds. HOME, CDBG, Housing Trust Fund, Tax Increment Financing have all been used to leverage the creation of affordable housing. Since that time, the City has invested almost \$14 million dollars in 30 projects which created 951 units of housing. As mentioned above, the HOME program restricts rental housing assistance to households at or below 60% of the area median income and home owner assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income. Housing Trust Fund can assist households at or below 120% of area median income.