



METRO REGIONAL COALITION

Agenda

May 14, 2019

Noon to 1:30 pm

GPCOG, 970 Baxter Boulevard, Portland

1. Welcome and introductions (5 minutes)

2. Acceptance of minutes from April 9, 2019 meeting (Attachment A) (5 minutes)

3. Expanding Housing Choices – Business Community Perspective (20 min.)

Quincy Hentzel is President and CEO of the Portland Regional Chamber of Commerce. The Chamber has been working to support growth in our region through a variety of approaches. Quincy will share recent Chamber initiatives and her understanding of how best to persuade voters that growth is a good thing for our residents and our economy.

4. Homelessness Priority Revisited (20 min.)

Staff Report: Staff has been meeting with MRC leaders and others to explore options for MRC action on the continuing homelessness crisis in our region. Results of those conversations have produced the following proposed action steps:

- A. The MRC should host new Housing First tours for regional Councilors and key state Legislators this summer. We've found that first-hand experience with housing first projects communicates their value like little else can.
- B. The MRC should advocate for a change in how homelessness services (both shelters and permanent housing) are funded. Homelessness is a regional and state challenge, but the costs of operating shelters falls heavily on municipal taxpayers, while permanent housing's operating costs are borne by increasingly unreliable federal funding and philanthropy that is stretched thin. New regional and state funding would reduce municipal tax burdens and make operational funding more secure for homelessness services.

5. Regional Housing Solutions (20 minutes) (Attachment B)

Staff report: After careful analysis of the data the staff presents the following issues for MRC engagement:

Middle and lower middle income households in our region are facing increasing housing cost burdens. Workers are finding it harder to live near their jobs; seniors are finding it harder to age in place. Middle income households are being reduced in number and as a percentage of all households throughout our region; as a result they are living further away from their jobs.

Staff will present additional information regarding these recent trends and members will have the opportunity to discuss them (Power Point side deck will be shared at the meeting as Attachment B).

Action: Discuss and take action to affirm, amend or reject these observations and incorporate them in MRC action on regional housing problems.

6. Review draft/First Reading of MRC Joint Resolution (20 minutes) (Attachment C)

Staff report: Building on the earlier conversations of housing action steps staff will present a draft resolution for member consideration (see Attachment C). The resolution is intended to be adopted by the MRC and by each MRC member Council. It reflects our member municipalities' individual and collective commitment to taking action to address housing in our region.

Action: Discuss the draft resolution and suggest edits/amendments. We will revisit the resolution at the June MRC meeting.

7. Adjourn at 1:30 pm.

Upcoming Meeting:

- June 11: Continue to refine proposed Joint Resolution. Lay out work assignments for MRC members to bring the resolution forward with their colleagues. Discuss member support needs (subject matter summaries, presentation support, etc.). Set schedule for next meetings.

Attachment A



Metro Regional Coalition MINUTES

April 9, 2019

In Attendance:

Name	Affiliation
Bill Donovan, Chair	Scarborough
Nathan Poore	Falmouth
Caleb Hemphill	Falmouth
Tom Hall	Scarborough
Matt Sturgis	Cape Elizabeth
Virginia Wilder-Cross	Gorham
Josh Reny	South Portland
Sue Henderson	South Portland
Belinda Ray	Portland
Travis Kennedy	Cumberland County
Guests:	Josh Benthien- Northland Enterprises Kevin Bunker- Developers Collaborative Brooks Moore- South Portland Housing Authority Amy Cullen- Szanton Company
For GPCOG:	Kristina Egan Chris Hall Stephanie Carver

Welcome

Bill Donovan called the meeting to order at 12:05 pm.

Acceptance of 3/12/19 minutes

Acceptance as presented moved by Josh Reny, seconded by Virginia Wilder-Cross, and unanimously passed by members.

Expanding Housing Choices – Developers’ Perspectives

Kristina Egan introduced four guest developers:

Josh Benthien- Northland Enterprises
Kevin Bunker- Developers Collaborative
Brooks Moore- South Portland Housing Authority
Amy Cullen- Szanton Company

She set the stage by briefly providing background on the MRC and its goal of expanding housing choices in our region. The meeting used a ‘fishbowl’ format with Kristina first asking questions of the developers while MRC members listened, followed by Q&A from members.

Each panelist described their development focus. Northland does a wide variety of projects, often with a historic or reclamation perspective. South Portland Housing serves the poorest residents with various affordable housing projects. Developers Collaborative is statewide and 75% residential, with half market rate and half affordable units. Szanton is similar to Developers Collaborative with an emphasis on mixed income projects and urban in-fill development.

Asked about marketplace demands in our region, and market gaps, panelists made the following points:

- Supply is the critical accompaniment to discussion about demand.
- Excess demand over supply is decreasing in today’s market.
- Construction costs are reducing margins, making projects more difficult to justify economically.
- LIHTC (low income housing tax credit) projects remain strong but are a small part of the overall housing market

Asked about where the demand for urban infill development is coming from panelists responded:

- Roughly one third of new housing purchasers are age 55+, leaving two thirds of demand from all others.
- Proximity to the work place is a big driver
- Demand in downtown Portland seems unending, especially for mid-range housing choices
- The window where rents justified new construction has closed – increased costs has made mid-range projects uneconomic
- Maine Housing is promoting 3 bedroom units

Asked about who is being well served in the current housing market panelists said:

- High and low income buyers are well served but middle income buyers between 80% and 120% of average median income are not in urban areas
- In suburban areas middle income buyers have driven a new generation of projects like Blue Spruce Farms in Westbrook where zoning allowed density and developers found ways to make middle income projects make economic sense
- Mixed income projects can face resistance at Maine Housing given the cross subsidies that arise

Asked about their experiences with successful municipal partnerships panelists responded:

- Towns with a good comprehensive plan that defines where and how growth is desired are good partners
- Communities that use Tax Increment Financing to support development are good partners.
- It was noted that affordable housing TIFs are reasonably easy to access, but TIFs for market rate projects can generate opposition
- Cities that have pre-defined development goals are good partners
- Towns that have a need for development – like Sanford after the recession of 2008 – are good partners
- Communities that want developers are successful partners

Asked about answering municipal requests for proposals panelists differed:

- Some routinely responded and had successful experiences
- Others never took on RFP projects
- In every instance municipal clarity about their desires and strong community support were critical to success

Asked what else municipalities can do to get housing choice projects done panelists offered:

- Open up zoning to greater density and height
- Reduce residential parking requirements (commercial needs more, not less)
- Provide timely permits and certificates of occupancy and eliminate delays in the administrative pipeline
- Focus on what municipalities can control – the number of housing units per acre
- Use tax policy to incent the redevelopment of vacant land

Asked what the public likes to see in relationship to increased density panelists responded:

- Brew pubs
- Attractive commercial uses
- Senior housing
- Several agreed that there is substantial opposition to increased density

Asked what state policy changes would support more housing choices in our region panelists suggested:

- A state level affordable housing tax credit
- Better performance at the State Fire Marshall's Office (where administrative delays are substantial)
- Changes in local assessing practices for affordable housing projects to avoid assessments that inflate the project's value and disrupt the fragile economics of an affordable housing project
- Expansion of the state's historic preservation tax credit to smaller properties outside districts

During Q&A with MRC members the following points were discussed:

- LIHTC projects are harder to site in communities when Maine Housing designs a preference for 3 bedroom units into its regulations.

- Members agreed that municipalities should engage more with Maine Housing rule changes to make sure their concerns were addressed.
- In that regard it was noted that the perception of Portland getting ‘too much’ was something to be careful about.
- Also tax credit deals come with transactional complexity that produces costs, and larger projects tend to be able to handle those costs better, again making smaller LIHTC projects more difficult.
- A focus on youth and work force ought to be part of Maine Housing’s approach, but it is not now.
- Members were reminded that LIHTC projects total about 200 units per year state wide, while the unmet demand for housing is in the many thousands of units.
- Municipal financing for targeted buyers would be something worth exploring
- The need for building more housing of all types was stressed as critical
- Regional planning was recommended as a way to align housing and jobs within the region and overcome more narrow local perspectives.

Kristina concluded the segment by thanking the panelists.

Opioid Pilot Update

Kristina reported that Falmouth has successfully concluded its pilot and community groups are continuing the work that was started. Gorham has requested that it be MRC’s second pilot community.

Josh Reny moved to approve Gorham as MRC’s second opioid prevention pilot community. Sue Henderson seconded the motion. All members voted in favor of the motion.

Kristina also noted that GPCOG is working with state officials to find additional funding that could take MRC’s opioid work region-wide. She reminded members to speak up soon if their community wanted to participate in the pilot program.

Homelessness Update

Chris Hall shared a draft letter in support of LD 48, a \$15 million dollar bond proposal dedicated to homeless facilities. Hall explained that the letter could be sent as an MRC communication to lawmakers, or individual communities could do so themselves.

After discussion, members decided to send a single letter from MRC. On a motion to do so by Tom Hall, seconded by Sue Henderson, the motion passed unanimously. Staff will work with Bill Donovan to get the letter out immediately.

Next meeting

Tuesday May 14th 2019. Quincy Hentzel, CEO of the Portland Regional Chamber of Commerce, will join us to present on the Chamber’s ‘Just Imagine’ campaign designed to increase public support for expanded housing choices.

Kristina reminded members that we will also be starting work on a draft Joint Resolution for passage by each MRC member community in support of expanded regional housing choices. That resolution will be brought to Councils in the MRC by members for passage in the fall.

Adjourn. Chairman Donovan adjourned the meeting at 1:37 pm.

Attachment B

Power Point Slide Deck to be provided at the meeting

Attachment C

Draft

Metro Regional Coalition Council Resolution

Regarding the housing affordability crisis in the Greater Portland region

WHEREAS the affordability of housing throughout the Greater Portland region continues to decline according to the Maine State Housing Authority; and

WHEREAS the number and location of households in our region struggling with the costs of housing is rising as documented by the Greater Portland Council of Governments; and

WHEREAS the cost burden of housing falls heavily on our senior population, making aging in place more difficult; and

WHEREAS our region is in need of young workers and families to support our existing and future economy, and to offset our region's demographic challenges; and

WHEREAS middle income households in our region are growing fewer in response to the cost burden of housing; and

WHEREAS travel between home and work in our region is becoming longer, generating more expense to commuting households and more traffic congestion and stress to our transportation systems; and

WHEREAS these findings constitute a crisis of housing affordability throughout our region; and

WHEREAS the municipalities that make up the Metro Regional Coalition share a commitment to making housing more affordable for every person no matter what their income; and

WHEREAS all the municipalities of the Metro Regional Coalition have met and jointly agreed to pursue solutions to this crisis by acting singly and together to take steps at the municipal level to expand the number of housing units that lower and middle income households can afford without incurring unacceptable housing cost burden;

NOW THEREFORE the _____ Council is hereby RESOLVED to work with the Greater Portland Council of Governments and the Metro Regional Coalition:

TO EXPAND the number of housing units that can be afforded by lower and middle income households in our community by adopting and improving policies and incentives which allow our community to contribute to achieving the overall regional goal of expanding the number of housing units in our region that are affordable to lower and middle income households by 25% no later than 2025.

DATED this ____ day of _____, 2019