

GPCOG Executive Committee AGENDA

March 15, 2022

Noon – 1:30 p.m.

Zoom Link: <https://us02web.zoom.us/j/82855747276?pwd=ZUJMOUITTDhiTlpXcDFIbElvemdOZz09>

Or join by phone by calling: 1-646-558-8656

Note: At the direction of the GPCOG Executive Committee, all committee meetings are being held via [Zoom conferencing technology](#) due to the continuing pandemic. We remain committed to full public participation in our meetings through remote access during the COVID-19 crisis. Remote meetings are conducted in accordance with the requirements of [LD 32, 2021 Public Law 290](#) and [1 MRSA Chapter 13, Subchapter 1](#).

1. Welcome

This meeting is being recorded and will be made available at gpcog.org/AgendaCenter.

2. Public Comment

Residents of the region are invited to share up to 3 minutes of comment on any topic, including items on the agenda.

3. Acceptance of 2/15/22 Minutes (Attachment A)

4. Executive Director's Report (Attachment B) (5 min.)

5. Spotlight: Regional Public Transportation Initiatives (15 min.)

Andrew Clark, GPCOG Regional Transportation Planner, will provide this month's spotlight on a portfolio of public transit projects that are underway.

6. Brownfields Loan (Attachment C) (10 min.)

Staff Report:

In 2018 GPCOG approved a loan of \$660,000 to the developers of Thompson's Point from its Brownfields Revolving Loan Fund (RLF) award from the Environmental Protection Agency (EPA). This loan was to cover eligible cleanup costs for certain

portions of a complex, old industrial site. The borrowers have begun repaying GPCOG, and providing a stream of interest income to help continue our Brownfields work.

Late last summer we began discussions with the developers about providing loan funding for further site remediation as part of an overall development plan. Last month we received a loan application for \$795,000, which comprises most of GPCOG's remaining uncommitted Brownfields RLF funds. A write-up from David McLaughlin, a local loan underwriter who has provided services to GPCOG in the past, is attached.

Recommended Action:

Staff recommends the approval of a loan request of \$795,000 in Brownfields revolving loan funds to Forefront Commons I, LLC and Forefront Partners I, LP for site remediation associated with the ongoing development of Thompson's Point.

7. FY23 & FY24 Priorities (Attachment D) (25 min.)

Staff Report:

GPCOG's Executive Committee will adopt its FY23 & FY24 priorities to inform the FY23 budget development. A first draft of the budget will be considered at the April Executive Committee meeting.

The majority of GPCOG's work is grant- and contract-funded. This work includes staffing the transportation work of the Metropolitan Planning Organization and Maine Clean Communities, land use planning, economic development, sustainability, brownfields redevelopment, and small business support. Member dues provide the local match for most of this foundational work we do. Dues also provide more flexible resources that allow GPCOG to respond to member needs and requests and allow us to generally just do more.

While some of the FY23 Annual Workplan is determined by existing grant and contract obligations, this discussion will focus on how to best focus more flexible resources and unrestricted funds, based on the Executive Committee's priorities for the region, our members, and the agency. These priorities will also inform GPCOG's fundraising priorities for FY23 & FY24.

In this meeting, staff will briefly review our progress against the FY22 goals. Draft FY23 & FY24 priorities can be found in the attachment.

Recommended Action: Review, modify as needed, and adopt GPCOG's FY23 & FY24 priorities.

8. Future of Loan Program (5 min.)

Staff Report:

As detailed in GPCOG's FY21 work plan, the focus of GPCOG's Revolving Loan Program shifted in response to the economic impacts of the pandemic. By offering partially forgivable microloans to small employers, along with administering Community Development Block Grants (funded by Cumberland County), GPCOG was able to support over 50 employers and their employees during the pandemic. GPCOG also continued to run its traditional business lending program during this time period, but at a reduced volume of loans.

In the last six months, demand for microloans has stopped, while applications for traditional loans has resumed.

Recommended Action:

Staff recommends that the Executive Committee vote to return the GPCOG loan program to its previous, long term purpose of supporting small employers who sustain and increase good paying jobs throughout our service region.

9. Executive Session: Executive Director's Annual Performance Evaluation – (20 min.)

Pursuant to [1 MRS §405\(6\)\(A\)](#), the Executive Committee will enter executive session to conduct the annual performance review of GPCOG's Executive Director.

10. Other Business

- Proposal to change the April meeting date from 4/19 to 4/26 since the 19th falls during school vacation week.

Adjourn

Upcoming Meetings

All meetings are held the third Tuesday of the month at noon. Upcoming meetings are noted below with potential agenda items:

April 19	Strategic Plan Extension Executive Director's Annual Performance Goals
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FY23 Budget – First Draft

May 17 FY23 Budget – Final Recommendation to General Assembly
FY23 Officers and Executive Committee Nominations
Adopt Comprehensive Economic Development Strategy Update
FY23 Meeting Calendar
Affirm Investment Policy

May 26 General Assembly and Summit

Attachment A

GPCOG Executive Committee

**MINUTES
February 15, 2022**

In Attendance:

Name	Affiliation
Matt Sturgis	Cape Elizabeth
Nat Tupper	Yarmouth
Sue Witonis	Cumberland County
Jerre Bryant	Westbrook
Sandy Carder	Gray
Jarrod Maxfield	Windham
Kate Lewis	South Portland
Mark Dion	Portland
John Hawley	Naples
Speaker of the House Ryan Fecteau	
Kristina Egan, Tony Plante, Chris Hall, Vincent Edwards, Belinda Ray, Tom Bell	GPCOG Staff

Welcome

Sandy Carder opened the meeting and welcomed Speaker Fecteau.

Public Comment

George Rheault noted his opposition to the Front Street development, which is proposed for a brownfields grant in agenda item #7. He said that development will not create new square footage and will not restore the number of units. He said that the City of Portland is underbuilding housing and the region is failing, as a whole, to produce what's needed.

Executive Committee Vacancy

Matt moved to appoint John Hawley to the GPCOG Executive Committee. Sue seconded. The roll was called, and all were in favor. Sandy welcomed John aboard, and John joined the group as a voting panelist.

Conversation with Speaker Fecteau on Housing

Kristina thanked the Speaker for his work to expand housing choices for Mainers. She noted that our members understand the housing crisis and the important role municipalities play in being part of the solution. GPCOG is in support of the state setting a goal for housing production, asking municipalities to help meet that goal, and providing technical assistance and meaningful incentives to enable municipalities to change zoning to allow for more housing.

The Speaker presented a slide deck that shared his experience of growing up in a low-income development in Saco, explained the high transportation costs associated with sprawl development, and noted that Maine needs 1000 new units of affordable housing to meet demand. Maine is falling far short of this need, only producing 25% of that number. The Speaker walked the group through the housing and zoning Commission's nine recommendations.

Kate thanked the Speaker for his work and noted her concerns that new housing will be used for short-term rentals. The Speaker said that the legislation will seek to address the concern by requiring Accessory Dwelling Units to be rented for over 30 days. He noted that municipalities can enact local ordinances and the challenge of developing a statewide solution to regulate these rentals.

Nat cautioned that Accessory Dwelling Units are usually spoken about as if the unit is for relatives. There is a need to ensure non-discrimination and that communities cannot restrict who can live in one of these units.

Jarrod said that Windham is doing great work in identifying priority areas for density and he is concerned mandates would undermine this progress. He noted that fast growing towns need growth caps to protect schools.

Matt congratulated the Speaker and the legislature for tackling the housing challenge. He noted that there is an enforcement challenge with short term rentals.

The Speaker noted that some of the concerns discussed today will be addressed in the bill. In thanking the Speaker, the group urged the Speaker to focus on carrots and to minimize sticks.

Acceptance of 1/18/22 Minutes

The 1/18/22 meeting minutes were moved and seconded. A roll call was conducted. All were in favor.

Executive Director's Report

Kristina reported on her trip to Washington, DC for the National Conference of Regions, noting the excellent information that was provided by national associations and Biden Administration officials about federal resources through the American Rescue Plan and the Bipartisan Infrastructure Law. She noted that GPCOG will host a Coffee with COG to share more information with members. She thanked Freeport, Yarmouth, North Yarmouth, Cumberland, and Brunswick for forming a cohort for a proposal to qualify these municipalities for climate resilience project funding. Kristina announced that GPCOG and our sister agency in York County, the Southern Maine Planning and Development Commission, will co-host a webinar for municipalities on how cities and towns can get ready for and encourage electric vehicles.

Brownfields Grant

Tony described the Front Street development being built by the Portland Housing Authority. The Authority's requested \$200,000 in brownfields grant funds from GPCOG to help clean up the site. If this grant is approved, GPCOG will still have \$800,000 in funds to lend for brownfields clean-up. Up to half of GPCOG's brownfields remediation funding can be used for grants. The remainder must be used for loans.

Nat moved approval of \$200,000 in grant funding for the Authority's project. Mark seconded. All were in favor.

Resettlement of Asylum Seekers

Mark Dion provided [recent data](#) on the number of people experiencing homelessness, including asylum seekers, in temporary shelter in the municipalities of Portland, South Portland, Old Orchard Beach, Freeport and Westbrook. On the night before this meeting, this was 1,197 people. About one-third of the people are residents of Portland, one-third from other places in Maine and one-third from out of state. Mark compared this number of people to the number in Boston. Boston is ten times Portland's size, but is hosting approximately the same number of people (1151).

Mark explained the City's requests to the state and to the federal government. Of immediate importance is supporting the coordination of resettlement services and ensuring federal reimbursement for General Assistance costs.

Kristina explained the scope of work that GPCOG has proposed to the City and the Metro Region Coalition. This includes supporting advocacy to the state to adopt a regional and statewide approach to homelessness and to coordinate and support resettlement.

This group agreed that GPCOG should advocate for state funding and state coordination for asylum seeker resettlement. The group agreed that GPCOG should approach municipalities outside of the Metro Region Coalition to engage them in conversations about housing solutions and locations for asylum seekers.

Future of Loan Program



This item was postponed to a future meeting.

Strategic Plan Update

Nat suggested that if GPCOG extends the existing strategic plan, the Executive Committee should add some amending comment to acknowledge the broader portfolio of work that GPCOG is engaged in, and adjustments in GPCOG's direction. Matt suggested extending the current strategic plan for two years. The group was in agreement, and staff were directed to bring back a draft statement to adopt when the Executive Committee takes action on extending the Strategic Plan.

Sue moved adjournment of the meeting. Matt seconded. All were in favor and the meeting ended at 1:40 p.m.

Attachment B

Executive Director's Report

Strategic Priority – Serve our Members

- **Federal Funding Opportunities.**

Scarborough Route One Conversation

At the request of the Town of Scarborough, GPCOG convened a group to discuss the repeated flooding of a segment of Route One that runs through the marsh between connections with Haigis Parkway and Payne Road. With representatives from Maine Emergency Management Agency (MEMA), Maine Department of Transportation (MDOT), the Governor's Office for Policy Innovation and the Future (GOPIF), the Town of Scarborough, and GPCOG around the table, we were able to identify next steps and potential near-term and long-term funding sources to address the problem collaboratively over the next few years.

MEMA Meeting with GPCOG & Municipalities

Last fall, Sara Mills-Knapp forwarded GPCOG's list of [Shovel Ready/Shovel Worthy](#) projects to MEMA, where Heather Dumais, the State Hazard Mitigation Officer for MEMA identified six projects she felt were good candidates for two specific funding sources with which MEMA has involvement. In late February, Sara convened the municipalities (North Yarmouth, Yarmouth, Chebeague Island, Biddeford, and Sebago) where the projects were located for a meeting with MEMA and received offers of help and advice to help our members advance the projects for funding.

MaineDOT Village Partnership Program

The [MDOT Village Partnership program](#) is open and awaiting inquiries. As described on the MDOT website, this program is "designed to be available to all willing communities that have or can agree upon a local vision. Village projects can vary from small, spot improvements to large, once-in-a-lifetime investments if we can successfully partner to access federal discretionary funds." There are two tracks: one for small spot improvements and one for large transformative projects. The full description and eligibility requirements are on the [MDOT website](#). The process is to contact your MaineDOT regional planner to schedule an appointment to discuss your project or vision (207-624-3300).

- **Annual Summit** – Mark your calendars for an in-person event on May 26, 1 p.m. at St. Joseph’s College in Standish.
- **Resettlement of asylum seekers.** On 3/2/22, GPCOG convened an expert working group to discuss temporary housing solutions. Our very fruitful, 75-minute conversation was moderated by Belinda Ray, GPCOG’s Director of Strategic Partnerships, and included the following participants:
 - Michael Lee and Michaela Koverman of FEMA;
 - Bill Guindon, the Mass Care Coordinator for MEMA;
 - Kelsey Brown, the State of Maine Director for HUD;
 - Greg Payne, the governor’s Senior Advisor on Housing Policy;
 - Kevin Bunker, a professional in development/ construction/ financing who is part of the team building the City of Portland’s new Homeless Services Center;
 - Jeff Levine, the former City of Portland Planning Director who is now a consultant working in housing, zoning, and land use policy;
 - Caity Hager, the City of Portland’s Emergency Management Coordinator; and
 - Vanessa Farr, GPCOG’s Senior Planner.

The goal of the forum was to bring together experts to discuss the issue, help brainstorm solutions, and uncover resources that could help establish temporary housing for asylum seekers. This discussion is informing GPCOG’s white paper on potential solutions. The information will be used in conversations with town managers, property owners, and decision makers at all levels as we seek to find vacant land or buildings that can support temporary housing and convene stakeholders who can then establish and operate that housing.

While FEMA has extended to July 1, 2022 the funding that reimburses municipalities their 30% share of General Assistance dollars used to provide non-congregate care in hotels, municipalities and the state still face an eventual expiration of that funding. Additionally, while the hotel rooms have housed families during this time, there remains a need to find temporary housing that is more efficient both in terms of overall cost and the delivery of services.

There were some great ideas and resources identified in the forum on Tuesday that could help with both short and long-term solutions for this particular aspect of our state-wide housing shortage. In April, the spotlight presentation will be on this project.

Strategic Priority – Regional Prosperity

- **In the News.** This month, the Community Transportation Leaders program was in a spotlight. The *Portland Press Herald* on Feb. 21 published a [front-page story](#) on the program, which was followed by a *Maine Biz* Feb. 28 [comprehensive story](#). Sara Mills-Knapp on Feb. 16 spoke to [WPFO TV](#) (TV channel 23) about a new NOAA report on anticipated sea level rise. Fryeburg Town Manager Katie Haley told the [Conway Daily Sun](#) in a Feb. 16 story that the town is seeking help expanding broadband and involved in GPCOG’s efforts to expand broadband in the Lakes Region. The [Bangor Daily News](#) wrote about the Commercial Street transportation study. A [Maine Sunday Telegram](#) story about the region’s post-pandemic future includes extensive quotes from Kristina Egan about traffic, growth and development patterns.
- **Housing and Zoning Advocacy.** On March 7th Kristina Egan testified on Speaker Fecteau’s bill implementing the recommendations of the Commission on Housing and Zoning. She emphasized the opportunities for state-municipal partnerships, and urged the legislature to adopt housing creation goals for Maine to drive local housing creation efforts. The text of the testimony is found below as Attachment E.
- **Supplemental Budget Advocacy.** On March 3rd GPCOG submitted testimony in support of Governor Mills’ Supplemental Budget, with an emphasis on the creation of a new Housing Opportunity Fund designed as proposed by GPCOG in our testimony to the Commission on Housing and Zoning. The testimony is below as Attachment F.

Strategic Priority – Operate with Excellence

- **Recruitment.** The position of Operations Support Coordinator has been filled. Our newest team member starts March 28 and has extensive support role experience, elevating the position from associate to coordinator. Reference checks and other work is ongoing for the Senior Economic Development Manager position, with the potential of hiring two candidates who would be able to bring different skills and contribute in other areas of GPCOG’s work as well as more typical economic development work.



Attachment C

GREATER PORTLAND COUNCIL OF GOVERNMENTS

BROWNFIELDS LOAN REQUEST

DAVID MCLAUGHLIN, UNDERWRITER

March 6, 2022

APPLICANT/COBORROWERS: Forefront Commons I, LLC and Forefront Partners I , LP

PROJECT LOCATION: Thompson's Point, Portland, Maine

LOAN REQUEST: \$795,000

INTEREST RATE: 3.5%

TERM: 10 year with 20 year amortization

PURPOSE: Funding the continued remediation costs of contamination at Thompson's Point , Portland.

OVERVIEW:

This project is part of the continued development of 30 acres known as Thompson's Point by Chris Thompson and Jed Troubh. Both are long term local residents. Development, since 2013 has included Brick North a fully leased 36,000 sq. ft. mixed use commercial space, an ice rink/outdoor pavilion, outdoor performance and event space and Brick South for events. The master plan is \$110M in total and approximately 30% complete. Thompson's Point is recognized in the industry as one of the two prime areas in Portland for development potential.

Forefront. Partners I, LP, the borrowing entity, owns and operates all the parking spaces and the event centers (ice rink and outdoor event space) at Thompson's Point. Forefront Commons I, LLC. owns and will operate the lot that is to be cleaned up with the funds from this Brownfield grant.

In addition The Children's Museum & Theater (CMT) purchased 1.12 acres and developed that property. I noted that the EPA Director indicated that Thompsons Point is one of the best returns of any Brownfield projects in the US with \$20 million in private investment to \$1 million in EPA funding as compared to a national average of 15 to 1.

The current project on Lot 13 is the former Suburban Propane/Northern New England Passenger Rail Authority parcels. They want to commence work in early 2022 to clean the property allowing them to seek a permit to renovate an existing 5,300 sq. ft. brick office building and the construction of an approximate 450 space parking garage. The parking garage is also a key component to the overall master plan. The garage is viewed as a catalyst to \$50 million of new construction in the next 5 years. They are in the early stages of that development and do not have the projected costs. The remaining clean up costs are estimated at \$2,462M. They were just recently approved for a \$200M Brownfield loan with The Portland Development Corporation. The clean up is ongoing and the balance of needed funding will come from future Brownfield loan/grants or other project funding.

They are currently working with Bangor Savings Bank to fund the project. The principals are suggesting we base our repayment analysis on the existing established cash flow from prior successful development which is adequate to amortize all term debt. This approach makes sense.

Previous write-ups provided the background of the principles which evidences capability and the last few years has demonstrated that capability with a number of successful development projects. In addition to the successful development to date at Thompsons Point. Other completed projects include Hampton Inn/Exeter and Lewiston, Hilton/Auburn, Sheraton/Portsmouth, University of Maine /LA and Market Wharf/Portsmouth. I was the Relationship Manager for Camden National Bank that did the financing for the Brick North development. They were recognized as valued clients of the bank. They have the ability to access the needed capital to continue with the master plan given their personal resources and with excess cash flow from existing operations.

FINANCIAL OVERVIEW: The information provided included the 2019 and 2020 tax returns of Forefront Partners I, LP (FP) and Forefront Commons I, LLC. (FC) and the November 2021 year to date profit and loss statement for Forefront Partners I, LP which is the operating entity. In addition, Bangor Savings Bank provided part of their financial analysis from July 2021. This included financial spreads and the repayment analysis. There are a number of other affiliated entities and the bank's analysis is especially helpful given their knowledge of the overall relationship.

The pertinent findings are as follows :

Revenues/financial trend: FP is growing as they continue to develop Thompson's Point and revenues have increased from 2018 to 2021. They were negatively impacted by the COVID pandemic in 2020 with few events/concerts and reduced parking as well. They have rebounded relatively well in 2021 while still being limited due to COVID restrictions. It is reasonable to project significant further growth once we are past COVID restrictions. Development has continued and is expected there will greater demand for parking. The main revenue source though are concerts/events. They were still restricted in 20-21 and logical to assume the short term growth potential is significant.

Working Capital/Leverage: FP is reasonably well capitalized and liquidity is also adequate given the relatively strong cash flow in 2021.

Repayment Analysis: Repayment ability is adequate with a good debt service coverage ratio in 2021. While this is based on management prepared statements, the bank reports good record keeping and any year end adjust is not expected to be significant. The trend is improving and management projects improving debt service coverage on existing operations.

COLLATERAL: A condition of approval will be a junior position on real estate at Thompson's Point that results in our loan, when including prior mortgage debt, not exceeding 100% of either the market value, based on an appraisal or the original cost basis.

This loan is expecting to have a para passu position with a \$200M Brownfield loan with The Portland Development Corporation.

CONDITIONS:

- Acceptable collateral position of no greater than 100% of either the fair market value, based on an appraisal, or the original cost basis of the proposed real estate collateral.
- Acceptable review of the Borrowers current management prepared balance sheet

STRENGTHS / WEAKNESSES:

- The borrowing entity is well capitalized
- The financial trend is positive with revenue growth and an improved balance sheet position
- Working capital is adequate
- Management appears relatively strong based on the list of successful developments to include Thompson's Point
- The principals are long term residences with a good brand name
- Portland is currently a growth market
- Thompsons Point has been recognized as one of the prime areas for development in my discussions with industry leaders.
- Repayment ability is adequate with a positive debt service coverage ratio
- All payments on existing Brownfields loan paid as scheduled and both primary banking relationships report no events and satisfactory performance.
- Historical debt service coverage ratio in 2018/2019 is marginal but adequate

RECOMMENDATION : I recommend approval based on the above noted strengths subject to the above conditions. This is a well established development that is well capitalized, improving trend, cash flow positive and with strong support from the principals.

The Director of the EPA also acknowledged this is a national model given the above average private capital investment to the Brownfield grants/loans.

Attachment D

Proposed FY23 & FY24 GPCOG Priorities

1. **Attract resources to the region.**

- Prioritize transportation projects and work with state and federal partners to fund these priorities.
- Organize regional support for up to three transportation projects for discretionary grant opportunities.
- Serve as the state’s implementing partner for economic development, climate mitigation and resilience, housing choice, and broadband investments in the region.
- Ensure rural communities have tools and support they need to access new funding sources for community priorities.

2. **Provide value to members.**

- Catalyze regional response to up to two major regional challenges or opportunities.
- Build a resilient network of municipalities with regular gatherings of elected officials, municipal managers, transit managers, public works directors, sustainability professionals, economic development directors, and planners and by resuming subregional meetings as the pandemic subsides.

3. **Expand transportation and housing choices for our region’s people.**

- Monitor and annually report on regional housing production, develop one transit-oriented development plan, and provide technical assistance to improve housing and zoning in as many municipalities as resources permit.
- Develop data and analysis to illustrate the impacts and benefits of smart growth strategies and communicate that information to members.
- Adopt Transit Together recommendations that will measurably improve customer experience and system performance.
- Track transit ridership, analyze industry trends and national best practices, and advance regional initiatives and investments to rebuild ridership in the wake of the pandemic

4. **Do our region’s part in meeting the goals of *Maine Won’t Wait*.**

- Establish vehicle miles travelled and emission reduction targets through *Connect 2045* and other regional initiatives and work to aligning policies and investments.
 - Support development and implementation of up to three climate action plans for communities.
 - Identify key areas of regional risk to climate hazards and support development of three priority resilience projects to be developed and designed by members.
5. **Support GPCOG’s Diversity Equity and Inclusion working group in its efforts** to define agency goals and implement strategies to meet them.
6. **Identify priorities and implement improvements to GPCOG’s internal systems** to reduce operational friction, enhance the staff team’s wellbeing, and provide information to guide budget and staffing decisions.



Testimony of the Greater Portland Council of Governments in Support of Portions of LD 2003, *An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions.*

March 7, 2022

Senator Hickman, Representative Sylvester, and members of the Labor & Housing Committee I am Kristina Egan, Executive Director of the Greater Portland Council of Governments (GPCOG). I am here today to speak in support of portions of LD 2003, *An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions.*

I want to begin by thanking the members of the *Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions* for their hard work and bold recommendations. We are happy to see their final report reflects the urgency we all feel around creating more housing for more people across Maine.

While our member municipalities do not agree with every proposal made by the Commission, we are hopeful this Committee will use many of the Commission's recommendations to shape state policies that have support across the entire state, and across all levels of government, so we can get to work creating the housing that people need, and can afford.

GPCOG serves twenty-five municipal members, from Sebago Lake to Casco Bay, and the County of Cumberland. We staff the region's Metropolitan Planning Organization which allocates over \$25 million dollars annually in federal transportation funds to regional priority highway and public transportation projects, extending our service territory into York County, including Saco and Biddeford.

GPCOG also serves as the Portland region's Economic Development District, as designated by the U.S. Department of Commerce, and we support numerous programs like Maine Clean Communities and the Maine Broadband Coalition, along with the ever-changing needs of our member communities.

Like the rest of the state, our region is suffering from a housing crisis. Working families, retirees, young people, and everyone with low-to-moderate income are struggling to find housing they can afford in the places they want to live.

Last fall I had the pleasure of testifying before the Commission and made four recommendations. I'd like to share their substance with you:

1. Create a goal and a clear definition of success for municipalities. While much of the housing market is outside local control, local land use policies can be changed to better support expanded housing. By creating a state goal for housing production, local governments can focus on successfully advancing local land use policies that result in new housing creation that advances the state goal. LD 2003 should be amended to add a state new housing production goal. Without one, success will be much more difficult to achieve.
2. Create a framework for municipal action that includes a menu of land use policy options all centered on expanding housing choices. Give municipalities several options for local action, recognizing that one policy cannot fit all the different urban, suburban, and rural needs of our region, or the state.
3. Provide strong and continuing funding for municipal technical assistance so local efforts to improve housing choice are supported by state, regional, and consulting experts. Land use policy changes are complex undertakings that most of our members cannot successfully complete without adequate support. Make adequate funding a prerequisite for any municipal requirements.
4. Provide new revenue opportunities for municipalities that successfully complete housing expansion land use reforms. As an aspect of considering new revenues, explore adding preferential scoring (or similar treatment) for municipalities that successfully take action to encourage housing expansion when the state is awarding economic, transportation, and sustainability programs.

GPCOG supports the parts of LD 2003 that respond to these recommendations.

The bill's provisions that establish funding for municipal technical assistance, implementation grants, and financial incentives based on successful changes to local housing policies are all welcome proposals that we fully support. We were pleased to see that LD 2003 reflects the recommendations for funding technical assistance to municipalities through multiple channels that we made to the Commission last fall, and we thank the sponsors for including them in LD 2003 (see Appendix O of the final Commission report).

LD 2003's density bonus provisions in Section 9 are a step in the right direction that we also support. However, we believe the proposal should be strengthened by ensuring that the location of dense development is aligned with infrastructure capacity and local growth plans. Where housing is built matters just as much as expanding the housing supply.

Changes to the Maine Fair Housing Act proposed in LD 2003 are welcome, and we support them wholeheartedly.

Finally, LD 2003 advances the concept of Priority Development Zones, something we agree is a valuable tool for every municipality. As drafted, the bill requires every municipality to submit a PDZ ordinance to the Maine Department of Economic and Community Development two years after DECD finalizes rules for the PDZ program.

PDZ's need to work quickly and efficiently to accelerate housing growth, similar in some ways to the process the Committee has crafted in LD 1694, *An Act To Create the Maine Redevelopment Land Bank Authority*. From our perspective PDZ's will work best when they can align with a state housing goal, and focus on the municipalities where housing can best be supported and welcomed. We urge adoption of PDZ's without the mandate, and with the flexibility needed to implement them successfully and quickly.

LD 2003 contains several provisions that conflict with local control. Our members, like most municipalities and Maine Municipal Association, do not support those parts of the bill.

But I would like to conclude by emphasizing that LD 2003 has many good ideas that can make a real difference in Maine's housing crisis. Speaker Fecteau and Senator Hickman have our thanks and gratitude for their work on the Commission, and on this legislation. GPCOG urges this Committee to amend LD 2003 so it can swiftly become law and begin working to increase housing construction throughout Maine.

Thank you for the opportunity to testify today and please let me know if GPCOG can help you with your important work on LD 2003.



Senator Cathy Breen, Senate Chair
Representative Teresa Pierce, House Chair
Joint Standing Committee on Appropriations and Financial Affairs
100 State House Station
Augusta, Maine 04333-0100

Re: LD 1995, *An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2022 and June 30, 2023*

Senator Breen, Representative Pierce, and Members of the Appropriations Committee;

Please accept this letter on behalf of the Greater Portland Council of Governments (GPCOG) in support of LD 1995, *An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government*.

GPCOG serves thirty municipal members, from Sebago Lake to Casco Bay, including Saco, Biddeford, Arundel, and Old Orchard Beach through the Portland Area Comprehensive Transportation System (PACTS). We deliver transportation, land use, sustainability, and economic development services to our members and their communities.

As we serve our municipal members we see regional and state priorities in action. We are deeply appreciative that LD 1995 responds to many local and regional priorities in many ways, including the following:

- LD 1995 continues state support for full 55% funding of local education, and 5% Revenue Sharing for municipalities, both of which are critical to large and small communities alike;
- The additional General Fund support for Maine's transportation systems in LD 1995 will help address our perennial concern for maintaining our roads, bridges, and public transportation systems; and
- LD 1995's funding of Electric Vehicle rebates sustains our commitment to carbon reduction and climate action.

But today I am focusing our testimony on LD 1995's Part U, which establishes a new Housing Opportunity Program for Maine. We believe the program is an essential piece of the solution to our state's housing crisis.

Maine's housing crisis has many dimensions. It affects people suffering homelessness, young families looking for housing they can afford, workers wanting to live close to their employment, people of all ages trying to make Maine their new home, and seniors trying to stay in the community they love.

Housing production has not kept pace with demand, and more housing at every level of affordability is needed. State policy can help increase housing production and ease the current housing shortage by creating new state partnerships with municipal government and the organizations that support them.

Municipalities in our region have been hard at work on the need for more housing for several years. Many communities have pledged to expand housing choice, and real progress has been made in a number of communities by facilitating the construction of thousands of new homes, at a variety of price points, across the region.

But more needs to be done, and often municipalities need technical advice and support to make progress in amending zoning and land use rules, and implementing housing growth strategies. Organizations like GPCOG provide that support, but more funding is needed to deliver regionwide progress.

In response, LD 1995 sets up the Housing Opportunity Fund to provide competitive service provider grants that will make it possible for organizations like GPCOG to help communities that want housing growth, but need help.

The bill also establishes a Community Housing Incentive program that will fund planning and implementation grants to municipalities so they can improve their ordinances and welcome housing growth where it is needed, and wanted, in their community. The bill's reporting requirements appropriately allow state government to track the success of this investment in expanded housing.

Finally, Part U of LD 1995 directly complements LD 2003, *An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions*, currently before the Joint Standing Committee on Labor & Housing. Passage of LD 1995's Part U will advance many of the Commission's recommendations in LD 2003 that we support.

GPCOG urges you to approve Part U and fully fund the Governor's proposal to accelerate the creation of more housing that is affordable for everyone who needs a place to live. Thank you for the opportunity to share our support for LD 1995, and in particular Part U, as we work together to meet the state's housing challenge with effective state-municipal strategies.

Sincerely,



Kristina Egan
Executive Director