A nonprofit housing developer is seeking a 99-year lease to build affordable senior housing on city-owned land in downtown Portland.

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The $11.4 million project proposed for 83 Middle St. by Community Housing of Maine would dedicate 11 units of housing, nearly 25 percent of the total units, to long-term stayers in the city-run homeless shelter.
Most of the 49 units proposed would be for low- to moderate-income tenants age 55 or older, who earn up to 60 percent of the area median income – about $39,000 a year for a single person.

The project is proposed in the city's India Street neighborhood, an area sandwiched between the eastern waterfront and the Old Port that in recent years has undergone intense redevelopment activity, mostly in the form of high-end condos.

Community Housing of Maine said in a project description that it would be the first significant affordable housing development in the neighborhood since the former North School was converted into housing decades ago.

“As other parts of the India Street neighborhood have gentrified, many of the longtime residents of the neighborhood have been priced out of their apartments and homes,” the organization said. “Creating a more equitable ratio of affordable housing is paramount to the continued long-term success of the neighborhood.”

For the project to move forward, the nonprofit needs to first secure a ground lease at 83 Middle St. The surface parking lot is owned by the city and is used as parking for the Portland Police Department.

The parcel was included on an inventory of city-owned land that could possibly be used for a new homeless shelter. It was dismissed as a shelter site, because it would have been too small for a single-story shelter with up to 150 beds. Instead, councilors chose a city-owned parcel on Riverside Street for the shelter. But councilors were hopeful that Middle Street could be used for housing.

Staff is proposing a lease rate of $1 a year, which would be paid at the lease signing.

Kristen Dow, the city's director of Health and Human Services, pointed to the success Community Housing of Maine has had creating and managing housing projects that include people who have struggled with homelessness. She said creating housing for long-term shelter stayers could free up resources and reduce demand for beds.

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“CHOM has a proven track record of engaging and blending populations to make stable and successful housing,” Dow said in a memo. “By housing the longest-term shelter stayers, the city can better allocate their resources by providing fewer shelter beds, and more targeted support services.”
According to 2018 data provided by the city, about one-third, or 25, of the 76 long-term stayers (those who stayed at least 180 nights) were people 55 or older. They accounted for about a third, or 5,856, of the 18,340 bed nights used by long-term stayers.

Long-term stayers only accounted for 4 percent of the 1,839 individuals served at the Oxford Street Shelter in 2018. But they accounted for about a quarter of the more than 76,900 total bed nights used in 2018.

The project would add to Portland’s network of Housing First developments, which seek to provide stable housing to people experiencing homelessness before trying to address other issues, such as mental health or substance use.

The project would include 23 studios, 23 one-bedroom apartments and three two bedroom units. Brian Kilgallen, a development officer for Community Housing of Maine, said the nonprofit is aiming to break ground in the fall of 2020, but cautioned that the proposal is still in its early stages.

“One of the core principles of this inclusive housing model is ensuring that people with histories of homelessness blend seamlessly into the community, including the community within the building itself,” Kilgallen said. “We believe that 11 apartments dedicated to this population is the right balance for this project.”

The organization is proposing a six-story building on the parcel located at Middle and Franklin streets. The building would include a 2,000-square-foot, ground-floor commercial space and underground parking for six vehicles. A management office, central laundry facility, community space and tenant storage also would be on-site.

The City Council's Economic Development Committee will hold a hearing Tuesday on the proposed ground lease, before sending a recommendation to the full council. The project would hinge on the availability of state funding, as well as formal site plan approvals before it could move forward.

City Councilor Justin Costa, who leads the committee, said he is “very interested” in helping to create more affordable housing opportunities in Portland, though he predicted that committee members may have questions about the details.

“It’s a very intriguing proposal for the city,” Costa said.

Mary Davis, the city’s housing division director, said that Community Housing of Maine would have to have control of the site when it applies for state funding through MaineHousing’s Low Income Housing Tax Credit program. And the deadline for those applications is Sept. 26, she said.
Davis said in a memo to the committee that the proposal by Community Housing of Maine would be one of the first to take advantage of a new allowance for low-income housing projects. That allows such projects to serve some people earning up to 80 percent of area median income, as long as the average income and rental limits across all units remains below 60 percent of area median income.

The project is also lined up for additional assistance from the city. The City Council will vote Sept. 4 on a proposal to loan CHOM $330,000 from the city's affordable housing development program to help finance the projects.

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City officials are pursuing other partnerships with local nonprofits in an effort to tackle homelessness.

Portland is working with Avesta Housing on a facility for people 55 and over with medical issues who are currently discharged from hospitals directly to the Oxford Street Shelter and who often need ongoing medical attention, whether it's taking medicine or changing bandages. The specialized facility, which would be at the Barron Center on Brighton Avenue, could include a 15-unit assessment center, 36-unit assisted living component and 30 units of supportive housing for seniors.

The Opportunity Alliance has been in talks with the city about operating a 15-person shelter for people with chronic and persistent mental illness.

And earlier this year, Preble Street announced its desire to establish a women's shelter at 55 Portland St., which used to house the Public Works administrative offices. But the city has said that such a use would violate the terms of a sales agreement between the city and the new owner, Ford Reiche.

Dow, Portland's HHS director, said that she hopes to present a ground lease for Avesta's proposal to the Economic Development Committee sometime this fall. But she said they have been unable to find an appropriate location for Opportunity Alliance's proposal and there have been no new developments in the Preble Street plan.