

# ANNUAL REPORT

MaineHousing 2020



[mainehousing.org](http://mainehousing.org) | 207-626-4600



# OUR MISSION

The mission of MaineHousing is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs.

## About MaineHousing

The Maine State Housing Authority (MaineHousing) was established by the Legislature in 1969 as an independent public housing agency charged with expanding affordable housing for low and moderate income Maine people.

For over 50 years, we have helped Mainers own, rent, repair, and heat their homes. MaineHousing serves as both Maine's housing finance agency and as the statewide public housing authority for those areas without one.

## 2020 Board of Commissioners

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# A MESSAGE FROM THE DIRECTOR



DANIEL BRENNAN  
DIRECTOR, MAINEHOUSING

In 2019 during our 50th anniversary celebration, we noted that we were looking forward to facing Maine's housing challenges head on. Little did we know how soon we would be taken up on that – and in the biggest test our agency has known to date.

The last year has been full of tests big and small. The COVID-19 pandemic has changed the way we gather, work, and live – in some ways for the better, and in some ways that challenge us to our very core.

In 2020, many of us spent more time at home than ever before. The word “home” took on a new meaning. A home gives kids a place to distance learn. A home protects crucial healthcare resources. A home gives us a reliable place to land when the outside world isn't safe. Staying home throughout this pandemic has saved lives.

Indeed, keeping people housed through COVID-19 has saved lives. It's that simple.

Through all of this uncertainty, I am proud to say that MaineHousing has been there for Maine people.

We've stayed the course and have been there to make sure that those who count on us got what they needed. We've launched new programs. We've changed the way we work to meet emerging needs. We adapted and shifted because that's what the moment has demanded.

Whether our staff do this work in our office or at their kitchen tables, we are here. Whether it is helping to keep oil in the tank or a roof over someone's head, we are here. We've been here for the last 51 years and our commitment to Maine hasn't wavered.

As you read about our efforts over the last year, please keep in mind that our partnerships across Maine make this work possible. As we often say, we can't do this work alone – and this year it was truer than ever before. Thanks to our partners, we have had the privilege to continue to meet Maine's housing challenges head on. We're grateful to do it every day.

Daniel Brennan  
Director of MaineHousing

# PROVIDING LEADERSHIP IN THE HOUSING FIELD

We are deeply proud to be part of Maine's response to COVID-19. We are proud to help Mainers stay home when home is the safest place we can be. We may be working side by side with our partners to mitigate the impacts of the pandemic for years to come.

In the last year, MaineHousing has led several initiatives related to COVID-19 — and pushed for what COVID-19 further highlighted: our state's significant need for more funds to build housing Maine people can afford.



# ONE WEEKEND IN MAINE

"Thank you for moving mountains to get the Bangor location and staffing in place in short order. The benefits to local communities, our employees, the individuals quarantined, and our company are vast. I thank you all." — Tony Shurman, Wyman's

Tourism and agriculture are vital components of Maine's economy. During the summer and fall, the highways and back roads are filled with visitors "from away": here to enjoy vistas, coastlines, local events, and fresh seafood and produce.

In 2020 the pandemic kept most of us at home and tourists away — traffic was sparse, highways were eerily quiet, and hotels were empty. However, one annual Maine event that is often unnoticed and unappreciated continued: the migration of seasonal workers who come to Maine from mid-summer to the end of the year to harvest the iconic Maine blueberry, pick apples, collect fir boughs, and make holiday wreaths. Our economy relies on seasonal workers. These workers support local economies by purchasing groceries, gasoline, and other basic needs and are critical to the statewide agricultural economic system. Unlike the 2020 economy, agricultural resources continued to grow and needed to be harvested, without concern for COVID-19.

Each year, more than 500 migrant workers arrive to harvest or perform other activities associated with Maine agriculture. Working collaboratively with state, local, non-profit, and business partners, MaineHousing led efforts to establish testing sites and quarantine and isolation shelters that provided migrant farm workers with healthcare, translation services, cultural brokering, and on-site staffing.

This comprehensive system was put together over the course of one weekend, when it became clear that the existing infrastructure would not be able to meet the needs of these workers — in terms of both physical space and a culturally competent and person-centered response. We knew that migrant farm workers had the potential to fall through the cracks — and knew that they are a

traditionally underserved group. We didn't let that happen — we already had a few months of providing hotel shelter and operational support to many other people in Maine; we had the relationships and the experience to do this quickly and effectively.

The first five people who were tested all tested positive; all 40 of the people they traveled with needed to quarantine. However, all people who tested positive — and their close contacts — were given the care they needed before they made it to the farm or their housing on the farm. Our quick work prevented further spread of COVID-19 throughout Maine and among other workers. After their quarantine and isolation, the workers were able to continue to work, providing their much needed wages to their families back home — and providing Maine with the economic benefit of their work.

Maine Mobile Health Program, a Federally Qualified Health Center that serves migrant farm workers, stood up mobile testing clinics for farm workers upon arrival to the state or work site. Individuals who tested positive for COVID-19, or had been in close contact with an individual who tested positive, needed space to safely isolate or quarantine. This was largely impossible to do on the farm due to the congregate nature of the housing.

MaineHousing stepped in and contracted with hotels to provide quarantine and isolation shelter (including meals) for individuals diagnosed with, or exposed to, COVID-19. In parallel to the contracts with hotels, MaineHousing contracted with Mano en Mano, to

provide onsite management and support services to the individuals in isolation or quarantine. On-site staffing was provided by teams who spoke the primary language of the people utilizing the hotel. We made sure that the meals provided were culturally appropriate and responsive to the needs of the guests.

As workers continued to arrive, we made some adjustments. Following that first wave of migrant farm workers, we centralized testing at the hotel upon their arrival so they didn't need to travel to the farms where they would work and then back for testing. We made sure throughout the process that we were analyzing the issues from every angle — and that we were adjusting our strategies based on what we were learning in the moment.

The organizations that hire the farm workers provided wages during a worker's quarantine period to help ensure compliance with isolation and quarantine guidance, and to ensure the workers were able to earn the much needed money they had anticipated in travelling to Maine for work.

Without MaineHousing and our partners' fast response and agility, the migrant farm worker experience could have been very different — and perhaps deadly. At the very least, these actions prevented a greater strain from falling on Maine's rural healthcare system. We are proud of the work we did with our partners to save lives and to show that every person in Maine deserves the proper care and support — whether they're "from away" or whether their family has lived here for generations.



Darlene, a guest at USM Sullivan Gym Wellness Shelter.  
Photo courtesy of Preble Street.

# MAINEHOUSING'S COVID-19 RESPONSE

## MaineHousing: Central to keeping Mainers housed throughout the COVID-19 pandemic

### Homeless System Response to COVID-19

Our multifaceted response began with providing homeless shelters across Maine with additional operating support. This funding has supported their response to COVID-19, housed homeless individuals in hotels, and launched wellness shelters. With the Maine Department of Health and Human Services, we expanded the population served by our hotel program to include immigrant families, agricultural workers, healthcare workers, and other individuals in congregate living situations. Because of this work, Maine has experienced relatively few outbreaks among the populations served.



A USM Sullivan Gym Wellness Shelter guest created pieces of art to help other guests feel at home. Photo courtesy of Preble Street.



"The staff here has been a tremendous help...and so has having this place to stay. I'm not having to worry and focus on survival from one minute to the next.... I don't have to carry my bags with me everywhere I go. I'm getting reestablished and feeling like I am a contributing member to society again."

Charlie, a guest at USM Sullivan Gym Wellness Shelter.  
Photo courtesy of Preble Street.

### 5 wellness shelters



Bangor, Lewiston, Portland, Presque Isle, Warren  
140 beds | 255 clients served  
\$2,094,307

### 561 total hotel rooms secured



Augusta, Bangor, Lewiston, Portland, and Waterville  
Presque Isle  
11 hotels total  
\$4,412,420: rooms  
\$1,788,400: operations

### \$2,782,570 to homeless shelters



Statewide  
21 providers funded for operations

### \$2 million in Rapid Rehousing Grants



Bangor, Portland, Knox County  
4 grants to help homeless households secure permanent housing

### Rent Relief for Mainers

With the support of Governor Mills, we quickly expanded our response to fund the COVID-19 Rent Relief Program, which ran from April 2020 to December 2020 and helped over 9,000 Maine households pay their rent.



\$33.4 million investment  
9,000+ households supported

# THE LONG GAME

Send that bill to my desk and I will sign it.

- Governor Janet Mills



Estimates suggest that to respond effectively to Maine's affordable housing needs, the state needs 25,000 more affordable units. Key to MaineHousing's mission is to build and preserve affordable housing, but as anyone in the housing field will tell you: it's not cheap; it's not built overnight. This is about the long game.

In 2017, a bill was introduced to create a Maine state affordable housing tax credit. However, the bill was flawed in a number of ways — including that it lacked public purpose and less than 65% of the funds would go toward building desperately needed housing for Mainers. The bill died in committee, but not before it laid the groundwork of bi-partisan support needed to get the job done during the next legislative session.

With that in mind, MaineHousing's policy staff worked with the Maine Affordable Housing Coalition (MAHC) to begin building a coalition of legislators, agencies, and advocacy organizations who could move a better state housing tax credit forward through the legislative process. The much improved bill was crafted with input from a number of partners, and included set aside funding for rural development and for people with disabilities.

Advocacy partners like MAHC and others increased the public profile of the bill and mobilized support. With this support backing up the creation of a state tax credit program, MaineHousing was able to work closely with the advocacy

community, the bill sponsors, and the legislative oversight committee to craft the framework necessary to make the credit actually work if it was signed into law.

The following legislative session was an advantageous time to introduce the bill. A bipartisan group of legislators committed to housing initiatives had worked with MaineHousing and other housing experts and advocates to create good, sound public policy in the form of LD 1645: An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing. Maine Governor Janet Mills praised the bill in her State of the State address saying, "Send that bill to my desk and I will sign it." The public conversation

had started to shift with more people understanding that a safe, affordable place to live is not only a basic necessity, but the place from which their fellow Mainers could thrive and build community.

In May 2019, the co-sponsors of the bill, Rep. Ryan Fecteau, (D) (now Maine's Speaker of the House) and Sen. Matt Pouliot (R) wrote an op-ed for the Bangor Daily News urging their fellow legislators to support the legislation. In June 2019, MaineHousing Director Dan Brennan wrote an op-ed for the Bangor Daily News urging the Appropriations Committee to invest in the Maine they want to see, noting:

Where we live shapes our lives. Maine is full of amazing people, communities, and possibilities. And the possibilities for Maine are endless when we build quality homes that Mainers can afford. It means more young people (which we are desperate to recruit and keep in Maine) and healthier people and communities. It means breaking generational poverty and eventually spending less on general assistance and other social services.

It means investing in the Maine we want: a place where everyone can afford a good, safe home.

The Appropriations Committee passed the bill with a few edits, changing an \$80 million investment of tax credits over four years to \$80 million over eight. But — as we know — this is about the long game. It wasn't a deal breaker for those involved, and it didn't lessen the impact of doubling our capacity to build affordable housing units for Mainers.

LD 1645 passed the House 132-4 and unanimously in the Senate. On February 12, 2020, Governor Janet Mills signed the bill into law. During the bill signing ceremony,

she said, "The goal of ensuring that Maine people have a safe place to rest their head at night, a place where they can take care of their family, get ready for work, and live with dignity and comfort is at the heart of our administration. With this program, I hope we can now say to thousands more Maine people, 'welcome home'."

When it was all said and done, the investment of tax credits over the next eight years will address Maine's most pressing affordable housing needs. Ten percent of the annual Maine Affordable Housing Tax Credit allocation must preserve rural development. The statute directs MaineHousing to target at least 30% of tax credits to senior housing and 20% to housing in rural areas. In addition, 20% of the units are prioritized for people in need of supportive services.

In early 2021, MaineHousing issued the first round of the Maine Affordable Housing Tax Credits. An additional 186 units (163 of which are affordable) were added to the tally of desperately needed units because of the state tax credit. It adds — and will continue to add — to the momentum we have for building affordable housing here in Maine.

This new law is a testament to the hard work of many people and it stands as a model for other states. What we've found in Maine — which we know is also true across the U.S. — is that playing the long game is necessary to chip away at that 25,000 affordable units we need. MaineHousing staff found a thread of political will and had the political acumen and relationships necessary to weave that thread into legislation that even the most skeptical lawmakers could get behind. The legislation was clear in its public purpose, highlighted areas of need, and directed funds to a tried and true trusted partner in MaineHousing.

And we're just getting started.

# 2020

## Changes to Maine's Homeless Services Delivery System

Maine's emergency shelters see approximately 6,000 people per year; an estimated 10 percent of people who are homeless in Maine are unsheltered.



Although Maine shelters receiving state and federal funding must meet certain standards, most operate differently from one another and independently within their communities. The COVID-19 pandemic has shown how vital it is that MaineHousing, with support and direction from our homeless provider partners, adapt homeless services in a focused, far-sighted way. We know we need a better approach.

We continue to work with our partners on the initiatives outlined here as we concentrate



our attention and action on what lies ahead. This means, in part, supporting the hard work of redesigning Maine's homeless response around what we value: help and compassion for some of Maine's most vulnerable people, dignity in service provision, and the belief that all people deserve a safe home. The success of our initiatives during the pandemic has helped us envision and start to develop a new homeless services system, with the support of state and community leaders.

With the advice of the Statewide Homeless Council, we launched a review and design process for a regional shelter system, which we hope to begin implementing in 2021.



Photos courtesy of Preble Street.

# EXPANDING & MAINTAINING AFFORDABLE HOUSING OPPORTUNITIES

## Building Maine's Affordable Housing

The combination of the Maine Affordable Housing Tax Credits, the federal Low Income Housing Tax Credit program, the Senior Housing Bond signed by Governor Mills in 2019, our financing, and additional changes at the federal level, have added momentum. In 2020, we saw 13 projects completed with 328 affordable units. These new tools will allow us to double or triple that going forward.

### PROJECTS COMPLETED

13  
PROJECTS

328  
UNITS

\$207,710 AVG COST/UNIT



### Project locations

- Auburn (2 developments)
- Augusta
- Bangor (4 developments)
- Gardiner
- Hallowell
- Old Town
- Portland
- Sanford
- Waterville

## First Home Loan

Considering initial concerns about the economic fallout due to COVID-19 and the increasingly tight housing market, MaineHousing's Homeownership Department helped 930 Maine families buy their first home through our First Home Loan program.

TOTAL NUMBER OF LOANS	930
TOTAL LOAN AMOUNT	\$136,217,426
AVG BORROWER INCOME	\$57,290
AVG LOAN AMOUNT	\$146,470
TOTAL LOANS TO VETERANS	\$9,907,462

## TOP 6 LENDERS

- 1 Bangor Savings Bank
- 2 Machias Savings Bank
- 3 Camden National Bank
- 4 CMG Mortgage Inc.
- 5 Residential Mortgage Services Inc.
- 6 CUSO Home Lending & Fairway Independent Mortgage (tied for 6th place)



# HELPING MAINERS ATTAIN HOUSING STABILITY

## Housing Choice Vouchers

MaineHousing administers  
**28%** of Maine's vouchers.  
**3,816** avg households/month  
**\$29,378,124** subsidy  
**\$640** avg Housing Assistance  
Payment per voucher/month

## Short-Term Rental Assistance

**141** households

## ReStart Family Self Sufficiency Program

**71** participants

## Building Family Futures

**15** participants

## Recovery Residences

16 residences; 128 beds

Thanks to legislation from the last legislative session, MaineHousing partnered with the Maine Department of Health and Human Services (DHHS) to launch the Recovery Residences Pilot Program to support those in substance use disorder recovery.

The Recovery Residences Pilot Program provides financial subsidy to help offset the costs of operating for existing and proposed recovery residences. A recovery residence is a shared living residence for persons recovering from substance use disorder that focuses on peer support, is free of alcohol and illegal drugs, and connects residents to support services and resources in the community. The program, which launched in 2019, includes 16 residences that house 128 people.

## Homeless Initiatives

While much of our homeless services work focused on COVID-19 response, we still partnered with many of Maine's homeless shelters to provide funding and support to their work. This includes funding for housing navigators who work with people in shelters to find more permanent housing.

## Emergency Shelter & Housing Assistance Program (ESHAP)

**36** shelters funded  
**66** navigators funded  
**5,177** unduplicated clients sheltered  
**\$6,786,595** financial support

**“Being able to screen, accept, and move in a woman in the same day, without finances being a burden, has allowed Amistad to continue to provide extremely low barrier recovery housing to a population that has long been unable to access such resources. We’ve seen many women move in straight from the street, shelter, or prison with no income be able to take the time they need to focus fully on recovery, slowly re-enter the work force, often after years or decades of not working.... We are beyond grateful for this pilot program, and the freedom it has given us to operate a model that we know is imperative for our most vulnerable neighbors, and without it we likely wouldn’t be able to continue.”**

Meredith Pesce  
Associate Executive Director  
Amistad



# IMPROVING & PRESERVING MAINE'S HOUSING QUALITY

Central to our work is making sure that Maine's existing housing stock is as high quality as possible and that Maine's affordable housing supply is preserved and maintained.

To that end, our Asset Management Department oversees the management of nearly 20,000 units in 1,800 housing developments across Maine. We ensure the properties are safe for residents, that they remain affordable into the future, and that the public's investment in the developments is protected.

We also provide funding to help increase safety, and to repair, heat, and weatherize homes. Our Energy & Housing Services Department manages a number of state and federal funding contracts that help Mainers pay for these services:



Home Repair Program	Arsenic Abatement	Lead Hazard Control Program	Weatherization (1/1/20 - 11/30/20)	Central Heating Improvement Program (CHIP) (1/1/20 - 11/30/20)	Home Energy Assistance Program (HEAP) (10/1/19 - 9/30/20)	Low Income Assistance Program (LIAP) (10/1/19 - 9/30/20)	Emergency Fuel Assistance (10/1/19 - 7/20/20)
<b>285</b> projects	<b>123</b> projects	<b>145</b> units abated	<b>544</b> households helped	<b>2,047</b> households helped	<b>32,903</b> households helped	<b>16,439</b> households helped	<b>4,342</b> households helped
<b>\$3,883,700</b> expenses	<b>\$499,082</b> expenses	<b>\$13,359</b> avg cost	<b>\$6,651,187</b> expenses	<b>\$5,818,078</b> expenses	<b>\$796</b> avg benefit	<b>\$8,256,190</b> expenses	<b>\$1,412,534</b> expenses
<b>\$13,627</b> avg project cost	<b>\$4,058</b> avg project cost		<b>\$12,226</b> avg project cost	<b>\$2,842</b> avg benefit	<b>\$26,193,456</b> funds paid out	<b>\$502</b> avg benefit	<b>\$325</b> avg benefit

# FINANCIAL SUMMARY

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

## STATEMENT OF NET POSITION

(in millions of dollars)

	2020	2019
<b>Assets:</b>		
Cash and investments	\$505.1	\$382.2
Mortgage and other notes receivable	1,459.7	1,442.2
Other assets	46.6	36.0
<b>Total Assets</b>	<b>2,011.4</b>	<b>1,860.4</b>
<b>Total Deferred Outflows of Resources</b>	<b>22.1</b>	<b>15.1</b>
<b>Liabilities</b>		
Bonds and notes payable	1,600.7	1,470.0
Other liabilities	51.6	35.5
<b>Total Liabilities</b>	<b>1,652.3</b>	<b>1,505.5</b>
<b>Total Deferred Inflows of Resources</b>	<b>1.0</b>	<b>0.9</b>
<b>Net Position:</b>		
Investment in capital assets	2.8	2.2
Restricted	343.3	332.8
Unrestricted	34.1	34.1
<b>Total Net Position</b>	<b>\$380.2</b>	<b>\$369.1</b>

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(in millions of dollars)

	2020	2019
<b>Revenues:</b>		
Interest from mortgages and notes	\$62.5	\$62.0
Income from investments	2.3	9.0
Net (decrease) increase in the fair value of investments	(0.2)	4.6
Grants and subsidies	217.0	177.7
All other revenue	11.3	10.1
<b>Total Revenues</b>	<b>292.9</b>	<b>263.4</b>
<b>Expenses:</b>		
Operating and program administrative expenses	26.9	26.1
Provision for losses on loans and foreclosed real estate	0.1	0.1
Interest expense	45.7	46.0
Grants and subsidies	209.1	165.1
<b>Total Expenses</b>	<b>281.8</b>	<b>237.3</b>
Increase in net position	11.1	26.1
Net Position at beginning of year	369.1	343.0
<b>Net Position at end of year</b>	<b>\$380.2</b>	<b>\$369.1</b>

Note: This page is for illustrative purposes and is not intended to present a complete financial picture of MaineHousing. For more information, please refer to the audited financial statements.

# FINANCIAL HIGHLIGHTS

MaineHousing's net position increased by \$11.1 million to \$380.2 million as a result of program operations and financing activities. The net position of the proprietary funds, which represent MaineHousing's business-type activities, increased \$3.3 million while the net position of governmental activities increased \$7.8 million.

Net operating income of \$11.1 million for 2020 is \$15 million or 57.5% lower compared to net operating income of \$26.1 million in 2019. The very low interest rate environment throughout 2020 resulted in a \$6.7 million or 74.7% reduction in earnings from non-mortgage investments. Additionally, the fair value of investments had a net effect reduction of \$4.8 million due to changes in interest rates in 2020. An unrealized loss of \$0.2 million was recorded in 2020 compared to a \$4.6 million unrealized gain in 2019.

Low market mortgage rates contributed to a higher volume of mortgage loan prepayments, which increased by \$29 million or 35.2% and totaled \$112 million in 2020.

The increase in prepayments caused the mortgage loan portfolio to grow at a lower rate, which increased by \$17.5 million or 1.2% in 2020. The mortgage loan portfolio increased by \$53.8 million or 3.9% in 2019.

Total revenues from governmental activities increased by \$39.6 million or 21.3% to \$225.9 million due to new federal program funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and higher income from the U.S. Department of Housing & Urban Development for Section 8 rental assistance programs and the U.S. Department of Health and Human Services for the Low Income Home Energy Assistance Program.





Maine State Housing Authority (MaineHousing) does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.



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