



MaineHousing
Maine State Housing Authority



Federal Housing funds at work in Maine



2010



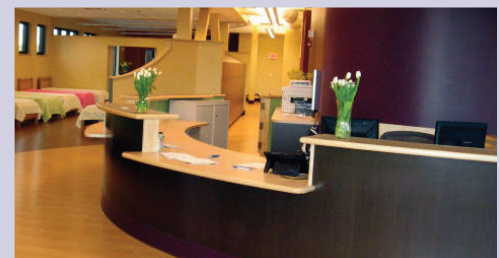
Market Square Commons in Houlton, a 28-unit senior housing development. Market Square is the first affordable housing development in Aroostook County in 15 years.



Knox Hotel Apartments under renovation in Thomaston. When completed it will provide 29 affordable units for seniors.



Lakeview Senior Housing in Lincoln, 24 units, helping to restore the downtown area of Lincoln that was devastated by a fire.



Interior of Florence House in Portland, providing 25 affordable units and 15 safe haven beds for women who were homeless.

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Housing developments like Spring Crossing in Westbrook provide jobs while under construction – and affordable housing when completed.

Introduction

During 2010 MaineHousing invested more than \$1 million a day in the Maine economy, helping over 100,000 Maine households with their housing needs. Nearly all of the money we invested comes to us through federal housing programs or through private funds we generate through the sale of our tax-exempt mortgage revenue bonds.

- ▶ Helped nearly 1,000 Maine people to become homeowners for the first time.
- ▶ Constructed 191 units of affordable rental housing and financed 354 more, providing jobs, saving historic structures, revitalizing downtowns, and preventing sprawl in the process.
- ▶ Provided affordable rental housing to more than 21,000 low-income seniors and families through the affordable units in our multifamily portfolio and through distribution of federal rental assistance vouchers.

Federally-funded programs also made it possible to serve Maine’s most vulnerable people – providing home repairs, weatherization, and heating assistance to keep seniors and low-income households safe and warm, for example, or preventing homelessness and transitioning chronically homeless people into more stable housing.

The American Recovery and Reinvestment Act (ARRA) played an important role in our success. MaineHousing’s ARRA programs ranked among the top eight states in development of rental housing, among the top 10 in meeting weatherization goals, and Maine was among 15 states that met HUD’s goals for helping the homeless.

This report highlights our accomplishments using federal housing resources.

But numbers only tell part of the story. The real impact is how housing assistance affects lives.

Dale McCormick
Director

Housing accomplishments with federal funds by Congressional District 2010

Program Area	Federal Funding Source(s)	Maine		District 1		District 2		Income Eligibility Limit ⁵
		Households / Units	Funding Amount	Households / Units	Funding Amount	Households / Units	Funding Amount	
Home Buying Assistance								
First Time Homebuyers	Tax-Exempt Housing Bonds	916	\$107,660,852	433	\$59,544,277	483	\$48,116,575	<115% of AMI
Homebuyer Education	Housing Counseling Grant	2,625	\$187,500	1,250	\$88,900	1,375	\$98,600	n/a
Rental Assistance								
Section 8 Rental Units	Section 8 Project-Based Assistance	7,929	\$63,536,139	3,859	\$32,540,330	4,070	\$30,995,809	<50% of AMI
Section 8 Vouchers ¹	Section 8 Housing Choice Vouchers	4,052	\$24,498,668	1,724	\$11,810,252	2,328	\$12,688,416	<80% of AMI
Rental Housing Development								
Tax Credit Units Constructed	Low Income Housing Tax Credits and Federal HOME Grant	191	\$7,886,636	126	\$2,894,000	65	\$4,992,636	<40% - <60% of AMI (Varies Based on Subsidy)
Tax Credit Units Financed	Low Income Housing Tax Credits, Federal HOME Grant and American Recovery and Reinvestment Act (including TCAP and Section 1602 Exchange)	354	\$16,579,828	245	\$14,082,677	109	\$2,497,151	<40% - <60% of AMI (Varies Based on Subsidy)
Home Improvement								
Home Repair ²	Federal HOME Grant	185	\$2,546,865	51	\$644,027	134	\$1,812,838	<80% of AMI
Lead Paint Abatement	Lead Hazard Control Grant	82	\$792,863	35	\$305,812	47	\$487,051	<80% of AMI / Pre-1978 Household
Energy Assistance								
Fuel Assistance ³	Low Income Heating and Energy Assistance Program (LIHEAP) Funds	63,663	\$54,448,764	19,206	\$15,482,525	44,447	\$38,966,239	<230% of the Federal Poverty Guidelines or <75% of the State AMI
Home Weatherization	Department of Energy, LIHEAP and ARRA Weatherization Funds	2,846	\$13,256,000	793	\$3,738,824	2,053	\$9,517,176	<230% of the Federal Poverty Guidelines or <75% of the State AMI
Homeless Assistance								
Funding Continuums of Care ⁴	Continuum of Care Grant	3 Continuums	\$9,473,497	Portland CoC	\$3,196,349	Bangor CoC	\$1,412,750	<50% of AMI
HPRP - Homeless Prevention and Rapid Re-Housing Program	ARRA - Homeless Prevention and Rapid Re-Housing Program	1,215	\$2,386,564	441	\$1,287,010	774	\$1,099,554	
Preventing Homelessness with Rental Assistance (RAC+)	Federal HOME Grant	335	\$2,070,754	224	\$1,646,396	111	\$424,358	Homeless for 7 Consecutive Days
Funding Emergency Shelters	Emergency Shelter Grant	34 Shelters	\$768,587	14 Shelters	\$398,587	20	\$370,000	n/a

¹A snapshot of households served by town was taken on 1/12/2011 in order to provide data by congressional district, and therefore, household and funding amounts may not add up to the total number of households served or total funds spent during 2010.

²Includes 178 home rehab projects and 7 home replacements.

³Data is for the 09-10 Heating Season (10/2009 - 9/2010).

⁴Includes \$3,196,349 for the Portland Continuum of Care, \$1,412,750 for the Bangor/Penobscot County Continuum of Care, and the remaining \$4,864,398 is divided throughout the state through the Maine Balance of State Continuum of Care.

⁵Program eligibility depends on household size and other criteria, as well as income. Program eligibility details available at www.mainehousing.org. AMI is Area Median Income.

Housing demographics for Maine

Many Maine People in Need		<u>Maine</u>		<u>1st District</u>		<u>2nd District</u>		<u>United States</u>	
Total Population		1,318,301		672,517		645,784		307,006,566	
Under 18		271,559	21%	139,708	21%	131,851	20%	74,496,993	24%
18 to 64		841,921	64%	431,099	64%	410,822	64%	193,003,105	63%
Over 64		204,821	16%	101,710	15%	103,111	15%	39,506,468	13%
Population below Poverty Level		162,151	12%	61,872	9%	100,742	16%	43,901,939	14%
Children below Poverty Level (Under 18)		46,437	17%	16,206	12%	30,458	23%	14,899,399	20%
Elderly below Poverty Level (Over 64)		18,024	9%	7,832	8%	10,105	10%	3,753,114	10%
Population at 170% of Poverty Level (~56% AMI)		328,003	25%	135,055	20%	192,948	30%	81,273,446	26%
Population at 230% of Poverty Level (~75% AMI)		480,503	36%	208,374	31%	272,128	42%	112,929,718	37%

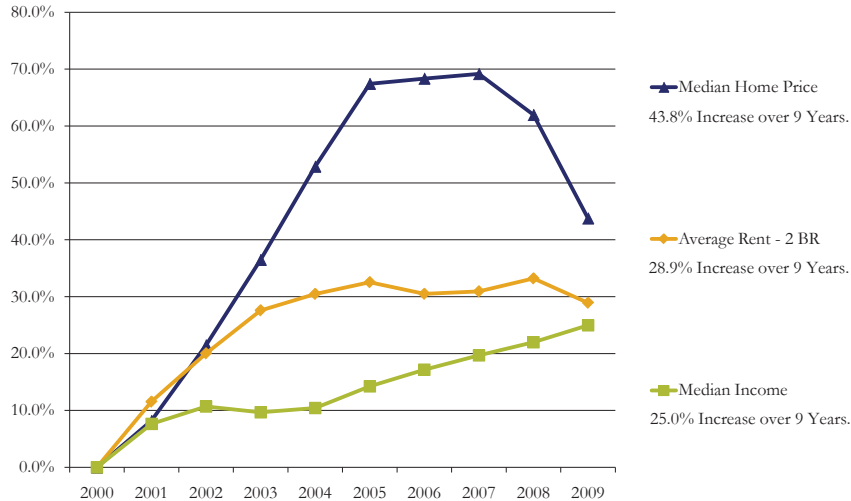
Source: 2009 American Community Survey (1 Year Estimates)

Home Affordability in Maine Remains a Serious Concern		<u>Maine</u>		<u>1st District</u>		<u>2nd District</u>		<u>United States</u>	
Median Home Price		\$177,500		\$221,900		\$138,000		\$185,200	
Median Household Income		\$45,734		\$52,328		\$39,365		\$50,221	
Income Needed to Afford Median Home Price		\$60,450		\$75,570		\$47,000		\$63,070	
Households Unable to Afford Median Home Price		63%		69%		58%		59%	
Average 2-Bedroom Rent		\$722		\$840		\$611		\$842	
Renter Households Unable to Afford Average 2-Bedroom Rent		55%		55%		54%		54%	

Source: 2009 American Community Survey (1 Year Estimates)

Maine housing costs have outpaced incomes

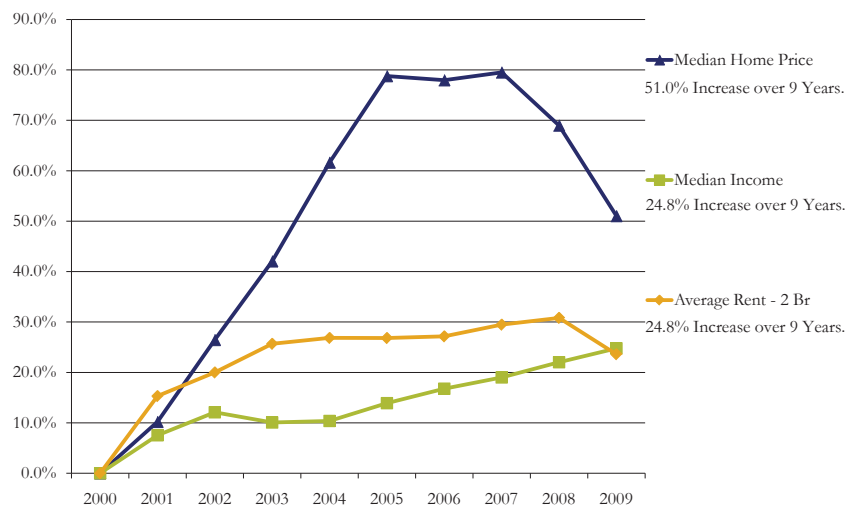
Statewide



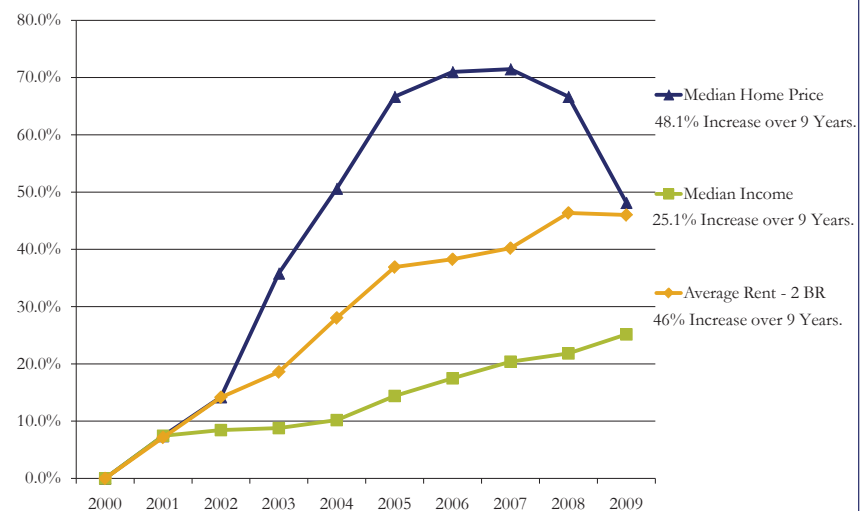
These charts show relative increases in home prices, rents, and incomes since 2000. Increases in housing costs have outpaced increases in household income.

Sources: The home price data in these charts is derived from the Maine Real Estate Information System (MREIS). Income data is from Claritas. The rental data comes from MaineHousing's quarterly survey of rental costs.

First District



Second District



How MaineHousing used federal resources

(2010 federal funding in italic)

Tax-exempt housing bonds (*\$107,660,852*) –

Our largest single source of funding, our bonds are used to finance homes for first-time homebuyers and qualified veterans. The Congressionally limited spread between the interest rate paid bondholders and the interest rate on loans provides most of our operating revenue.

“We are first-time homebuyers...and it was the best way for us to buy our first house.”

Andrew Colvin and Jennifer Rottmann



Andrew Colvin and Jennifer Rottmann, first time homebuyers in Portland

Homebuyer education/foreclosure prevention (*\$187,500*) – We secured a federal grant from HUD to help fund such services as homebuyer education, foreclosure prevention counseling, and financial literacy. We secured a new HUD grant that increased funding for these efforts to \$212,500 for the federal fiscal year starting in October, 2010.

Section 8 project based rental assistance (*\$63,536,139*) – Federal rental assistance tied to properties that we financed during the 1970’s and 1980’s, before this large federal housing program ended. Apartment projects we financed remain as affordable housing for low-income seniors and families, who pay no more than 30% of their income for rent while living in these properties.

Section 8 Housing Choice Vouchers (*\$24,498,668*) – Federal rental assistance provided to individuals and families, who can use the assistance in any privately owned apartment that meets building requirements and where the owner agrees to participate in the program. A small percentage of the vouchers are targeted to specific populations, such as veterans or households who participate in a program helping them become self-sufficient. In some instances vouchers can be used to finance a home mortgage.

Federal Low Income Housing Tax Credits (TCAP and 1602 through the American Recovery and Reinvestment Act

(*\$24,466,464*) – Our primary source of funding new affordable rental housing. We use a competitive scoring process to allocate the tax credits among proposed housing developments to ensure the housing is serving areas with the greatest needs.

“The biggest challenge developers have is finding...financing...to develop projects that are affordable to an average working family. You can’t get that from banks...it’s a wonderful resource.”

Nathan Szanton



Private rental housing developer Nathan Szanton

Because of market conditions, most of the 2010 funding is ARRA-related through the Tax Credit Assistance Program (TCAP) and 1602 funding. In late 2010, as the market for tax credits returned to more normal levels, we allocated Tax Credit funds without using TCAP. Funds reflect both the units constructed and units financed in 2010

Federal HOME Investment Partnership Grant (*\$6,313,747*) – Federal money used in a variety of programs, including new affordable rental housing, housing for people with special needs, repairs to homes of low-income homeowners, and rental assistance for people who were homeless.

Lead Hazard Control Grant (*\$792,863; \$2,855,622 grant over three years*) – A federal grant we use to make homes that contain lead paint safe for the occupants, especially children, and to train contractors in lead-safe practices. The current grant runs through to the end of 2011.

Low Income Home Energy Assistance Program (LIHEAP) heating assistance (\$54,448,764 for 2009-10 heating season) – We allocate LIHEAP funds to provide heating assistance to low-income households – 63,663 households in 2009-10 – and expect to help as many as 64,000 households in the 2010-11 heating season.

LIHEAP, Department of Energy, and ARRA Weatherization

(\$13,256,000) – We invest 15% of the LIHEAP grant in weatherization to make homes of low-income residents more energy efficient. The program includes a component (Central Heating Improvement Program, or CHIP) that repairs or replaces heating systems in low-income homes.

“Weatherization has been very helpful, and I’m thankful. The difference is unbelievable. The furnace does not seem to come on as much, and oil consumption is nowhere near what it was. I’ve never been in a situation where I needed help. It’s tough...and this has been a big help.”
Joe Lane, Glenburn



Weatherization creates employment. In the last quarter of 2010 ARRA-funded weatherization generated 166 full-time equivalent jobs.

We often combine LIHEAP Weatherization with Department of Energy Weatherization funds in order to do a more complete and effective weatherization of a home. In 2009 we began receiving additional weatherization funds from the American Recovery and Reinvestment Act (ARRA). See below for more information on ARRA.

Continuum of Care (\$9,473,497) – Federal funding used in a variety of programs that help provide housing for people who are homeless. We apply for this funding on behalf of the three Continuums in Maine – Portland, Bangor/Penobscot, and Balance of State (which we represent).

Emergency Shelter Grants (ESG) (\$768,587) – Federal funds MaineHousing allocates to Maine’s network of emergency homeless shelters. Shelters use the funds for operating expenses.

American Recovery and Reinvestment Act (ARRA) – MaineHousing is being allocated over \$80 million in federal stimulus funds to help Maine’s economy. Most of the ARRA funds are being spent in 2010-11 as part of MaineHousing’s on-going programs and initiatives.

The funding includes:

- ▶ \$48.9 million for weatherization of over 4,000 homes.
- ▶ \$10.2 million in Tax Credit Assistance Program funding.
- ▶ \$24 million in Exchange funding, for financing new affordable multi-family housing. The funding temporarily replaces revenue MaineHousing received from the federal Low Income Housing Tax Credit program until the investment market for tax credits returned.
- ▶ \$6.5 million in funds to rapidly re-house people who are homeless, or help stabilize chronically homeless, through the homeless Prevention and Rapid Re-Housing Program (HPRP).

“I had no money. I had no job...I was in a very desperate situation...I’ve never asked for help. They helped me. I can’t thank them enough. I can’t thank them enough at all.”
Pamela Vanorse



Pamela Vanorse, short term rental assistance client

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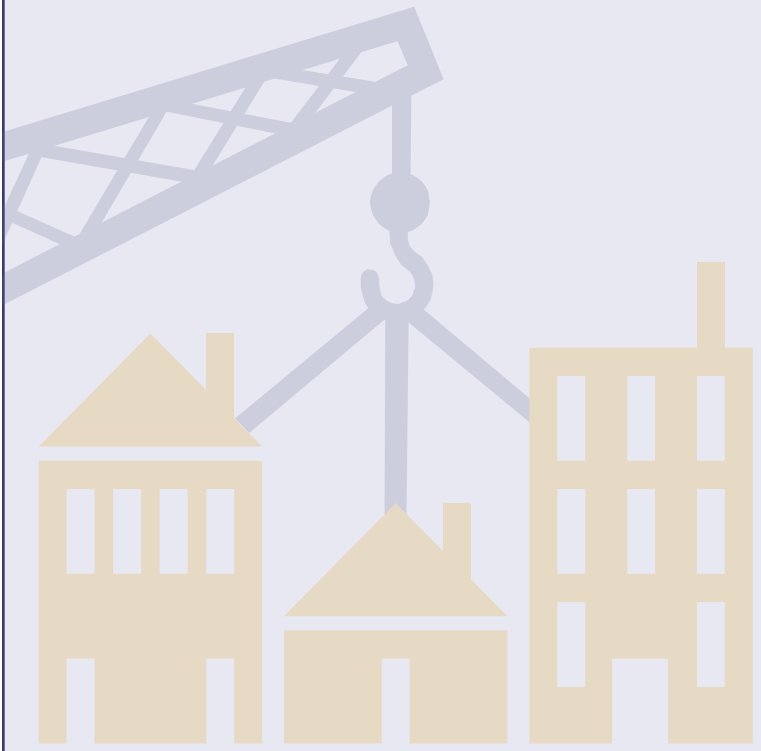




353 Water Street, Augusta, Maine 04330
1-800-452-4668, TTY 1-800-452-4603

www.mainehousing.org

**For more information,
contact Peter Merrill,
Communications & Planning Director
207-626-4608**



2010

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