

Affordable Housing

Daniel Brennan, Director

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MaineHousing
MAINE STATE HOUSING AUTHORITY

MaineHousing – Who We Are

- Independent, Quasi-State Agency
- MaineHousing’s Mission is to Assist Maine People in Obtaining and Maintaining Quality Affordable Housing and Services Suitable to Their Housing Needs



What is “Affordable”?



$30\% = \$12,000$

$\$1,000/\text{month}$



Tools to Create Affordable Housing



Low Income Housing Tax Credit (LIHTC)

- Development financing tool
- MaineHousing allocates credits
- Developer then sells to investors for cash
- Cash (equity) = 30% to 70% total development costs
- Result = low/no mortgage = lower rents
- 5 LIHTC Properties in Lincoln County
 - Boothbay - Campbell Creek
 - Damariscotta - Ledgewood Court, Marble Oaks, and Pond Circle
 - Edgecomb - Townhouse Davis Island



Non-Tax Credit Development Programs

Multi-Family Rental

- Small-Scale Rental Housing Debt and Subsidy Program
- Affordable Housing Initiative for Maine Islands
- Short-Term Real Estate Acquisition Program

Single Family Homeownership

- Affordable Homeownership Program



Multi-Family Rental

1. Small-Scale Rental Housing Debt and Subsidy Program
 - a. For projects 5 to 18 units
 - b. Rents restricted to 80% AMI
 - c. Incomes limited to 80% AMI
 - d. For new construction, acquisition rehabilitation, and adaptive re-use
 - e. Projects will be underwritten with 5% interest-only debt; subsidy to fill gap up to \$185,000 per unit (new construction and adaptive re-use) or \$100,000 per unit (acquisition rehab)
 - f. Affordability covenants for 45 years



Multi-Family Rental

2. Affordable Housing Initiative For Maine Islands
 - a. For Maine's 15 unbridged, year-round islands
 - b. For projects 2 to 4 units
 - c. Rents and incomes restricted to 120% AMI
 - d. Up to \$210,000 per unit
 - e. Island community to contribute 20% match
 - f. Affordability covenants or 45 years



Multi-Family Rental

3. Short-Term Real Estate Acquisition Program
 - a. For Public Housing Authorities, Community Action Agencies, and non-profit housing developers
 - b. To provide flexible, short-term capital to quickly purchase real estate, giving MaineHousing partners up to 24 months to close with permanent financing that will fully develop the property into affordable housing
 - c. Short-term rate of 4% (as of April 19, 2022)



Single Family Homeownership

1. Affordable Homeownership Program
 - a. For a minimum of 5 homes
 - b. Up to \$70,000 per unit in York, Cumberland and Sagadahoc counties (max of 20 homes)
 - c. Up to \$60,000 per unit in the remaining 13 counties (max of 23 homes)
 - d. Maximum of \$1,400,000 per project



Single Family Homeownership

- e. Purchaser incomes governed by MaineHousing's First Home Loan Program (approximately 120% AMI)
- f. Maximum home price of \$325,000 in York, Cumberland, and Sagadahoc counties
- g. Maximum home price of \$287,000 in the remaining 13 counties
- h. Affordability covenants for 15 years



Homeowner Programs

- First Home Loan Program
 - Advantage (down payment/closing costs)
- Mobile Home Replacement Program
- Community Aging in Place
 - Delivered by eight Public Housing Authorities, two Community Action Agencies, One Habitat for Humanity
- Home Accessibility and Repair Program
 - Grants for more substantial repairs and emergency life/safety measures
 - Delivered by Maine's Community Action Agencies



Subsidized Housing



Housing Choice Voucher (HCV) Program

- Section 8 federal program administered on behalf of HUD
- MaineHousing administers approximately 28% of Maine's Housing Choice Vouchers; the remainder are administered by Maine's 25 local Public Housing authorities
- 60% of MaineHousing's vouchers go to people who are homeless
- About 3,800 households currently served





HUD Section 8 Project Based Housing

- HUD Section 8 Project Based Housing (1974 – 1983)
 - 7,806 Units
 - 226 Properties
- 40 year housing assistance payment contracts tied directly to property
- Vast majority of owners renew their contracts – Maine is lucky!
- 4 properties in Lincoln County
 - Boothbay – Harborview
 - Newcastle – Mobius
 - Waldoboro – Sproul Block
 - Deer Ridge - Wiscasset





USDA Rural Development Housing

- USDA Rural Development Housing
 - 6,813 Units
 - 290 Properties
- Many coming up on end of 50 year 1% mortgage
- Definite risk of going “market” if not preserved
- 6 properties in Lincoln County
 - Damariscotta – Highmeadow, Salt Bay
 - Newcastle – Franklin School
 - Waldoboro – Coles Hill, Waldoboro Village
 - Wiscasset – Sheepscott Bay





Supportive Housing

- Supportive Housing
 - 1,822 Units
 - 277 Properties
- Provides housing to Maine's most vulnerable citizens (mentally disabled, physically disabled, homeless)
- Mostly owned by non-profit service providers
- Attempting to encourage more development
- 10 properties in Lincoln County





Barriers/Concerns

- Zoning rules/regulations
- Workforce shortage
- Rising costs
- Local NIMBY fights

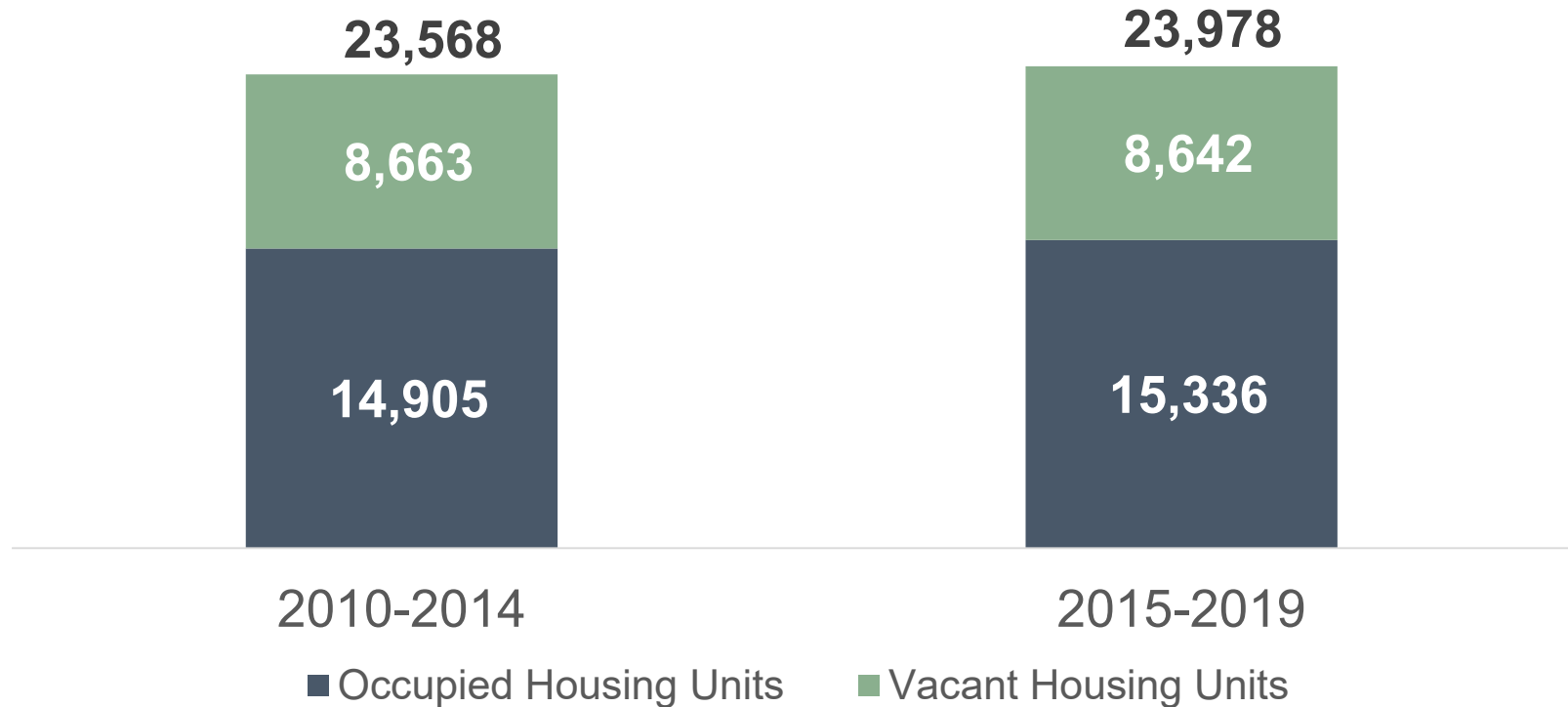


Lincoln County Stats





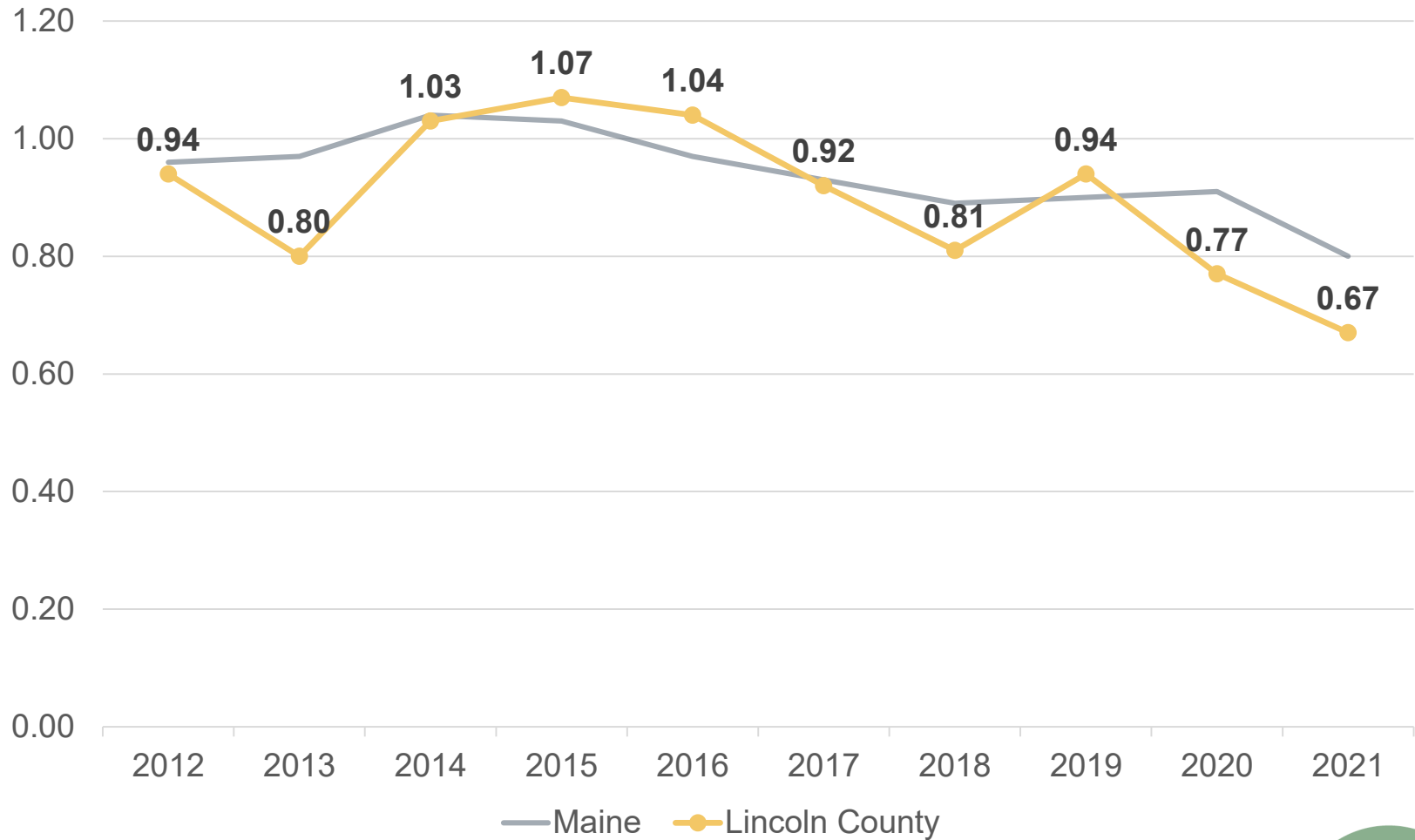
Housing Occupancy - Lincoln County



Source: 2010-2014 and 2015-2019 American Community Survey Table B25024; B25032

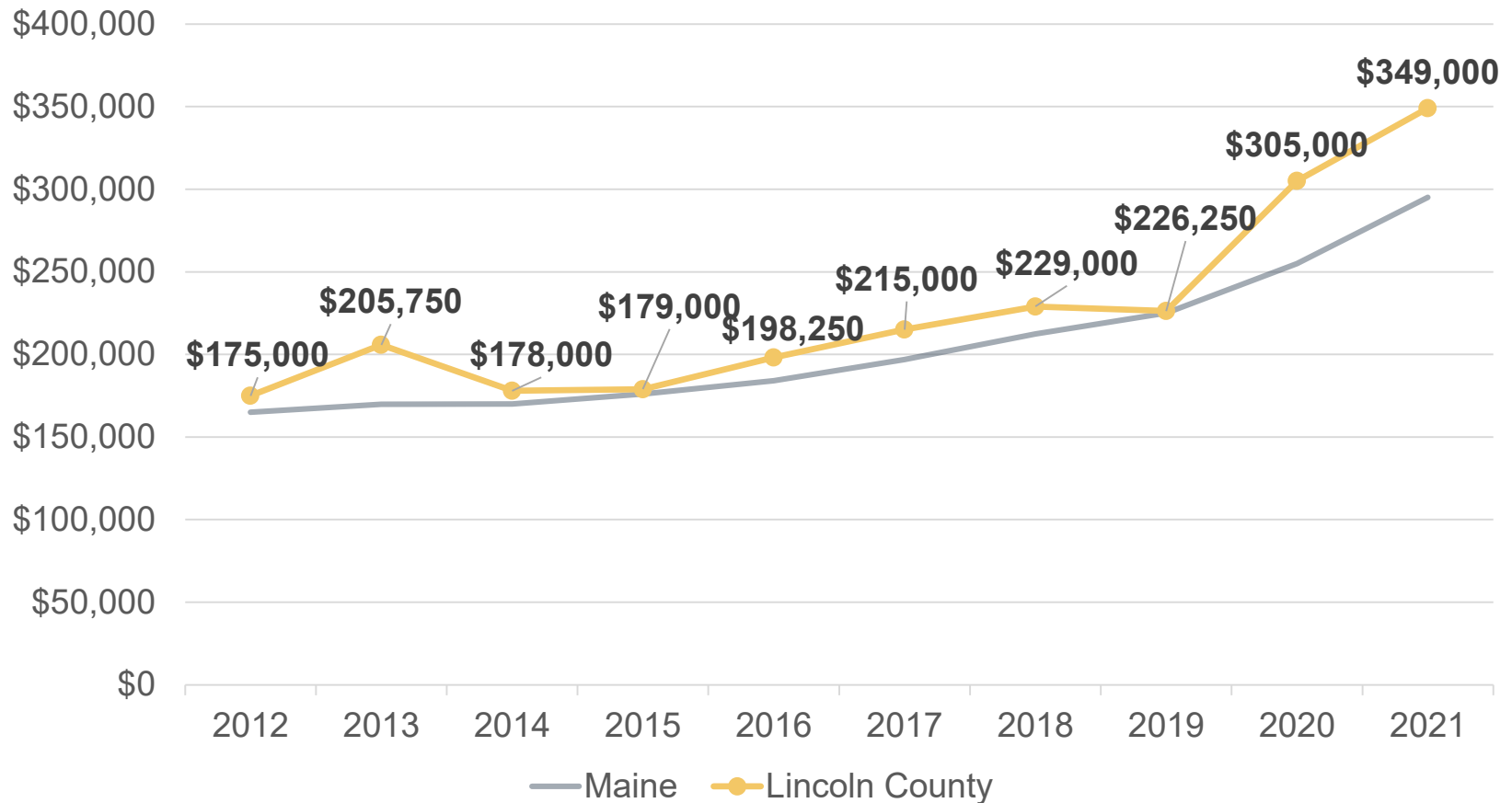


Homeownership Affordability Index 2012 - 2021

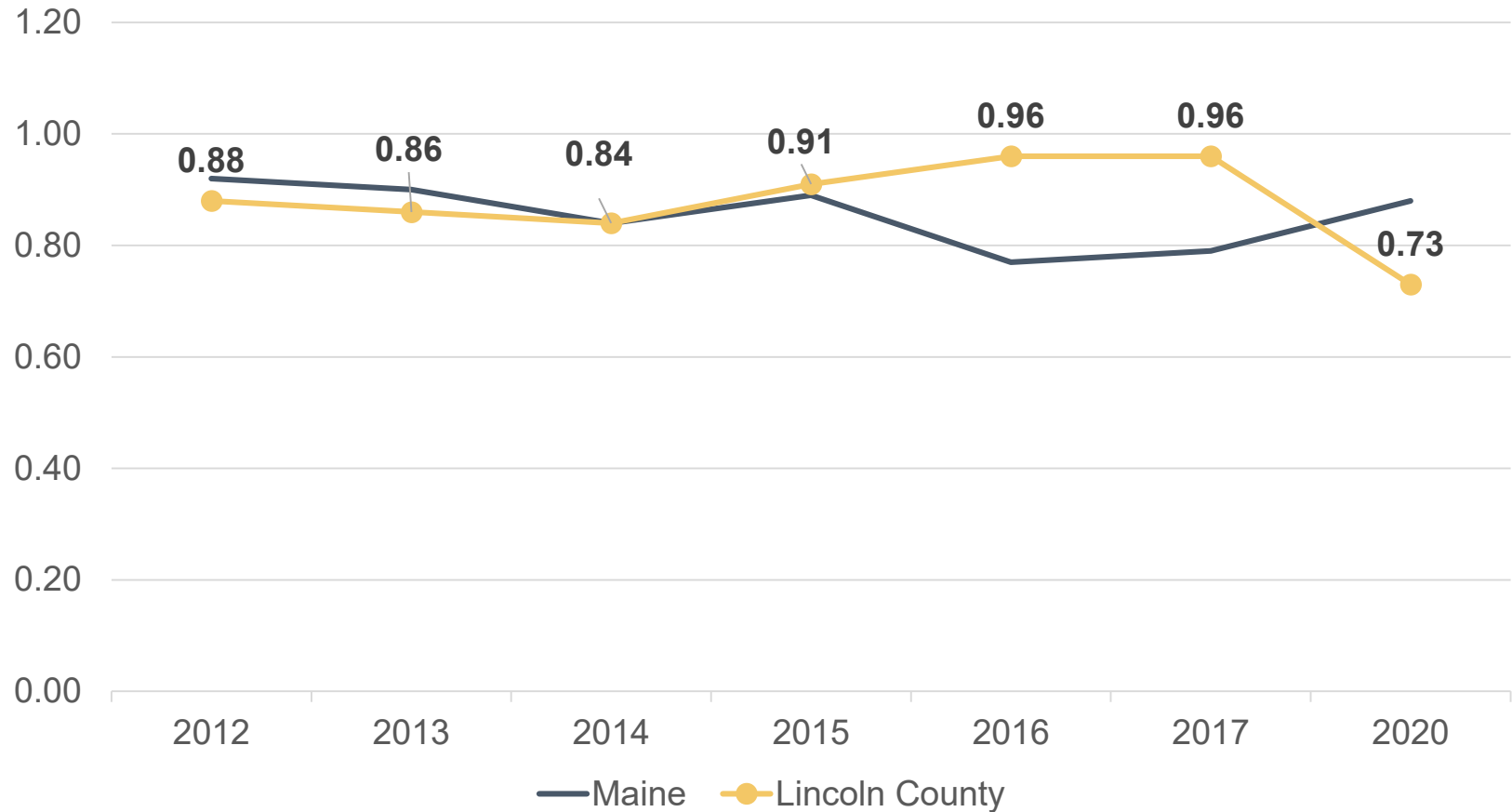




Median Home Price 2012 - 2021: Selected Maine Geographies



Rental Affordability Index 2012 – 2017, 2020

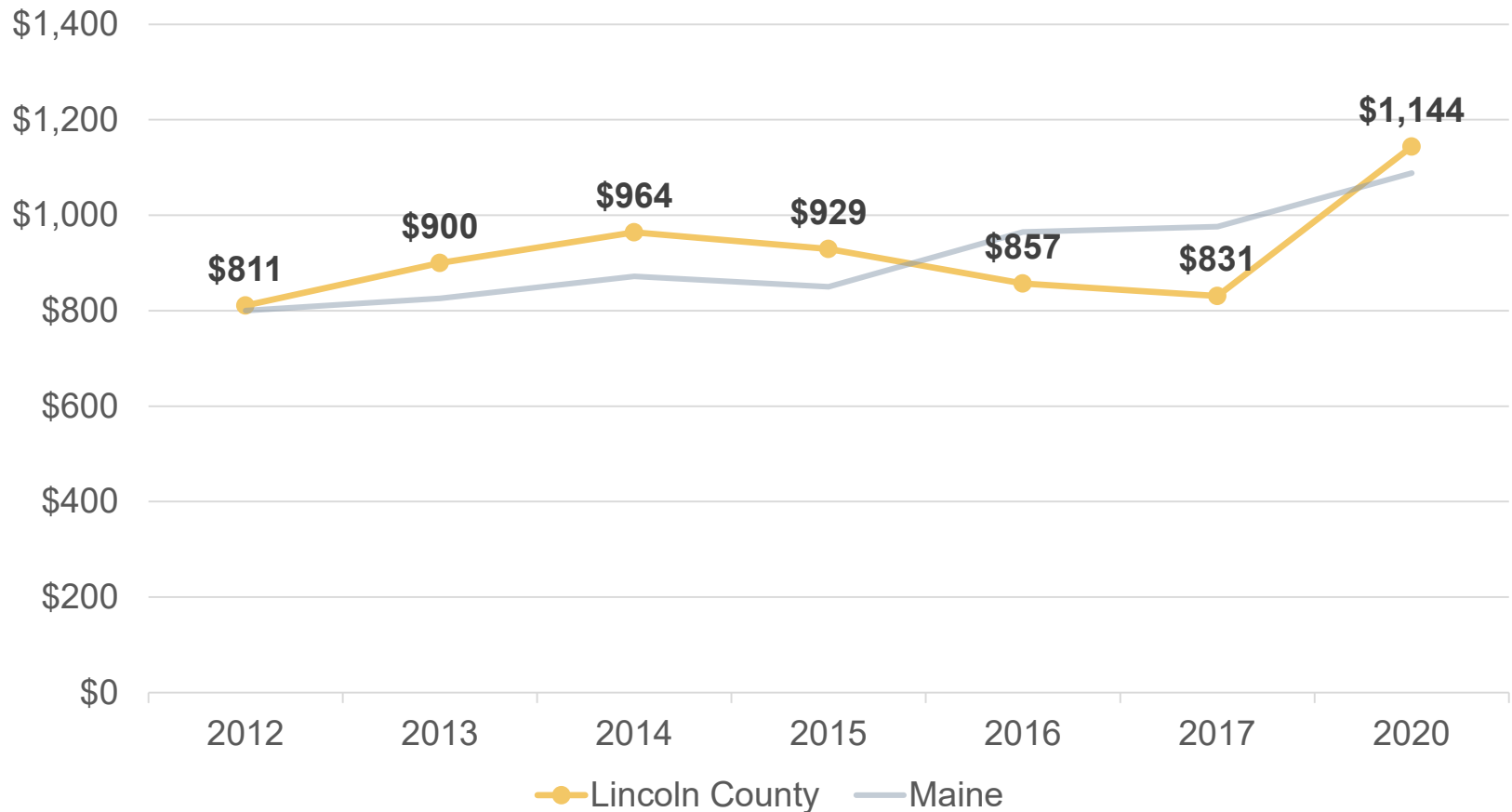


No index calculated in 2018 & 2019 due to methodological issues; 2021 not yet available





Median 2BR Rent (with utilities) Price 2012 – 2017, 2020



No index calculated in 2018 & 2019 due to methodological issues; 2021 not yet available



How Do We Create More Housing?

- LIHTC tends to favor more urban areas
- Be open to and utilize different housing models
 - manufactured housing
 - accessory dwelling units
 - small-scale housing
 - mixed use, mixed age and intergenerational housing
- These options support housing solutions in rural communities as well as urban



Community Solutions Grant Program

- Matching grants to municipalities
- Flexible and locally driven
- Up to \$500,000 in grant funds for creation or preservation of units
- Partnerships with other entities



Questions?

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