

Building Opportunity through Quality Affordable Housing

MaineHousing Federal Funds Report 2018



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Mission

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

Vision of Success

All Maine people have the opportunity to live in quality affordable housing.



Congressional Support for Quality Affordable Housing in Maine

Total 2018 Federal Housing Investment

\$360.5 million

\$160 million in Home Purchase

\$69 million in Rental Housing Development

\$30.3 million in Energy Assistance

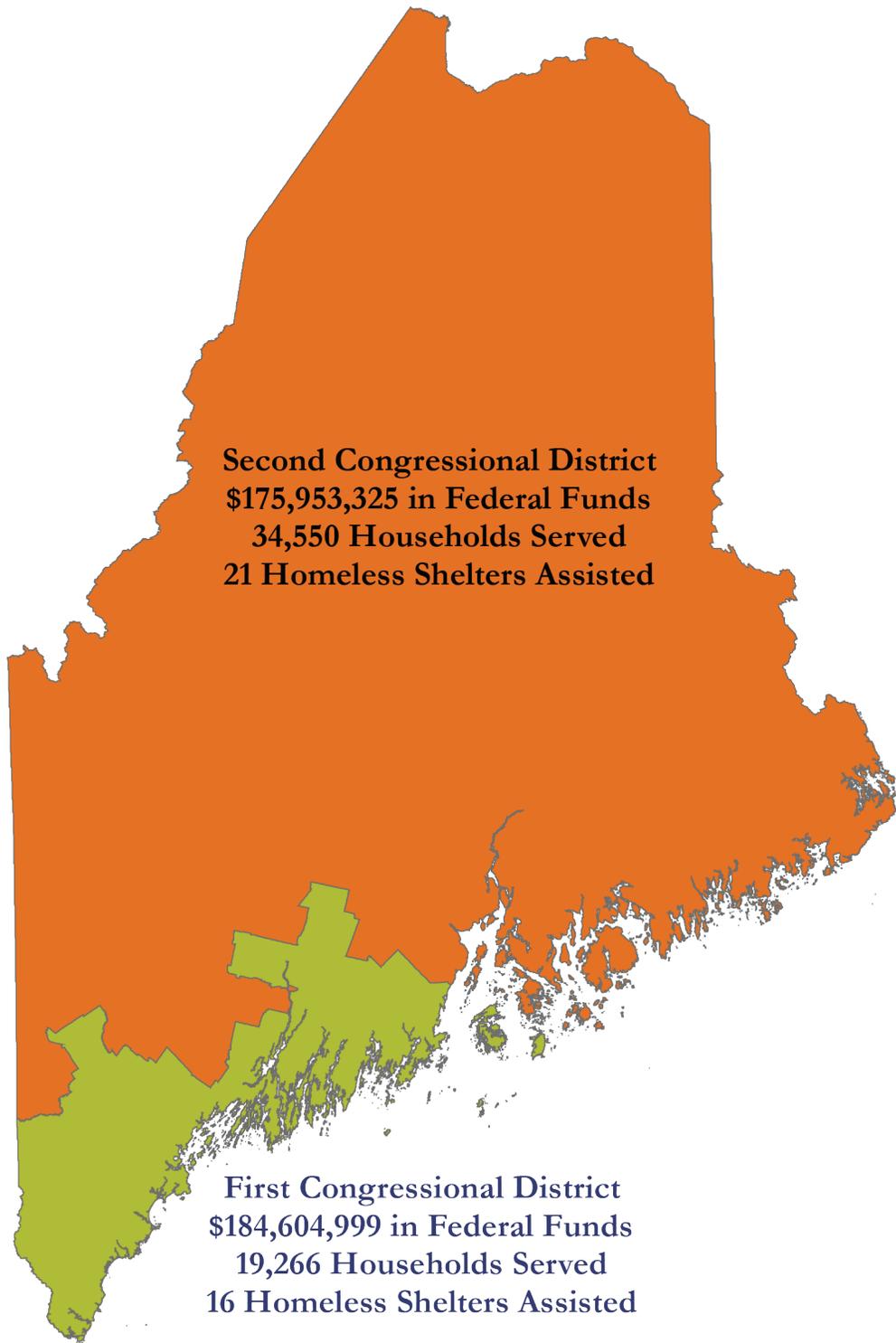
\$0.6 million in Home Improvement

\$97.1 million in Rental Assistance

\$3.3 million in Homeless Assistance



Maine 2018 Federal Funds



How MaineHousing Uses Federal Resources

(2018 federal funding in italics)

Priority: Expand Affordable Housing Opportunities

Home Purchase

Tax Exempt Bonds

(\$160,002,989)

The sale of tax exempt bonds provides the funding for the purchase of mortgage loans that have been originated and closed by the network of lender partners who offer our First Home Loan program to first-time homebuyers. The mortgage payments made on these loans are the source of revenue used to pay a majority share of MaineHousing's annual operating expenses. In 2018, 1,189 Maine households utilized the First Home Loan program to purchase their first home.

Rental Housing Development

Low Income Housing Tax Credits, HOME Partnership, and Housing Trust Fund

(Constructed: \$14,699,998; Financed: \$54,344,953)

Low Income Housing Tax Credits, the HOME Partnership, and the Housing Trust Fund are our primary sources of funding for new affordable rental housing. MaineHousing uses a competitive scoring process to allocate tax credits among proposed housing developments to ensure the housing is serving areas with the greatest needs. In 2018, these funding sources provided over \$14 million for the construction of 186 units, and \$54 million for the financing of 842 units.

Priority: Improve and Preserve the Quality of Housing

Energy Assistance

Central Heating Improvement Program (HEAP)

(\$2,664,868)

The Central Heating Improvement Program (CHIP) provides grants for home heating systems repair and replacement. In 2018, MaineHousing improved heating in 1,542 households.

Home Energy Assistance Program (HEAP)

(\$25,270,123 for fuel assistance for the 2017-2018 heating season)

MaineHousing uses HEAP funds to provide heating assistance to low-income households, including emergency funds for lower-income households experiencing an energy emergency. In 2017-2018, MaineHousing assisted 37,369 homes with their energy expenses.

Weatherization Assistance Program

(\$2,406,974)

In Federal Fiscal Year (FFY) 2017, MaineHousing received a waiver to invest 25% of the HEAP grant in weatherization to make homes of low-income residents more energy efficient. The increase will be applied through March 31, 2019. MaineHousing usually combines HEAP Weatherization with Department of Energy Weatherization Assistance Program funds in order to do a more complete and effective weatherization of a home. In FFY 2018, MaineHousing helped 542 homes become more energy efficient.

Home Improvement

Lead Hazard Reduction Demonstration Program

(\$630,889)

The program provides forgivable loans to landlords and grants to single-family households in an effort to make pre-1978 homes of lower-income households in Maine lead safe. Priority is given to households with a child under the age of six or in which a child has been identified as having an elevated blood level due to lead exposure. In 2018, MaineHousing remediated lead problems in 66 Maine homes.

Priority: Help Maine People Attain Housing Stability

Rental Assistance

Section 8 Project Based Rental Assistance (\$71,322,256)

This rental assistance is committed to properties that were developed during the 1970s and early 1980s before the housing program was terminated by Congress. Apartment projects MaineHousing financed remain as affordable housing for low-income seniors and families who pay no more than 30% of their adjusted income for rent while living in these properties. In 2018, MaineHousing administered rental assistance to 8,030 renter households statewide.

Section 8 Voucher Program (\$25,785,416)

Rental Assistance is provided to individuals and families who can use the assistance in any privately owned apartment that meets HUD quality inspection standards and where the owner agrees to sign a Housing Assistance Contract with MaineHousing. A percentage of the vouchers are targeted to serve specific populations, such as veterans, people who are homeless, or households who participate in a program helping them become self-sufficient. In some instances, vouchers can be used to help finance a home mortgage. In 2018, MaineHousing provided 3,553 renters with vouchers.

Homeless Assistance

Funding Emergency Shelters and Navigators (\$1,512,055)

MaineHousing allocates these funds to Maine's network of 37 emergency homeless shelters statewide. Shelters use these funds for operating expenses, as well as housing relocation and stabilization services in order to rapidly re-house and stabilize individuals and families who are living in shelters and on the streets across Maine. This funding also supports 62 Housing Navigators employed by the shelters to conduct comprehensive assessments of clients, create housing stability plans, assist with housing search and placement, and follow clients beyond shelter to ensure housing stability. In 2018, MaineHousing provided funds to 37 shelters.

Stability through Engagement Program (STEP) (\$1,250,575 in Federal HOME Funds and McKinney-Vento Grant Funds)

MaineHousing allocates housing vouchers to households experiencing homelessness for up to 24 months. The vouchers are allocated directly to Maine's 37 Emergency Shelter and Housing Assistance Program (ESG) shelters. In 2018, MaineHousing provided funding to assist 108 households through FedHOME Funds and an additional 80 households whose STEP was funded through Continuum of Care (CoC) Tenant Based Rental Assistance (TBRA) funds.

Continuum of Care (CoC) Grant (\$322,340 in McKinney-Vento Grant Funding)

This funding is used by MaineHousing to provide support for the operation and improvement of the Continuum, such as organizing and submitting the annual Notice of Funding Availability (NOFA) application; compliance with HUD reporting; clerical support for the Continuum, CoC Board, and committee meetings; and monitoring the Continuum and Emergency Solutions Grant (ESG). All of these activities benefit the agencies and programs that make up the Continuum and other programs that are able to provide a variety of housing services for those who have experienced homelessness in Maine. In 2018, a total of 11 agencies, including MaineHousing, received McKinney-Vento funds that supported 24 transitional housing beds, 79 rapid rehousing beds, 98 facility-based permanent supportive housing beds, and 1,240 Shelter Plus Care beds.

Homeless Management Information System (HMIS) Grant (\$344,888)

The Maine CoC designated MaineHousing as the State's HMIS lead. MaineHousing receives the funds from the HMIS Grant to fund the application used to collect data required by HUD. In 2018, HMIS funds were used to record data on people sheltered through Rapid Rehousing, Permanent Housing, Permanent Supportive Housing, and Veterans Affairs Supportive Housing (VASH) programs. Data was also recorded for people participating in Street Outreach, Runaway and Homeless Youth, and Veterans' programs.

Housing Demographics for Maine

Maine People in Need	<u>1st District</u>		<u>2nd District</u>		<u>Maine</u>	
	Owners	Renters	Owners	Renters	Owners	Renters
Households with Income:						
<= 30% Area Median Income (AMI)	15,347	19,978	15,994	17,267	31,341	37,245
> 30% to <= 50% AMI	18,540	13,736	19,157	13,438	37,697	27,173
> 50% to <= 80% AMI	27,786	15,984	30,567	15,116	58,353	31,100
> 80% to <= 100% AMI	14,275	7,097	19,010	6,961	33,285	14,058
> 100% AMI	130,592	33,210	112,249	20,066	242,841	53,276
Total	206,540	90,005	196,977	72,848	403,516	162,853

Source: Claritas Current Year Household Income

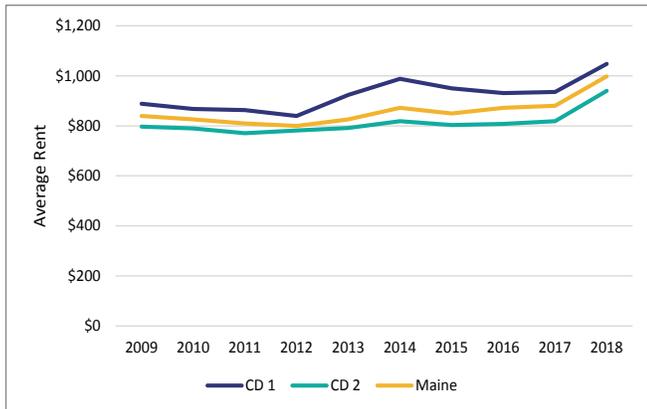
Housing, Affordability Varies by Region	<u>1st District*</u>	<u>2nd District*</u>	<u>Maine*</u>	<u>United States**</u>
Median Home Price	\$268,000	\$150,000	\$212,500	\$193,500 (value)
Median Household Income	\$65,293	\$48,290	\$56,987	\$60,336
Income Needed to Afford Median Home Price*	\$80,374	\$46,046	\$64,367	\$56,332
Households Unable to Afford Median Home Price	61%	48%	56%	45%
Average 2-Bedroom Rent	\$1,048	\$940	\$998	\$982 (median gross) ¹
Renter Households Unable to Afford Average 2-Bedroom Rent	53%	62%	57%	52%

Source: *2018 MaineHousing Facts, **National Association of Realtors®, 2017 American Community Survey (5 Year Estimates), Tables DP-03, DP-04, B-25118

¹Median gross rent is the median contract rent, plus the average monthly cost of utilities.

Improving Incomes, Rising Home Prices and Rent

Average Rent

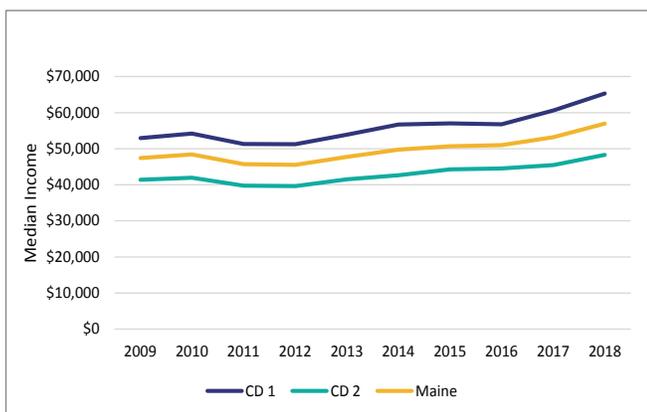


Both Congressional Districts have seen an 18% increase in rent prices over the ten year period. The state has seen a similar increase of 19%.

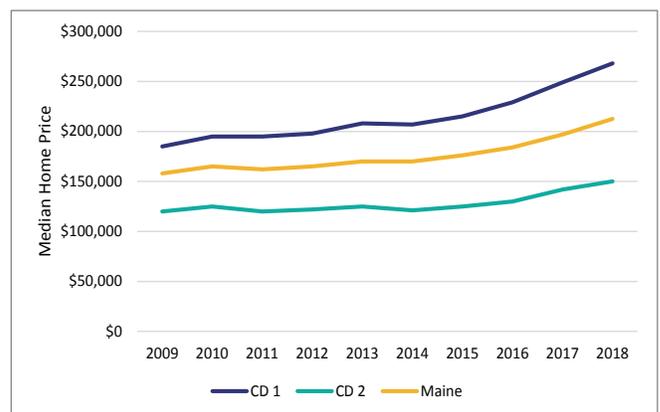
In median incomes, there is a considerable difference between the two Congressional Districts and Statewide. District 2 has improved median incomes at a rate of 17% in contrast to District 1 at 23% and a statewide increase of 20%.

District 2 has lagged behind District 1 and the State in terms of median home prices, only a 25% increase. Inventories and demand are the least there in contrast to the District 1 counties of Cumberland and York where prices have increased 50% over ten years.

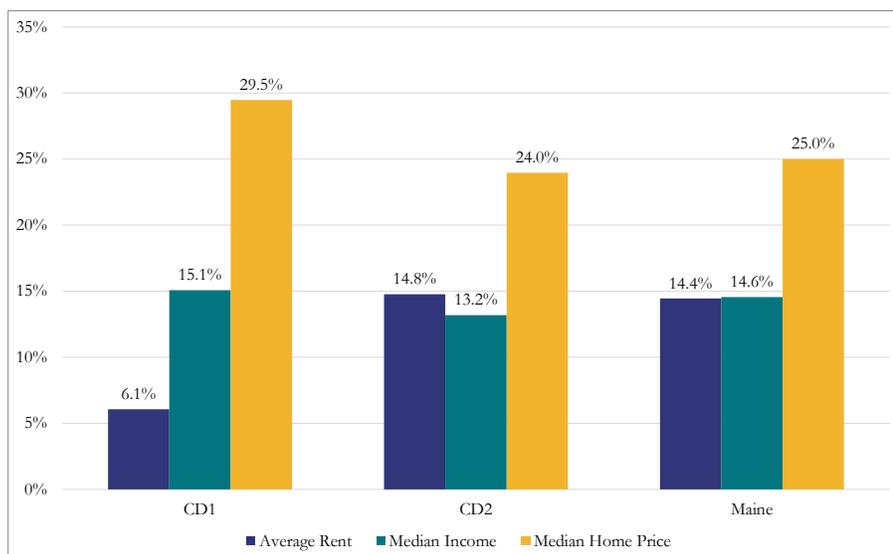
Median Income



Median Home Price



Percent Change in Rents, Home Prices, and Incomes 2014 -2018 for Maine and the two Congressional Districts



- Median home prices have outpaced growth in median household incomes in both Congressional Districts and across Maine. The increases have been particularly steep in the First District, pushing the statewide increase to 25%, slightly higher than the Second District increase of 24%.
- Median incomes have increased at a relatively equal rate in both Districts and subsequently statewide.
- In District 2, both increases in median home prices and average rents have outpaced 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 and data received from MaineHousingSearch.org.

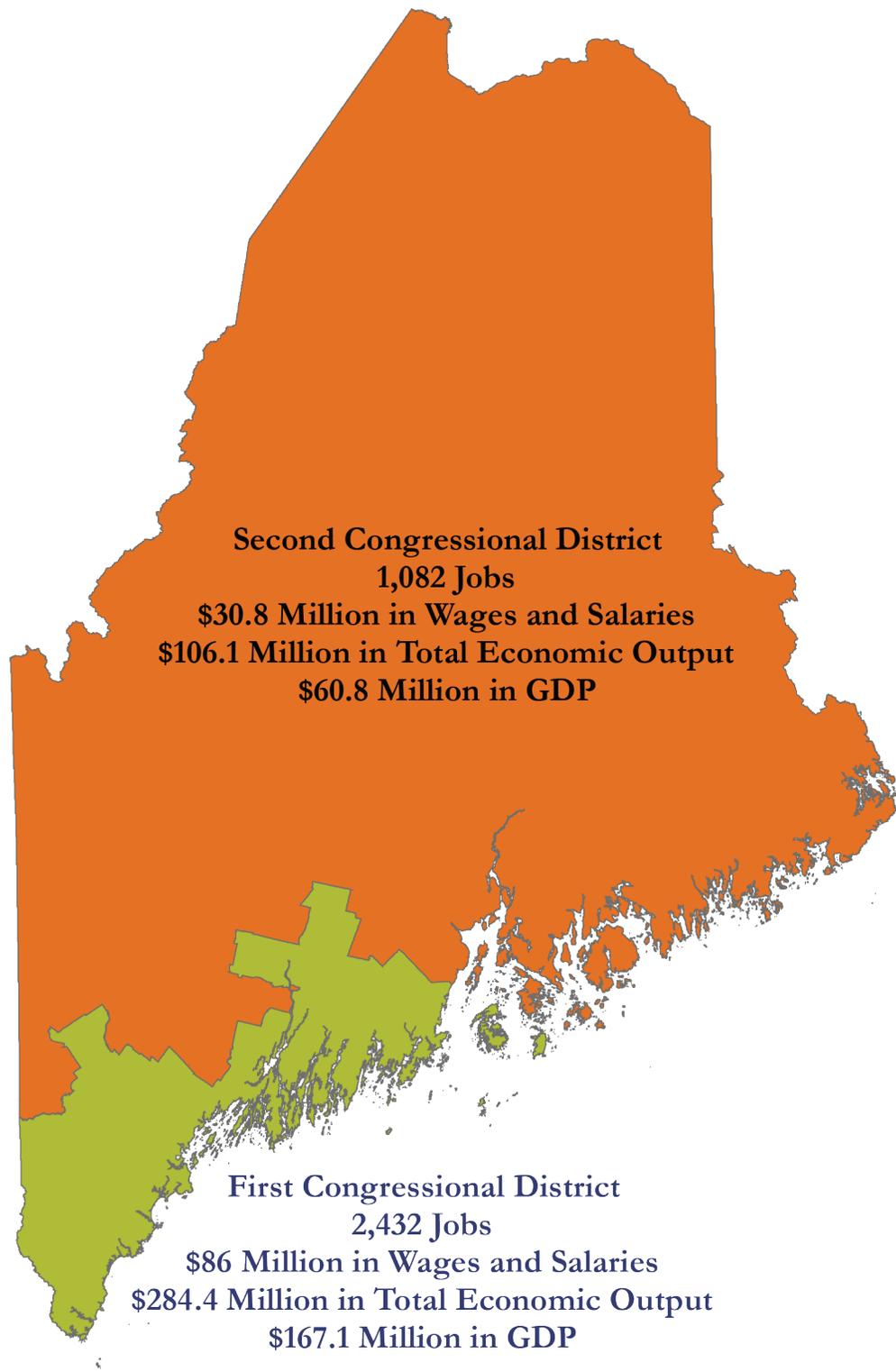
2018 Funding and Federal Sources by Congressional District

Program Area	Federal Funding Source(s)	CD 1		CD 2		Maine		Income Eligibility Limit ²
		Households / Units	Funding Amount	Households / Units	Funding Amount	Households / Units	Funding Amount	
Home Purchase and Education/ Counseling								
First Time Homebuyers	Tax-Exempt Housing Bonds	528	\$85,644,904	661	\$74,358,085	1,189	\$160,002,989	<120% of AMI
Rental Housing Development								
Tax Credit Units Completed	Low Income Housing Tax Credits and HOME Partnership Grant	186	\$14,699,998	0	\$0	186	\$14,699,998	<40% - <60% of AMI (Varies Based on Subsidy)
Tax Credit Units Financed/ Under Construction	Low Income Housing Tax Credits and HOME Partnership Grant	506	\$18,843,266	336	\$35,501,687	842	\$54,344,953	<40% - <60% of AMI (Varies Based on Subsidy)
Energy Assistance								
CHIP (Central Heating Improvement Program)	Home Energy Assistance Program (HEAP) Funds	494	\$751,625	1,048	\$1,913,243	1,542	\$2,664,868	<170% of the Federal Poverty Guidelines or <60% of State AMI
Fuel Assistance ¹	Home Energy Assistance Program (HEAP) Funds	10,728	\$5,876,540	26,641	\$19,393,583	37,369	\$25,270,123	<170% of the Federal Poverty Guidelines or <60% of State AMI
Home Weatherization	Department of Energy (HEAP and Weatherization Assistance Program (WAP))	210	\$638,360	332	\$1,768,614	542	\$2,406,974	<200% of the Federal Poverty Guidelines or <60% of State AMI
Home Improvement								
Lead Hazard Reduction Demonstration Project	HUD Lead Hazard Reduction Demonstration Grant 2016 - 2019	22	\$214,108	44	\$416,781	66	\$630,889	<80% of AMI for homeowners and landlords with half of their tenants earning <80% AMI and half earning <50% AMI.
Rental Assistance								
Section 8 Rental Units	Section 8 Project-Based Assistance	4,717	\$43,078,995	3,313	\$28,243,261	8,030	\$71,322,256	<50% of AMI
Section 8 Vouchers	Section 8 Housing Choice Vouchers	1,586	\$12,679,124	1,967	\$13,106,292	3,553	\$25,785,416	<30% of AMI
Homeless Assistance								
Funding Emergency Shelters & Navigators	Emergency Solutions Grant	16 Shelters	\$1,001,800	21 Shelters	\$510,255	37 Shelters	\$1,512,055	<30% of AMI
Stability Through Engagement Program (STEP)	Federal HOME Grant and McKinney-Vento Grant Funds	192	\$801,151	136	\$449,424	328	\$1,250,575	<50% of AMI
Homeless Programs & Projects	Continuum of Care Grant	73	\$202,684	51	\$119,656	1 Continuum	\$322,340	<50% of AMI
Homeless Management Information System (HMIS) Grant	HMIS Grant	16 Shelters	\$172,444	21 Shelters	\$172,444	1 Continuum	\$344,888	NA

¹Data is for the FFY2018 Heating Season (10/2017 - 9/2018) Fuel Assistance.

²Program 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.

Economic Impact of the Low Income Housing Tax Credit Program 2015-2018





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www.mainehousing.org

For more information, contact

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2018

