

# MAINE STATE LEGISLATURE

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**MaineHousing**

Maine State Housing Authority

# Housing Opportunities for Maine Fund (HOME Fund)

Report to the Maine Legislature on HOME Fund uses 2007-2008

April 2009



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## Introduction

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- 🏠 Down payment and closing cost assistance for families buying their first home, and mortgage payment assistance for MaineHousing homeowners who lost jobs.
- 🏠 Security deposits for homeless households moving into apartments, and safety repairs for emergency shelters.
- 🏠 Weatherization kits through the Keep ME Warm program, and home modifications for people with physical disabilities.
- 🏠 Affordable rental housing for people who were homeless, and affordable rental housing for people who have special needs.

These are among the many varied ways that MaineHousing used money it received from the State Housing Opportunities for Maine (HOME) Fund in 2007-08. The HOME Fund plays a vital role in our ability to finance affordable housing, leverage other funding, and generate approximately \$300 million in private capital and federal funds that the agency invests in Maine each year. The HOME Fund is critical to our efforts because:

- 🏠 It's flexible. We can use HOME Fund money as a funding gap filler, to reduce housing costs, or as matching money to leverage other funds.
- 🏠 It's mission driven. MaineHousing has the ability to use HOME Funds where they are needed most – and this need changes over time. In 2008, for example, HOME funds were used to help borrowers avoid foreclosure.
- 🏠 It's dedicated. The HOME Fund is the only state money MaineHousing receives on a regular basis that helps the agency finance housing for those most in need.

We often use HOME Fund money to leverage other funds, either federal or private capital. In 2007-08, \$15 million in HOME Fund spending leveraged \$78 million in added funds.

As a real world example from 2008, MaineHousing applied for a \$3 million federal grant to continue its program to make low-income homes with children at risk of lead poisoning lead safe. The grant required a state match. We committed \$1 million of State HOME Fund money to meet the match requirement, which will result in lead-safe housing for children in nearly 300 more Maine homes and create jobs for workers employed in lead paint hazard control.



Dale McCormick  
Director

## What is the HOME Fund

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The Legislature and Governor created the state HOME Fund in 1983 to provide a flexible source of funding to address Maine's affordable housing issues. The legislature doubled the real estate transfer tax to provide a dedicated source of revenue to the Fund, with ten percent of the tax revenue staying with the county (as an agent fee) and the balance split between the General Fund and the HOME Fund.

No HOME Fund monies are used by MaineHousing for administrative costs. Currently for state fiscal years 2008-09 some of the HOME Fund funding is directed to the Bridging Rental Assistance Program (BRAP), run by the Department of Health and Human Services, and the state Historic Tax Credit program.

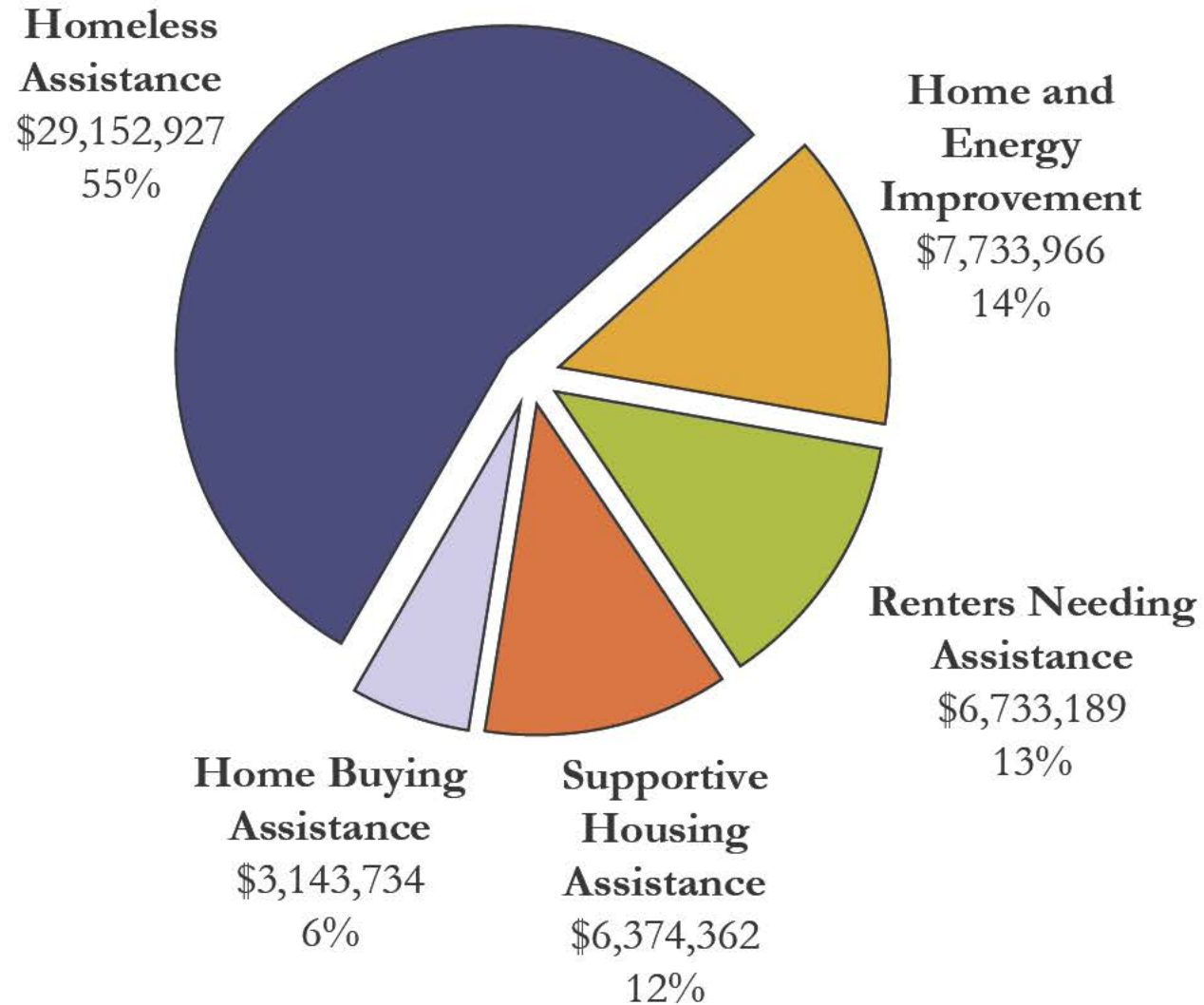
The HOME Fund has brought homeownership to Maine citizens who otherwise would not have been able to afford it. It has also provided affordable rental housing to thousands of low-income families, the elderly, persons who are homeless, persons with disabilities, and to homeowners to finance needed home modifications and repairs. Because the HOME Fund money is relatively free of detailed restrictions, it provides the critical piece in many projects where most of the funding is in place but a key additional piece is needed to make the project possible.



Title 36, Section 4641-N of the Maine Revised Statutes requires that the Maine State Housing Authority submit a report on April 1st every other year concerning the Housing Opportunities for Maine (HOME) Fund to the Joint Standing Committee on Taxation. This report covers the years 2007-08. It identifies the revenues credited to the fund and the way HOME Fund monies have been utilized to promote affordable housing opportunities for the people of Maine.

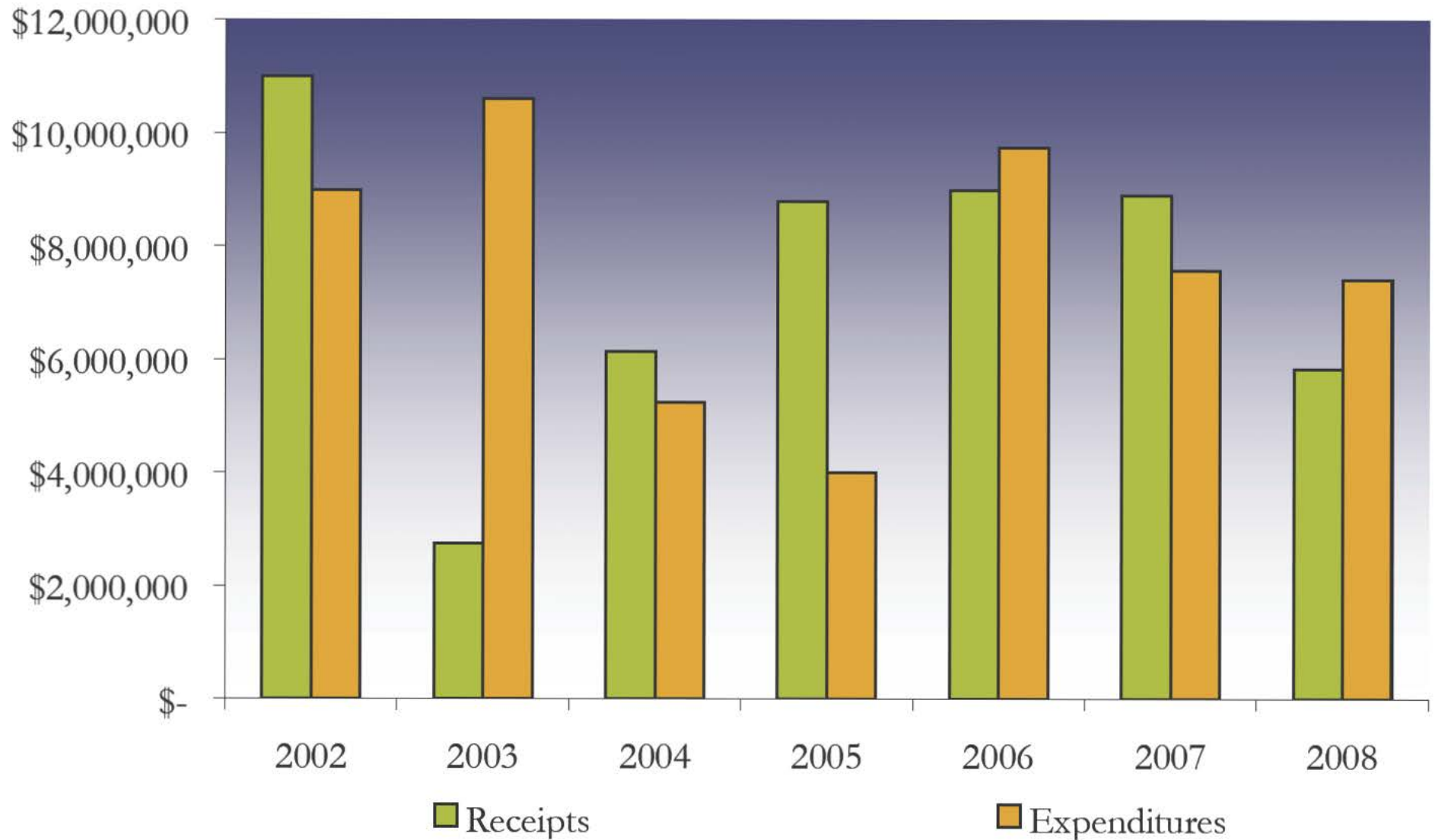
HOME Fund Expenditures by Program Area  
2002 – 2008

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# HOME Fund Revenue and Expenses\*

2002 – 2008



\* Expenses and revenues are reported on a cash basis so that expenses and revenues may not align for any particular year.

## HOME Fund Investments 2007 – 2008

Program Area	Program Description	HOME Fund Investment 2007	HOME Fund Investment 2008	Households / Units Served 2007-2008	Leveraged or Matching Funds
<b>Home Buying Assistance</b>					
Maine Assist Program <sup>1</sup>	Down payment and closing cost assistance for lower income borrowers using a MaineHousing mortgage.	\$911,534	\$88,466	534	\$68,138,951
Maine HOPE Program	Defers up to four mortgage payments for MaineHousing borrowers who lose their jobs.	\$0	\$180,822	71	\$0
Family Development Accounts	Money used to match a low-income family's savings, used for down payment on a home.	\$100,000	\$185,000	29	\$95,000
Affordable Housing Subdivision	Subsidies making a percentage of homes in new subdivisions affordable to those who qualify for the First Home Program.	\$315,000	\$525,000	52 Homes	\$0
<b>Home Improvement</b>					
Lead Hazard Control Program <sup>2</sup>	Match money for a federal grant that removes lead poisoning threats from homes with lead-based paint.	\$389,069	\$531,247	379	\$4,200,000
Home Repair Program	Home repair program for low-income homeowners.	\$691,029	\$1,006,598	269	\$1,847,230
Home Retro Program	Accessibility improvements for people with physical disabilities.	\$518,950	\$567,106	64	\$0
<b>Energy Assistance</b>					
Energy Auditor Training	Energy auditor training through Maine Home Performance initiatives at Efficiency Maine.	\$50,000	\$50,000	n/a	\$0
Keep ME Warm Program	Weatherization kits distributed to low-income households through local energy emergency response teams.	\$56,130	\$53,584	3,800 Kits	\$0
Energy Pilot Programs	Pilot solar heating systems for apartment developments in Oakland and South Portland.	\$6,995	\$10,500	2 Projects	\$0
<b>Homeless Assistance</b>					
Funds to Supplement SOS	Supplemental funds for the Shelter Operating Subsidy Program (SOS) for emergency shelters.	\$1,472,000	\$1,782,000	42 Shelters	\$0
Emergency Winter Response Program	Pays for homeless families to stay temporarily in motels during the winter if all emergency shelters in area are full.	\$31,576	\$21,120	104	\$0
Security Deposit Program	Rental security deposits for homeless households to enable them to move to an apartment.	\$39,182	\$246,106	479	\$0
Shelter Repair Program	Grants to emergency shelters for repairs, primarily life-safety repairs.	\$468,070	\$0	21 Shelters	\$77,200
Homeless Prevention Program	Funding for Pine Tree Legal Assistance to prevent illegal evictions.	\$75,000	\$0	n/a	\$0
Shelter Energy Audits	Energy audits of emergency shelters to lower heating costs.	\$0	\$1,277	3 Shelters	\$0
Homeless Projects	Financing construction of permanent or transitional housing for people who are homeless.	\$2,149,644	\$1,590,903	12 Projects	\$1,825,883
<b>Supportive Housing Assistance</b>					
Supportive Housing	Financing construction of housing for people with special needs.	\$200,000	\$545,914	3 Projects	\$2,177,529
<b>Non-Profit Support</b>					
Non-Profit Housing Organizations	Funding to support planning and capacity growth for non-profit affordable housing organizations.	\$90,000	\$35,500	4 Grants	\$0
<b>Totals</b>		<b>\$7,564,180</b>	<b>\$7,421,142</b>		<b>\$78,361,793</b>

"n/a" means non-applicable.

<sup>1</sup>Leveraged funds equal the value of the 534 loans that were made possible by the availability of the Maine Assist Program.

<sup>2</sup>\$4.2 million of Lead Hazard Control Grant money was secured in 2005 and provided funding for lead removal projects over three years (2006 - 2008).



## Board of Commissioners

- 🏠 Donald H. Gean, Executive Director of York County Shelter Programs, Inc.
- 🏠 Sheryl Gregory, real estate broker with Homestead Realty in Winthrop
- 🏠 Carol Kontos, Associate Professor of English at the University of Maine at Augusta
- 🏠 David G. Lemoine, Treasurer of State of Maine
- 🏠 Elizabeth Mahoney, self-employed policy consultant
- 🏠 Dale McCormick, Director of MaineHousing
- 🏠 Nikki McLean, board member of the Maine People's Alliance



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