

MAINE STATE LEGISLATURE

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Housing Opportunities for Maine Fund (HOME Fund)

Report to the Maine Legislature on HOME Fund uses 2009-2010

April 2011



MaineHousing
Maine State Housing Authority

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"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, Rockland



Pamela received short term rental assistance through a temporary American Recovery and Reinvestment Act program. The program was so successful in preventing and ending homelessness that MaineHousing will use HOME Fund money to continue it.

"MaineHousing has been a great partner. They not only help finance our emergency shelter, they also work with us on longer term solutions."

Dean Lachance, Executive Director, Bread of Life, Augusta



Bread of Life operates an emergency shelter, soup kitchen, 17 transitional housing units, 64 permanent housing units, case management services, and a donation center. It's developing a day care center and life care center.

"I'm very pleased with my new home, and it helped me out a lot. I am still overwhelmed."

Michelle Lyon, Augusta



Michelle participated in the program that replaces pre-1976 mobile homes with new energy efficient models. The program targeted the homes with the highest energy usage. An independent analysis found the new models would save the owners an average of more than \$2,000 a year in energy costs.

What is the HOME Fund

Maine's Legislature and Governor created the Housing Opportunities for Maine (HOME) Fund in 1983 to provide a flexible financial resource to help MaineHousing address the state's affordable housing needs. To provide a steady and dedicated revenue source, the Legislature doubled the Real Estate Transfer Tax.

We do not use any HOME Fund money for salaries or administrative costs of the agency, but its flexibility enables us to use it for a wide variety of housing initiatives.

MaineHousing's policy has been to use the HOME Fund to meet the most pressing housing needs that cannot be financed with federal housing funds, and these needs change over time. When mortgage interest rates were high, for example, we used the HOME Fund to reduce rates and provide down payment assistance. In 2009-10, interest rates were low and we were able to use resources we created with our revenue bonds to meet the upfront payment requirements. That means we were able to focus more HOME Fund resources on home repair and energy conservation.

At other times we have used the HOME Fund to finance supportive housing for people with special needs. We also use it to fill critical funding gaps in the financing of affordable rental housing projects, and to fund initiatives where we have no other funding sources, such as making housing more accessible. We often use it to leverage federal housing resources, such as providing \$1 million to leverage a \$3 million federal grant to make homes safe from lead paint hazards.

Over the past 10 years we have used the most HOME Fund (see graph on page 4) to help create housing for our most vulnerable population, people who are homeless. This is in part because of the need, and in part because it is either prohibited or impractical to use most federal housing resources to finance housing for them.



Washington Street Transitional Housing in Rumford, providing 2 units of housing for people who were homeless.



My Sister's Place under construction in Biddeford. It provided jobs while being rehabilitated, and now provides 4 units of housing for people who were homeless.



44 Fairfield Street in Oakland, providing 6 units of housing to people who were homeless.



Pleasant Crossing in Waterville, providing 21 units of affordable housing to area senior residents.

Title 36, Section 4641-N of the Maine Revised Statutes requires that the *“Maine State Housing Authority shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation by April 1, 1987, and each 2 years thereafter. The report shall cover the 2 prior fiscal years of the authority and shall identify the amount of revenues under this chapter that have been credited to the Housing Opportunities for Maine Fund and the manner in which those funds have been used.”*

HOME Fund 2009-10

The HOME Fund helps MaineHousing invest in Maine's economy. We use the HOME Fund to leverage federal housing funds and private bond capital from investors, and use the revenue to serve our most vulnerable residents. Over the past two years we have used HOME Fund money for such things as:

- 🏠 Supporting Maine's network of emergency shelters
- 🏠 Preventing homelessness
- 🏠 Providing supportive housing
- 🏠 Making homes safe from lead paint hazards
- 🏠 Repairing homes of low-income residents
- 🏠 Replacing old, unsafe mobile homes
- 🏠 Keeping seniors safe and warm in their homes
- 🏠 Funding accessibility improvements
- 🏠 Filling funding gaps in affordable rental developments

Many of these initiatives generate employment in Maine's housing industry while providing affordable housing that working people need. In order for Maine to add jobs, it must have housing that workers can afford; affordable housing is where a good job spends the night.

The HOME Fund represents only a small portion of our overall funding, but it plays a critical role because it is not restricted by unnecessary red tape. We can – and do – use it where it is needed most to benefit Maine residents.



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

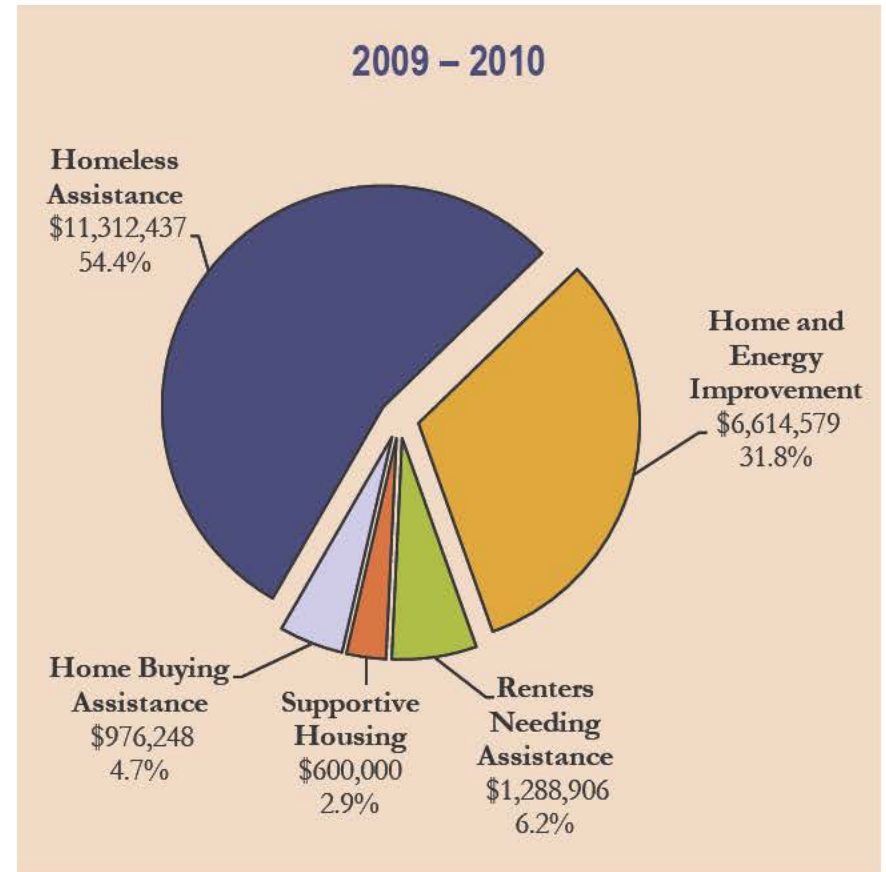
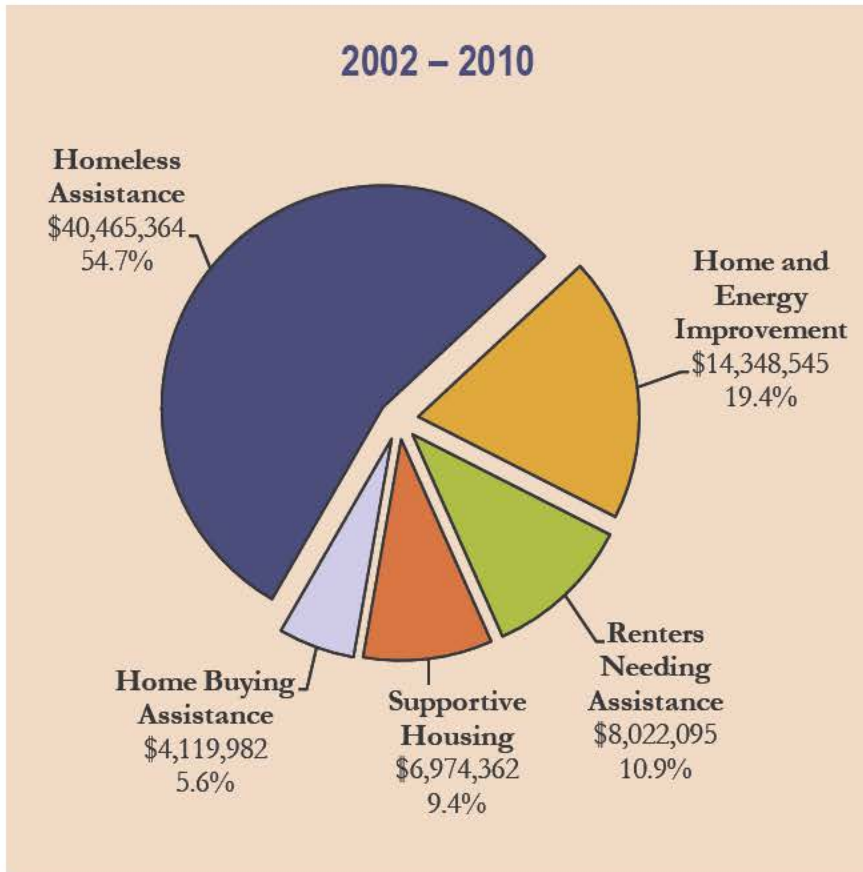


In 2009-10 MaineHousing invested nearly \$2 million of HOME Fund money in home repairs and nearly \$1 million in weatherization. Both improve Maine's housing and create jobs for Maine workers.

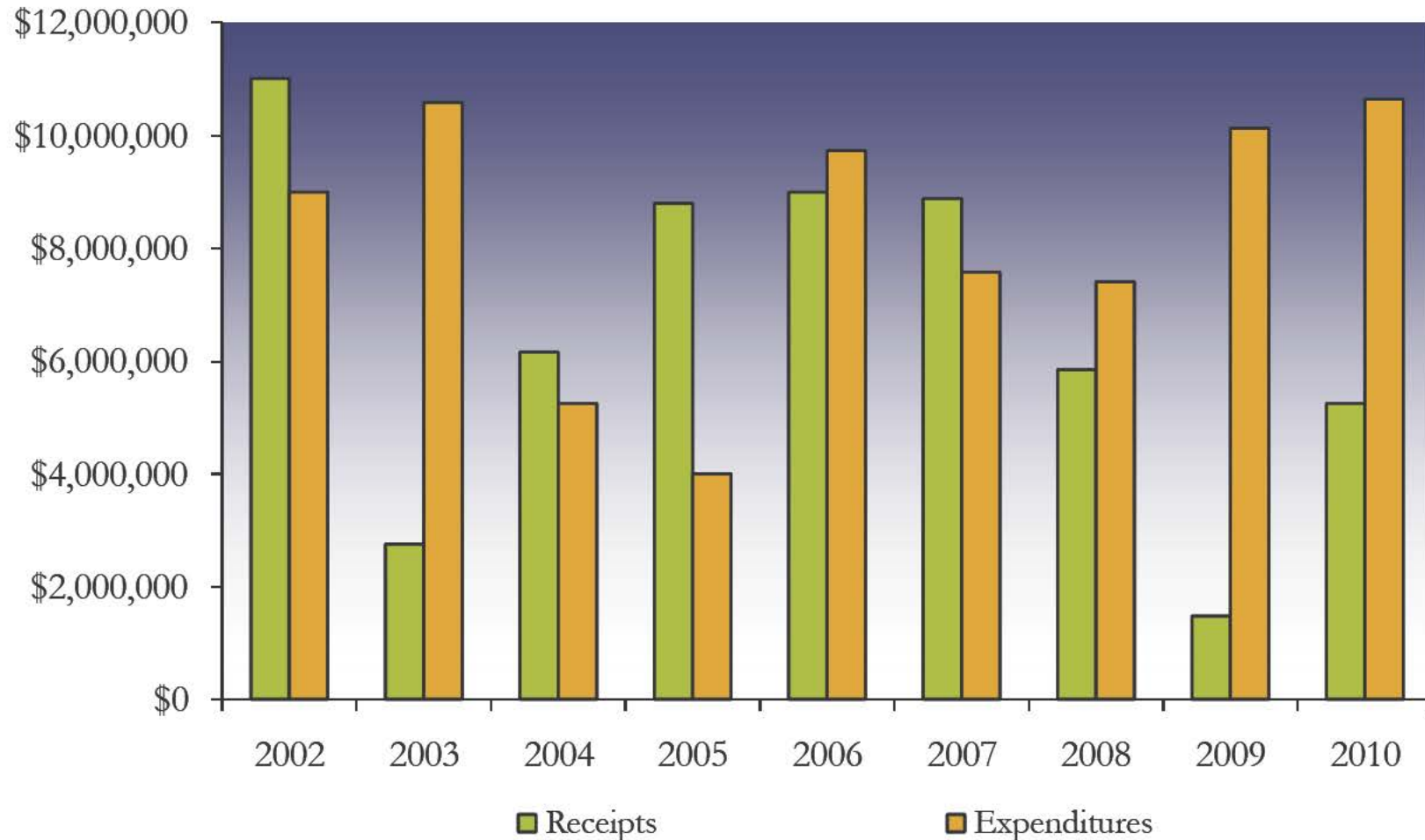


Market Square Commons in Houlton, providing 28 units of affordable housing to area seniors. It is the first development creating new affordable housing in Aroostook County in 15 years.

HOME Fund Expenditures by Program Area 2002 – 2010 and 2009 – 2010



MaineHousing HOME Fund Receipts and Expenditures 2002 - 2010 (Cash Basis)



* 2009-10 show high levels of expenditures because several affordable rental developments were completed. We committed HOME Fund money to these developments in earlier years, when we approved the housing, but we do not actually spend the HOME Fund money until the housing is completed.

HOME Fund Investments 2009 – 2010

Program Area	Program Description	HOME Fund Investment 2009	HOME Fund Investment 2010	Households / Units Served 2009-2010	Leveraged or Matching Funds
Home Buying Assistance					
Maine HOPE Program	A foreclosure prevention program that defers up to four mortgage payments for MaineHousing borrowers who lose their jobs.	\$364,228	\$251,580	185 households	\$18,321,244
MADI Program	Down payment and closing cost assistance for low income borrowers.		\$60,440	N/A	\$0
Family Development Accounts ¹	Matching funds to help low-income families save for a down payment on a home.	\$150,000	\$150,000	59	\$78,372
Home Improvement					
Lead Hazard Control Program	Matching funds for a federal grant that makes low income homes lead safe.	\$137,174	\$381,557	106 households	\$1,600,000
Home Repair Program	Help with necessary home repairs for low-income homeowners.	\$889,338	\$1,091,319	200 households	\$638,912
Home Retro Program	Home accessibility improvements for people with physical disabilities.	\$496,482	\$478,739	64 households	\$38,912
Energy Assistance					
State Weatherization Program	Low income home energy audits and weatherization to build on a program funded through a \$500,000 grant from the Energy & Carbon Savings Trust.	\$637,550	\$315,489	313 households	\$500,000
Keep ME Warm Program	Training classes in winterizing homes for local energy emergency response teams.	\$57,541	\$129	10 classes on winterizing homes	\$0
Mobile Home Replacement	Financing for low-income homeowners to replace pre-1976 mobile homes with new, ENERGY STAR® rated replacement homes.	\$1,206,420	\$922,841	52 households	\$0
Homeless Assistance					
Funds to Supplement SOS	Shelter operating funds to supplement those provided by the Shelter Operating Subsidy (SOS) program.	\$1,826,000	\$1,857,000	7,332 homeless individuals - 296,675 bednights in 2010	
Emergency Winter Response Program	Funding for homeless service providers to temporarily shelter people who are homeless off site when area emergency shelters are full.		\$27,543	121 people	\$0
Shelter Repair Program	Grants to emergency shelters for life-safety and other repairs.	\$1,964		1 shelter	
Homeless Prevention Program	Funding for Pine Tree Legal Assistance to prevent illegal evictions.	\$75,000	\$140,000	N/A	\$0
Family Stabilization Program	Assistance to help families at risk of homelessness remain in their current housing. Additional funding (TANF) provided by the Maine Department of Health & Human Services.	\$100,000	\$151,000	520 households	\$1,000,000
Homeless Development Projects	Financing for construction of permanent or transitional housing for people who are homeless.	\$3,148,212	\$3,985,718	67 units	\$4,479,078
Renters Needing Assistance					
Rental Development Projects	Financing for construction of affordable rental housing for low-income families and seniors.	\$446,521	\$832,385	79 units	\$8,496,421
Brunswick Naval Air Station	Seed money for a \$100,000 housing study.	\$10,000			\$90,000
Supportive Housing					
Supportive Housing	Financing for construction of housing for people with special needs.	\$600,000		5 units	\$0
Totals		\$10,146,430	\$10,645,740	8,952 households/people 151 units	\$35,242,939

"n/a" means non-applicable.

¹MaineHousing contributes funds which are used as a 4 to 1 match dollars saved by low income households saving for down payment for a home.

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