

MAINE STATE LEGISLATURE

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continually improving

2015 MaineHousing Annual Report

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OUR MISSION

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



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BOARD OF COMMISSIONERS
FROM DIRECTOR JOHN GALLAGHER



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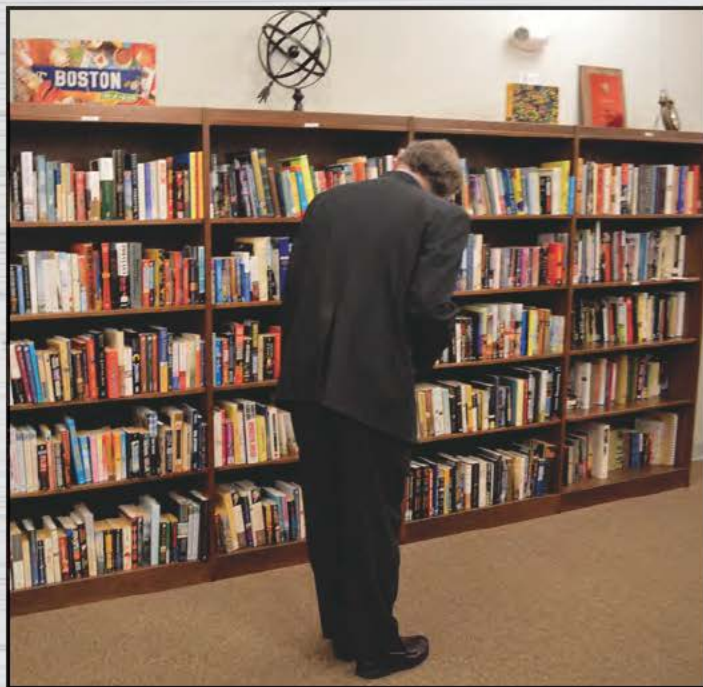
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ADMINISTRATION

BOARD OF COMMISSIONERS



Board Commissioner John Marsh looks at books at Cony Flatiron in Augusta, a former school that now is affordable housing for seniors.

MaineHousing's Board of Commissioners is represented by individuals from the housing, construction, real estate, finance and banking sectors, and low-income households.

PETER ANASTOS, CHAIRMAN

CO-FOUNDER & PRINCIPAL,
MAINE COURSE HOSPITALITY
GROUP

KEVIN P. JOSEPH

CO-OWNER,
JOSEPH'S FIRESIDE STEAK HOUSE

ADAM BRADSTREET

CONSTRUCTION FIELD MANAGER

JOHN C. MARSH, JR.

SENIOR VICE PRESIDENT OF
COMMERCIAL LENDING AND
COMMUNITY DEVELOPMENT,
BATH SAVINGS INSTITUTION

JOHN GALLAGHER

DIRECTOR,
MAINEHOUSING

LINCOLN J. MERRILL, JR.

PRESIDENT AND CEO,
PATRIOT INSURANCE CO.

SHERYL GREGORY

REAL ESTATE BROKER,
HOMESTEAD REALTY

DONNA TALARICO

SENIOR VICE PRESIDENT AND
BRANCH MANAGER FOR
RESIDENTIAL LENDING,
GUARANTEED RATE INC.

TERRY HAYES

TREASURER,
STATE OF MAINE

FROM DIRECTOR JOHN GALLAGHER

In 2015, MaineHousing focused on building our capacity for change. To assist us, we hired a consultant to review our two year strategic planning effort and to conduct an organizational assessment. In general, the assessment found that our vision and strategy are clear for the near term. MaineHousing succeeds today because of the people involved and the high level of trust, collaboration, and communication among us. The MaineHousing team includes very capable people with extensive experience.

The results of the organizational assessment are apparent in the programs section of this annual report. We have adopted clear goals for our programs and are enhancing how we measure our performance towards achieving these goals. We are working hard to improve our relationships with partners and our services to customers. We hosted listening sessions with developers, satisfaction surveys for multifamily housing residents and voucher holders, and focus groups for both partners and customers. We are listening, learning and improving.

The strategic planning process reinforced the need to look outside the organization for new ideas and benchmarks. As a result we have



initiated new programs for local public housing authorities, conducted a social media marketing campaign to promote our homeownership program, and significantly revised the shelter funding formula to achieve better outcomes in reducing homelessness.

While we have made good progress, there is still work to do. Critical issues include talent management and succession planning – who will be at MH in five years? We need to keep embedding a continuous improvement culture within MaineHousing, to build on our customer-focused culture, and to move more of our work from paper to electronic form.

We are off to a great start, and as the saying goes, the best is yet to come! On behalf of our Board of Commissioners and our staff, we want to thank you for your interest and support and hope that we meet your expectations. Please join us in celebrating our successes and sharing our aspirations for the future!

A handwritten signature in blue ink that reads "John Gallagher". The signature is fluid and cursive, written over a white background.

QUOTE

Sheryl Gregory Commissioner

"I was first nominated by Governor Angus King and began my term on October 24, 2002. Thankfully, Governor John Baldacci and Governor Paul LePage reappointed me, and I'm honored to serve.

"Through dramatic changes in the housing market, changes in fuel prices and ever-challenging funding sources, the staff has presented us with information so that we continue to keep the agency vital and successfully serve the people of Maine."



From left: MaineHousing Director John Gallagher, Deputy Director Peter Merrill, Commissioner Sheryl Gregory, former Commissioner Don Gean, and Board Chairman Peter Anastos at the 2015 Maine Affordable Housing Conference.

A large, stylized green graphic on the left side of the slide, composed of several overlapping, angular shapes that resemble a series of upward-pointing chevrons or a stylized mountain range. The graphic is set against a light gray background with a subtle wood-grain texture.

INITIATIVES

QUOTE

Peter Anastos **Board Chairman**

"I am proud to serve as chairman of MaineHousing's Board of Commissioners during a time when the agency is working diligently to implement efficiencies while it improves the services it offers Maine's lower-income households. Challenges that arise are met with determination and perseverance.

"This annual report highlights some of the staff's accomplishments. I am pleased to share it with you."



Peter Anastos, chairman of MaineHousing's Board of Commissioners, enjoys a tour of the renovated Cony Flatiron building, formerly part of Cony High School, that has been renovated as affordable housing for seniors. The Board convened one of its monthly meetings in the newly opened building in 2015.

SENIOR HOUSING NEEDS FOCUS OF STATEWIDE DISCUSSION

When it comes to ensuring enough decent and safe affordable housing for seniors, Maine has two strikes against it when compared to other states: Maine has the oldest population and one of the oldest housing stocks. But we're not out.

The majority of seniors – and baby boomers who are nearing the age of 65 – want to age at home. They want to be independent, stay in their communities, and be provided with telemedicine services, home health care, accommodations such as walk-in tubs, ramps, safety bars in their homes, and other services. That is – if they have the money to pay for them.

While 28 percent of seniors surveyed by the National Council on Aging said they are somewhat concerned about not having enough money to last their lifetimes, 80 percent of the people who help seniors make financial decisions, usually a relative, are worried.

It is something to worry about. In Maine, 18 percent of senior households earn less than 30 percent of the average median income or \$14,641 a year, and more than 33% of seniors' household income goes towards housing expenses.

Maine's senior population has grown to 15.9 percent today, but the percentage of senior affordable housing rentals in the marketplace has remained the same even after strong periods of multifamily construction. To keep pace with the increasing number of seniors and their changing housing demands, 6,000 new units will need to be constructed in the next seven years.

In 2015, MaineHousing financed the completion of 287 senior housing units, gave notices to proceed on 389 units, and are reviewing plans for another 776 more in the next couple of years.

MaineHousing is evaluating how to best meet seniors' housing needs. Options include incorporating infrastructure improvements in homes; using telemedicine capabilities with health care professionals to reduce trips to doctors' offices; and placing health care professional services at affordable housing buildings.

As part of the conversation, Director John Gallagher wrote about senior housing needs for Maine Policy Review magazine and the topic was a focal point of the 2015 Maine Affordable Housing Conference.

QUOTE

Gordon Stitham Brewer Housing

"It's surprising how many people still live in Brewer area, that had attended, graduated, or even had grandchildren that attended school while it was the Brewer Middle School and want to see or live in the building now."



BREWER: MaineHousing Director John Gallagher (right) addresses an audience gathered at the opening of Somerset Place, a senior housing complex that opened in fall 2015. With financing from MaineHousing, Brewer Housing Authority and its director, Gordon Stitham (left), redeveloped the former Brewer Middle School and several former students now live there.

WHAT'S OLD IS NEW AGAIN: BREWER



BREWER: When Brewer Middle School closed in 2011 after more than 50 years, Brewer Housing Authority renovated the building into senior housing and included a few of the elements that were part of the old school. (Top right) The last graduating class signed their names on a poster and it now hangs in the main hallway. (Bottom left) Pictures were taken of decorated classroom doors, including the music room, and they are framed in hallways. And bricks signed by drama students after productions remain as is back stage.



QUOTE

Lou Turmelle Construction Analyst

"What a better way to celebrate life than an ice cream party! That's what makes my job fun, being able to see new life being brought onto the site of a former ice cream factory or into a closed-up school or shuttered warehouse by affordable housing development ... and eating ice cream!"



BANGOR: MaineHousing Construction Analyst Lou Turmelle chooses an ice-cream treat during the grand opening of 72 Pier Street, a supportive housing apartment building that sits on the site of a former ice cream manufacturing plant in Bangor.

WHAT'S OLD IS NEW AGAIN: BANGOR & AUGUSTA



AUGUSTA: The Cony Flatiron Building in Augusta once was part of Cony High School and housed the theater department and other programs. The old high school was torn down, but the Flatiron Building remains a fixture at a busy intersection. (Left) Commemorating its past, the theater curtain remains on the stage, and (top right) a sign marking the school's opening hangs by the center staircase.

QUOTE

Julian Castro
HUD Secretary

"It's up to all of us to ensure that we have the right resources, the right policies, and the right programs in place so that more and more young people can reach the right path in life."



U.S. Department of Housing and Urban Development Secretary Julian Castro chats with U.S. Sen. Susan Collins (R-Maine) during a tour of the Ann Geiger Center for New Beginnings, a drop-in center for teens, on June 4, 2015. (Copyrighted photos by Lewiston Sun-Journal Photographer Daryn Slover. Reprinted with permission.)

HUD SECRETARY CASTRO VISITS MAINE

U.S. Senator Susan Collins welcomed U.S. Department of Housing and Urban Development (HUD) Secretary Julian Castro to Maine in June to meet with the state's public housing authorities (PHAs) and to visit New Beginnings, a homeless shelter for youth in Lewiston.

Along with high-level HUD officials from the office in Washington, D.C., and the regional office in Boston, Secretary Castro outlined HUD's budget requests and program priorities for the next fiscal year and unveiled an online training course for board members of public housing authorities.

It also was an opportunity for Maine's public housing authorities to showcase recent housing initiatives, many of them home grown, and to identify challenges and opportunities for federal assistance.

Of much importance to the public housing authorities was the proposed new method of reimbursing them for administering the Housing Choice Voucher (HCV) program. The Lewiston meeting was the first of several opportunities that HUD offered for comment on the proposed formula.

The existing administrative fee formula is not based on what it really costs to administer the HCV program. For MaineHousing and other PHAs in the state, the proposed formula will not, either.

HUD contracted with an outside agency to conduct a study of the actual costs of operating a well-run HCV program and to recommend a fee structure to apply to all public housing authorities. The study showed that most PHAs have been significantly underfunded to run their HCV programs. A proposed formula based on variables that cover a broad range of cost drivers would mean an increase in administrative fees for 92 percent of PHAs nationwide.

But MaineHousing and other PHAs statewide could see a reduction in administrative fees under the proposed formula, which does not include cost drivers such as the age and density of the housing stock and the size of a service area. Also, the proposed formula does not factor in costs associated with policy choices made by PHAs. For example, MaineHousing has prioritized the issuance of vouchers to homeless households. The added costs of working with this population are not included in the proposed formula.



QUOTE

Kelly Martineau
AHWG Member

“Those of us who are living [in homelessness] have a clear vision of what can be done to address the problem at its root. We have a lot to contribute — not just in identifying the problems but in identifying real policy solutions that will improve our communities.”



With a newspaper article about homelessness increasing on Maine's midcoast, Kelly Martineau, a member of the Maine Affordable Housing Working Group (AHWG), speaks before the Maine Legislature's Labor, Commerce, Research and Economic Development Committee about the group's findings. Ms. Martineau is a single mother of two special needs children who for more than two years has not been able to find affordable housing in an area that has services to help her children.

MAINE AFFORDABLE HOUSING WORKING GROUP OFFERS REMEDIES

The 127th Maine Legislature established the Maine Affordable Housing Working Group “to evaluate the extent to which extremely low-income households, including families, persons with disabilities and elderly, lack access to safe and affordable housing, and the burden that this inadequacy creates for individuals and communities.”

The working group found that the existing supply of rental housing is not affordable or sufficient to meet the needs of extremely low income households and that the need for rental assistance greatly exceeds available funding resources.

The working group also found that there is not a coherent approach to addressing the housing needs of extremely low income households, particularly their emergency housing needs, and that housing stability and self-sufficiency should be important elements of rental assistance programs.

The Maine Legislature received the report in December 2015.

Based on its findings, the Affordable Housing Working Group recommended the following:

- Both the federal and Maine state government restore their funding of housing assistance programs;
- MaineHousing examine options to expand the supply of quality, affordable housing that is available to households with extremely low incomes;
- MaineHousing design a Rental Assistance Pilot Program to meet the needs of families at risk of homelessness and improve housing stability and create opportunities for self-sufficiency;
- Support efforts to adopt a universal waiting list for applications for rental assistance; and
- Support ongoing and expanded collaboration among homeless providers and general assistance administrators.

QUOTE

Jimmy Wayne Country Singer & Foster Child Advocate

"Thirty-thousand kids every year age out of the foster care system the moment they turn 18. Many of them will become homeless, addicted, or imprisoned. I knew I wanted to help those kids the way somebody had helped me. But how? What could I do? It had to be something big, something to catch people's attention."



Country singer and foster child advocate Jimmy Wayne takes a "selfie" with the Paul Bunyan statue at the Cross Insurance Center in Bangor after speaking at the 2015 Maine Affordable Housing Conference.

MAINE AFFORDABLE HOUSING CONFERENCE DRAWS 400

The 2015 Maine Housing Conference was staged against a backdrop of uncertainty once again. The housing industry collapse of 2008 showed signs of finally being behind us, but other factors, from the government to the economy, weighed on affordable housing developers, lenders, renters, and homebuyers.

The economy was finicky with market volatility the months before the conference. Congress still hadn't passed a budget; only continuing resolutions. The Federal Reserve Bank was on the fence about whether to raise interest rates (which happened in December), and the possibility of federal funding changes to affordable housing programs and services posed challenges.

With a theme of "Today's Vision, Tomorrow's Reality," MaineHousing and its partners discussed solutions to help people find an affordable place to live without waiting on others to present the answers to them.

The keynote speakers brought to the forefront issues of great importance. Country singer and foster child advocate Jimmy Wayne shared his inspirational story of being a foster child who

lived with numerous families before finding a home with neighbors. Most foster kids aren't so lucky because they age out of the system at 18 and are at risk of becoming homeless. States need to address this, he said.

Garth Rieman, director of housing advocacy and strategic initiatives at the National Council of State Housing Agencies in Washington, D.C., focused on what was happening in the nation's capital and how states can adjust.

The third keynote speaker, Dr. Lenard Kaye, director of the University of Maine Center on Aging, offered trends that are emerging in how seniors will want to live, and what services they'll need as they age, preferably at home.

Workshops on millennials and homeownership, navigation services for homeless individuals, and Section 8 housing filled the day.

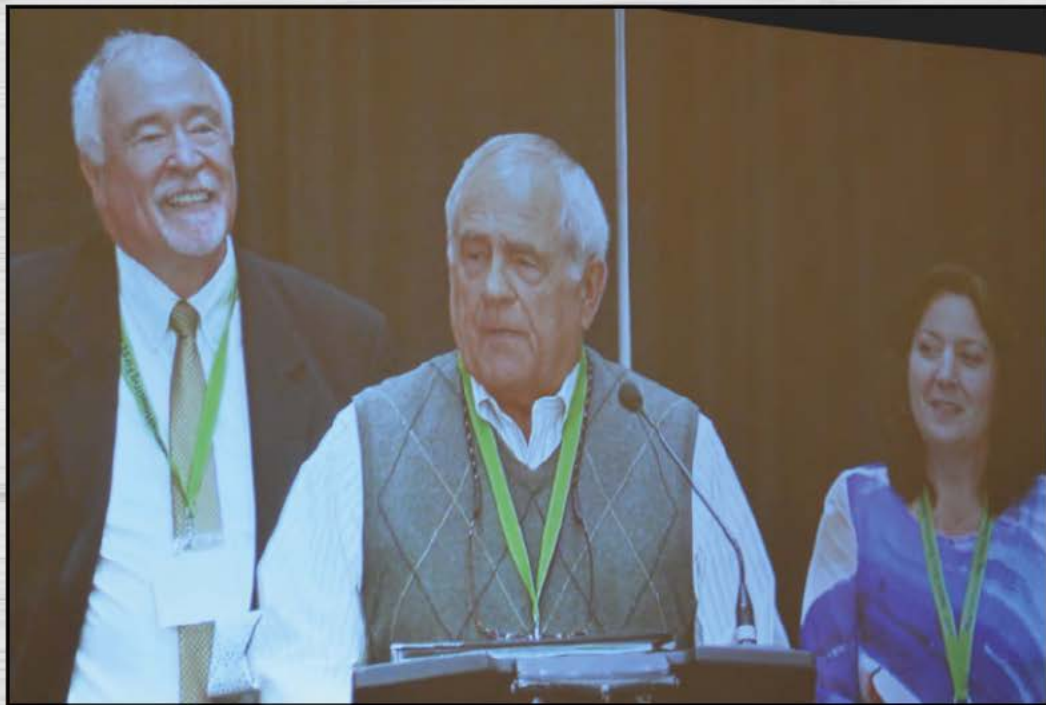


Garth Rieman of NCSHA and MaineHousing Deputy Director Margaret Bean.

QUOTE

John Gallagher
MaineHousing Director

"It sums up to me what you meant to me over the last couple of years ... You've been extremely encouraging and somebody who I've been able to go to and talk to. You're actually what I would call my moral compass."



Appearing on a big screen for the audience to see, MaineHousing Director John Gallagher (left) and Jennifer Giosia, director of Energy and Housing Services at Penquis Community Action Program and longtime partner of the late Stephen B. Mooers, listen as former York County Shelter Programs Director Don Gean accepts the Stephen B. Mooers Memorial Award for Lifetime Achievement at the 2015 Maine Affordable Housing Conference.

2015 STEPHEN B. MOOERS MEMORIAL AWARDS

It is a long-standing tradition at the Maine Affordable Housing Conference to honor an individual or organization who truly exemplifies MaineHousing's mission to assist Maine people in obtaining and maintaining quality affordable housing and services.

Award recipients not only help Mainers, but we look to them to teach us how to better serve those in need. They do so by their actions, words, creativity, ingenuity, and and compassion.

In 2015, MaineHousing formalized the name of its awards to memorialize an individual who spent more than 35 years in service to lower income individuals and families in eastern Maine – the Stephen B. Mooers Memorial Award. Mr. Mooers was chief executive officer for housing services at Penquis Community Action Program when he passed away in 2014. Attending the awards presentation was his longtime partner, Jennifer Giosia.

At the 2015 Maine Affordable Housing Conference, MaineHousing honored Bangor Savings Bank with the first Stephen B. Mooers Best Partner Award. Since 2010, Bangor

Savings made more than \$49.6 million in construction loans for multifamily development, and provided more than \$4 million in grants and loans as permanent financing.

Also, Bangor Savings is the number one lender of MaineHousing mortgages, with more than 20 percent of our First Home Loans every year since 2008. The financial institution has closed 1,066 loans totaling \$124.4 million.

The first Stephen B. Mooers Memorial Award for Lifetime Achievement was presented to Don Gean, the former executive director of York County Shelter Programs who retired in 2014.

During his 30-year tenure in homeless services, Mr. Gean served on the National Homeless Coalition and the Maine Alliance on Homelessness, and he led the effort to establish the Statewide Homeless Council.

Mr. Gean served seven years as a commissioner on MaineHousing's Board of Commissioners. He retired in 2014.

QUOTE

John Moore
Bangor Savings Bank

“Stephen [Mooers] and I used to ride along together to affordable housing meetings in Portland and Augusta. What we shared mostly is that this work is not an occupation but a vocation ... and that there’s something remarkable about our employers that we are able to work for that supports our vocations and our passion and energy to this work.”



MaineHousing Homeownership Department Director Craig Reynolds (left) shares a congratulatory moment with Nancy Harrison, John Moore, and Debra Abbondansa, vice presidents and regional mortgage development officers at Bangor Savings Bank, recipient of the Stephen B. Mooers Best Partner Award at the 2015 Maine Affordable Housing Conference in October 2015.

An orange geometric graphic on the left side of the slide, consisting of several overlapping, stylized shapes that resemble a jagged roofline or a series of nested triangles.

PROGRAMS

QUOTE

Craig Reynolds
Homeownership Director

"The First Home Loan program was able to achieve a significant increase in loan volume aided by the popular Advantage down payment and closing cost assistance option, and the ability to maintain consistently below market interest rates. It also benefitted from heightened partner and consumer awareness created by co-branding opportunities and a targeted marketing and social media campaign."

The graphic is a promotional image for the First Home Loan program. On the left, a white door is shown with a brass doorknob and a green house-shaped keychain hanging from it. To the right of the door is a lush green lawn with two wooden Adirondack chairs and a line of trees in the background. The text 'Opening the door to your future:' is at the top in a blue banner. Below this, the 'FIRST HOME LOAN' logo is displayed with 'MaineHousing' underneath. Large yellow text reads 'Get \$3,500' followed by 'towards down payment & closing costs' in smaller yellow text. Below that, 'Competitive interest rates' is written in yellow. Further down, 'YOU MAY BE ELIGIBLE!' is in yellow, and a yellow button with 'START HERE' is positioned below it. A small house icon with the text 'FIRST HOME LOAN' is in the bottom right corner.

Opening the door to your future:

FIRST HOME LOAN
MaineHousing

Get \$3,500
towards down payment & closing costs

Competitive interest rates

YOU MAY BE ELIGIBLE!

START HERE

"Opening the door to your future" is the theme of MaineHousing's First Home Loan marketing campaign. The door with a green key chain is a set design feature for our social media posts, and we change the pictures in response to seasons, holidays, or activities that a first time homebuyer would see inside or outside their new home. The Adirondack chairs were a hit with our audience, according to our analytics.

FIRST HOME LOAN PROGRAM HITS GOAL

A highly competitive mortgage marketplace driven by low interest rates makes it difficult for MaineHousing to fulfill its mission of helping first-time homebuyers achieve homeownership. After experiencing a decline in loan numbers over the last few years, the agency came up with a hook and a marketing campaign to draw people to the First Home Loan program.

MaineHousing set a goal to reach 750 First Home Loans in 2015, up from 482 the previous year. The goal was reached December 12.

One of the biggest hurdles to homeownership for first time homebuyers in the 25-34 age group is not having the savings to cover down payment and closing costs. MaineHousing revamped its Advantage program to offer \$3,500 towards those costs, something no other lender is offering, and markets this heavily.

To receive Advantage, homebuyers are required to attend a hoMEworks homebuyer education class. Our belief is that an educated homebuyer is a successful long-term homeowner.

The ongoing, multifaceted campaign was designed in partnership

with Burgess Advertising and Marketing of Portland. It included branding materials such as a new logo, motto, web page, predominance on the agency's new homepage, and a slogan. A green house is a key element that ties together the campaign. It is in our logo, pictured in our social media posts, and is part of the name we use to brand our 40-plus lenders -- Green Key Lenders.

The campaign is online with digital ads appearing on house-related pages and social media postings almost daily on six platforms. The click-through and view rates for our posts exceed national averages.

Limited funds means a reliance on "word of mouth" promotion, and in the social media world we co-brand with lenders by including them in bi-weekly posts that are shared beyond MaineHousing's platforms. Lenders and real estate professionals are adding testimonials to the campaign because of its effectiveness.



QUOTE

Amy MacDonald
Green Key Lender

"MaineHousing provides vital services to Mainers looking to purchase their first home, from the homebuyer ed class to the super-competitive interest rates and the \$3,500 Advantage program for down payment and closing costs."



MaineHousing features Green Key Lender Amy MacDonald and her support of the First Home Loan program in its social media posts. Ms. MacDonald's testimonial reaches her clients and MaineHousing's audiences through online cross promotion. Formerly of Mortgage Network Inc., one of MaineHousing's leading lenders, Ms. MacDonald now is at Fortin & MacDonald Real Estate.

HOMEOWNERSHIP PROMOTES PARTNERSHIPS



MaineHousing partners with more than 40 lenders who offer the First Home Loan mortgage that we in turn purchase from them. To recognize and promote their importance, MaineHousing gave them a name — Green Key Lenders — and includes them in the marketing campaign with social media posts. Two lenders are featured each week as a way to introduce first-time homebuyers to where they can go to get our First Home Loan — our lenders. These posts are among the most viewed.

QUOTE

Ethan Strimling
Mayor of Portland

"My hope is that you'll find nobody, but I know that's probably not the case, so I hope you find everybody. You will be saving lives by doing what you're doing tonight."



Mike Guthrie (right) and Norman Maze (left) lead a group looking for encampments near Forest Avenue on Wednesday evening during the annual Point In Time Survey. Guthrie's team found a few empty encampments where homeless people had been. "It's sad and it's discouraging," he said. (Copyrighted photo by Portland Press Herald Staff Photographer Gregory Rec. Reprinted with permission.)

REDUCING THE LENGTH OF STAY AT SHELTERS

In 2015, MaineHousing replaced its Homeless Programs Rule with a new Homeless Solutions Rule that better aligns resources and program requirements with current state and federal initiatives, plus offers incentives to shelters effectively preventing and ending homelessness.

In the last several years, the U.S. Department of Housing and Urban Development has introduced requirements and priorities that focus on an adequate geographic network of emergency housing, a rapid re-housing approach with support for stability and success in maintaining housing, and a system of performance measurements.

MaineHousing's new rule addresses federal requirements plus incorporates long-term stayer and Housing First models, linkages to achieving housing stability, and the use of supports and data for permanent housing prioritization. Plus, the new rule includes several state initiatives and pilot programs, including the Home to Stay Program, the Shelter System Change Program pilot, and Shelter System Change Incentive funds.

The Homeless Initiatives Department worked with partners and stakeholder groups throughout 2015 to seek input that would:

- Maintain emergency housing as an essential part of the community's safety net.
- Support and advance federal and state best practice models, goals and outcomes, including Maine's Plan to End and Prevent Homelessness.
- Focus resources to prevent and end homelessness for households as quickly and effectively as possible.
- Use data for all funding and policy decisions.

Another change is the new method of funding emergency shelters. The old formula was 15% even distribution for operations and 85% reimbursement based on an occupancy formula. The new model has three categories: operations (40%), stabilization (40%), and incentives and performance measures (20%).

QUOTE

Cathie Whitney
C&C Realty

“C & C Realty Management was honored to be selected to participate in MaineHousing’s Owner Excellence Program. We appreciate the forward thinking provided by this program. “It has saved time and effort and strengthened our communication with the agency.”



MaineHousing Director John Gallagher congratulates Cathie Whitney and Lisa Davies from C&C Realty and Tom Donahue from CEI Housing, Inc., on their induction into MaineHousing’s Owner Excellence Program in summer 2015. OEP honors property owners and managers who consistently meet or exceed Housing Choice Voucher program guidelines.

RECOGNIZING THE IMPORTANCE OF LANDLORDS

With an end-of-the-year goal to reach 3,800 leased tenants under the Section 8 Housing Choice Voucher (HCV) program, MaineHousing collaborated with landlords to keep their units affordable for households with very limited income and to maintain their units to Housing Quality Standards (HQS).

Landlords can face significant challenges, and MaineHousing recognizes how crucial their role is to the success of the Housing Choice Voucher program. New initiatives in 2015 recognized and rewarded landlords for their participation.

The Owner Excellence Program (OEP) honors property owners and managers who consistently meet or exceed program guidelines and Maine laws pertaining to rental housing. Benefits include self-certification of minor HQS fail items, exclusive inspection scheduling, paid membership to landlord associations, and an OEP seal on their MaineHousingSearch.org listings. At year's end, 32 landlords with 139 properties were in the program.

We are scheduling landlord outreach events throughout the state

where we discuss our new programs; give updates on HQS and inspections; bring in experts to talk about fair housing issues, conflict mediation solutions, and other topics; and to meet with vendors.

In addition, we designed a new owner information packet that we distribute to landlords.

Our intent is to better explain the HCV program to avoid misunderstandings around rules and inspections. In the works are plans to create a landlord advisory group, and launch a landlord repair grant program to assist landlords who are unable to make necessary repairs to pass an initial HQS inspection and allow a tenant to move in.



Certificates await property owners and managers joining MaineHousing's Owner Excellence Program in June 2015.

QUOTE

Jessica Frost FSS Graduate

"My husband and I enrolled in the Family Self-Sufficiency Program when we moved back to Maine in 2007. Over the last eight years we have been working on goals we came up with our advisor. With the help from the FSS program escrow, we will be able to meet some of our new goals! Here we come homeownership!"



Jessica Frost celebrates with her family after completing the Family Self-Sufficiency (FSS) Program through MaineHousing. Over five years, Ms. Frost worked on employment and educational goals with the hope of saving money in an FSS escrow account. Along the way, she no longer needed housing assistance and plans to purchase a home.

RESTART FAMILY SELF-SUFFICIENCY PROGRAM GETS A PUSH

To renew interest in the U.S. Department of Housing and Urban Development's Family Self-Sufficiency Program, the Housing Choice Voucher Department placed more interest in it, too.

New name. New look. Greater emphasis on helping people get off welfare. Program participants set up a five-year plan to achieve goals, save money, and get on a path to self-sufficiency, including saving money and finding a job.

HCV assigned a program coordinator to focus solely on improving client participation. Laurie Glidden, the new manager, made the program more attractive by including partners as advisors, and giving the program a new name and marketable look for online and printed materials.

To many who were asked, the name "family self-sufficiency" didn't bring to mind what the program actually offers clients – and that's a ReStart. Thus the new name – ReStart – and a new logo created by Burgess Advertising and Marketing in Portland, and the motto, "Push the ReStart Button!" The logo incorporates a person that resembles the start button on a computer.



Ms. Glidden also secured partners to help promote the program and offer services to clients. They represent state agencies and career centers, community colleges, education programs, social services, and local housing authorities with FSS programs.

MaineHousing collaborated with New Hampshire Housing Finance Authority to access its Find Financial Freedom website and online Virtual Goal Coach, which are money management and career tools that allow coaches and participants to work more effectively.

While this rejuvenation was taking place, MaineHousing congratulated two graduates who steadfastly worked towards achieving their goals while saving to become self sufficient. One graduate saved \$15,000 and another \$5,000 while in the program.

QUOTE

Bill Hodgkins
Wardtown Board Member

"I want to see us begin
to build a community where
we take pride in our homes
and in our relationships
with each other."



The resident-owners of Wardtown Mobile Home Cooperative in Freeport pose for a picture after completing the purchase of the property where their homes are located in May 2015. The residents formed a cooperative with a long-term assistance contract with Cooperative Development Institute of Massachusetts.

MOBILE HOME FINANCING PROGRAM TAKES OFF

Mobile homes can be a sustainable form of affordable housing for low- and moderate income families in rural and high-cost communities throughout Maine. Recognizing this, MaineHousing initiated an ongoing program to finance cooperative-owned mobile home parks.

In May 2015, MaineHousing used its Subsequent Loan Program to finance the Wardtown Mobile Home Cooperative in Freeport, a community that was organized with the assistance of the Cooperative Development Institute of Massachusetts. CDI helps various groups form and successfully operate co-ops, whether they are manufactured housing neighborhoods, food related, or others. The co-op signs a 10-year consulting agreement with CDI, which in turn helps them run membership meetings, oversee finances, and learn other skills to maintain successful ownership of the property.

Having CDI's commitment to act as an advisor for a minimum of 10 years is what we believe makes this a sound financial investment and ensures the preservation of affordable housing.

The 60 resident owners of Wardtown Mobile Home Cooperative now have a renewed sense of pride in their community. They own the land that their homes sit on. Infrastructure upgrades to spruce up the neighborhood were undertaken, and the co-op's board improved communication and added a strong effort towards maintaining safety and security for its neighbors.

"It is always very exciting to be involved in assisting people in gaining ownership of the land their homes sit on and preserving affordability into the future, and now the folks at Wardtown get to enjoy it, too," said Jane Sturk, MaineHousing portfolio loan originator.

According to Wardtown Board President Dale Whitmore, "This is the best outcome for all the residents of Wardtown. We have a lot to do, but it will be worth it."

A second mobile home cooperative on Maine's coast is to become part of the program in 2016.

QUOTE

Daniel Warren, graduate Property management class

"The class was a wonderful opportunity to learn about the field of property management. The skills I learned gave me the opportunity to get my foot in the door in this industry. I'm now employed with Spectrum Enterprises!"



Southern Maine Community College property management students Daniel Warren, Melissa Dowe, Sandra Warren, Stephanie Martin, Pam Magee, Jennifer Dick, Donna Neault, and Heidi Philbrook hold their course certificates. Another five students were unable to attend the graduation ceremony. (Southern Maine Community College photo).

PROPERTY MANAGEMENT COURSE OPENS DOORS

For many people entering the field of property management, professional experience or education outside of this sector would be considered relevant to gaining a job.

Managing an apartment complex or a number of properties can be a daunting task, and the idea of “knowing what you’re getting into” can make the first day and every day after that a lot easier.

MaineHousing’s Asset Management Department reached out to Southern Maine Community College (SMCC) in South Portland, and a course outline with five key focus areas was written and instructors with expertise in each area were brought on board. Components applicable to subsidized housing that are in addition to market-rate property management were covered.

The 10-week course, offered three hours a day twice a week, began in 2015 and concluded with a graduation ceremony and job fair for its 13 participants in early 2016.

The five program tracks are:

- Administrative: structures, documents, and procedures; ownership; and organization and administrative skills
- Occupancy and Legal: occupancy; lease, lease enforcement, house rules, and policies; evictions; and federal and state affordable housing programs
- Financial: operating budgets and financial reporting; rent collection; property financing and related elements
- Resident Satisfaction: tenant relations; achieving successful tenancies; resident services; and resident satisfaction
- Physical Plant: building maintenance; managing maintenance expenses; safety and habitability standards; and energy efficiency

QUOTE

Richard Taylor
Research Manager

"Fulfilling a goal is not the result of any single act but many.

"If we don't examine each act in terms of the goal we'll lose sight of that goal and fail.

"Performance measurement is the process of examination."



Printouts of performance matrices from MaineHousing's 13 departments hang on a wall outside the agency's administration offices. Each month the departments send the Communications and Planning Department its numbers, and graphs are created and displayed. This part of the building is known as the "Think Tank," and managers will gather to review the numbers to see if goals are being met.

PERFORMANCE MATRICES SHOW PROMISE

MaineHousing's Strategic Plan outlines four goals that the agency intends to reach within two years: improving the quality of housing; expanding the supply of affordable housing; helping people maintain housing stability; and, providing leadership in the housing field in Maine.

To achieve these objectives, each of MaineHousing's 13 departments regularly evaluates its programs through program-specific performance matrices.

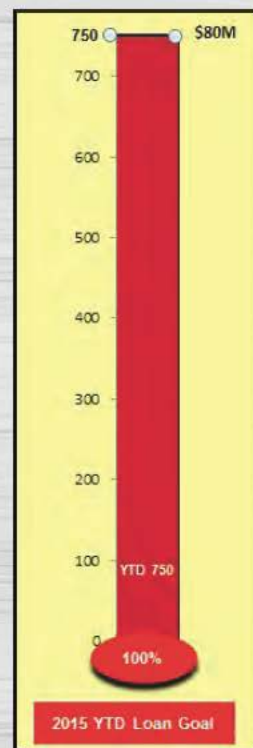
For example, the Development Department tracks the number of Low Income Housing Tax Credit projects that were completed each quarter, the number of units added to the marketplace (senior, family, supportive), and how projects are proceeding to construction.

The Homeownership Department reviews its numbers biweekly: new loan originations; number

of loans in the pipeline; number of mortgages purchased; interest rates of banks and mortgage companies; average loan amount; and other numbers. A thermometer (right) is used to track purchases in relation to the department's goal.

Our initial goal was to improve program quality and service to our customers. The numbers, however, when viewed in totality provide a picture of program successes, system hiccups, and whether the agency should revise our way of administering a program and improve it. Or, more importantly, whether the agency is missing a constituent base that needs help.

In addition to the matrices, MaineHousing surveys customers and partners for their views. Homeownership, Asset Management, Housing Choice Voucher, and our reception desk distribute customer service surveys. The feedback provides insight into how programs can be improved.



FRESH NEW LOOK



It's good to freshen-up our brand, especially when trends are changing and we want to attract more clients. MaineHousing worked with its partners at hoMEworks, a provider of online and classroom-based homebuyer education classes, to change its logo, and with SocialServe to freshen up MaineHousingSearch.org, a free online rental listing service, which we are promoting more to subsidized and market-rate landlords. Also, the Section 8 Housing Choice Voucher Program rejuvenated its Family Self-Sufficiency Program and now calls it ReStart. New marketing materials and a webpage were designed to promote it. All three offerings are featured on social media each month.



NUMBERS

2015 ACCOMPLISHMENTS



Development

Projects Completed

Total

8 projects; 373 units
\$158,515 average cost per unit

Family

2 projects; 86 units
\$211,707 average cost per unit

Senior

6 projects; 287 units
\$142,577 average cost per unit

Projects Granted Notice to Proceed

Total

12 projects; 616 units

Family

5 projects; 227 units

Senior

7 projects; 389 units



(From left) MaineHousing's Andrew Altmaier, Alison Dyer and John Gallagher celebrate the opening of River Landing with Jackie Wiegble of Northern New England Housing Investment Fund.

Projects Under Review or Construction

Family

15 projects; 814 units

Senior

20 projects; 776 units

Supportive

10 projects; 74 units

Affordable Housing TIF

8 approvals



36 new units in Topsham

2015 ACCOMPLISHMENTS

Energy & Housing Services

Common Home Program (January 1 - December 31)

103 projects
\$1,451,040
\$14,087 avg. project cost

Home Retro Program (Alpha One)

1 project; \$12,506

Lead Hazard Control Program

64 units abated
\$12,079 average cost

Weatherization (unduplicated, excluding CHIP/CTE)

419 households assisted
\$2,582,741 expenses



Mike Leonard of TWC records a Consumer Matters TV show on the Low-Income Home Energy Assistance Program with LIHEAP manager Kathy Kinch and show host Martha Currier of the Maine Attorney General's office.

Low Income Home Energy Assistance Program (LIHEAP) (October 1 - September 30)

37,368 households assisted
\$684 average benefit
\$25,557,615 funds paid out

Low Income Assistance Program (LIAP) (October 1 - September 30)

25,706 households assisted
\$8,203,548 expenses

Central Heating Improvement Program (CHIP)

1,241 households assisted
\$2,423,083 expenses



Before & After: An oil tank is replaced using CHIP assistance.

2015 ACCOMPLISHMENTS

Homeless Initiatives

42 shelters assisted
\$3,125,000 financial support

1,103 shelter beds
347,512 total bednights

Shelter Incentives Program (HOME Fund)

42 shelters; 4,550 clients
\$850,000 funding

Stability Through Engagement Program (STEP)

130 new households assisted
225 total households
\$4,007 average amount

Home to Stay Program

35 navigators trained
\$699,660



Homeless Initiatives Program Officer Scott Tibbitts talks about the January 2015 Point in Time Survey with Marci Clark and Rev. Sue Gabrielson (right) of the Maine Council of Churches, and Jerry DeWitt, a PIT volunteer coordinator.

Homeownership

First Home Loan Program

Total
750 mortgages
\$117,278 average mortgage
\$87.9 million

Mobile Home Self-insured
74; \$5.5 million

First Time Home Buyers
676 mortgages; \$80.9 million

Mobile Home Replacement
23 mortgages; \$1.4 million

Loans in pipeline
186

Mortgage Insurance

Federal Housing
Administration
105; \$13.1 million

Rural Economic &
Community Development
448; \$55.6 million

Self-insured
74; \$5.5 million

Uninsured
84; \$7.8 million

United Guaranty
8; \$1.4 million

Veterans Administration
31; \$4.2 million

Homebuyer Education

98 classes; 1,457 attendees
752 attendees online

2015 ACCOMPLISHMENTS

Loan Servicing

Single Family

Single family loan portfolio
10, 258 loans
\$792 million

Home improvement loan portfolio
213 loans; \$1.1 million

Delinquency rate
(60+ days)
8.43% single family loans
22.66% home improvement loans

Foreclosures
233 approved
92 prevented
\$26,763 average loss defaulted

REO disposals
\$27,641

Maine HOPE Program
20 households; \$68,000 benefits

Maine HAMP Program
7 households; \$131,147 benefits

Multifamily

Loan portfolio
1,073 loans; \$574 million

Delinquency rate
(60+ days): 0.03%

Subsidized Housing

Asset Management

805 properties
19,062 units in portfolio

Section 8 Administration

Administered on behalf of HUD
5,371 units
\$46,474,649 subsidy



Compliance Officer Paula Weber celebrates the completion of MaineHousing's 5-Year Consolidated Plan for HUD.

Administered on behalf of MaineHousing
2,660 units
\$21,498,600 subsidy

Housing Choice Vouchers

3,621 avg. households/month

\$24,797,471 subsidy
\$569 Housing Assistance
Payment (HAP) per voucher

ReStart: Family Self-Sufficiency Program

24 participants

2015 FINANCIAL STATEMENTS

Statement of Net Position

(in millions of dollars)

	2015	2014 (restated)	Total % Change
Cash and investments	\$356.0	\$333.1	6.9%
Mortgage and other notes receivable	1,216.9	1,178.1	3.3%
Other assets	29.3	30.4	(3.6%)
Total Assets	1,602.2	1,541.6	3.9%
Total Deferred Outflows of Resources	21.7	21.2	2.4%
Mortgage and other bonds payable	1,275.1	1,221.6	4.4%
Other Liabilities	39.5	34.4	14.8%
Total Liabilities	1,314.6	1,256.0	4.7%
Total Deferred Inflows of Resources	2.5	6.5	(61.5%)
Investment in capital assets	0.7	0.9	(22.2%)
Restricted	279.8	273.6	2.3%
Unrestricted	26.3	25.8	1.9%
Total Net Position	\$306.8	\$300.3	2.2%

Agency-wide Changes in Net Position

(in millions of dollars)

	2015	2014 (restated)
Revenues:		
Interest from mortgages and notes	\$58.9	\$60.0
Income from investments	3.5	3.8
Increase in fair value of investments	0.4	12.3
Grants and subsidies	143.3	147.3
Other	10.0	8.9
Total revenues	216.1	232.3
Expenses:		
Operating and other program expenses	25.9	24.2
Provision for losses on loans & foreclosed real estate	0.1	1.5
Interest expense	42.1	43.7
Grants and subsidies	141.5	150.6
Total expenses	209.6	220.0
Increase in net position	6.5	12.3
Net position at beginning of year	300.3	288.0
Net position at end of year	\$306.8	\$300.3

MAINEHOUSING INCREASES NET POSITION IN 2015

From MaineHousing's 2015 Audited Financial Statements, March 29, 2016

As a result of program operations and financing activities, MaineHousing's net position increased by \$6.5 million to \$306.8 million.

Debt retirements totaled \$311.2 million. The retirement and refunding of bonds contributed to a \$1.6 million reduction in interest expense, which offset a \$1.1 million decrease in interest income from mortgage loans and improved the net interest margin by \$0.5 million.

Single-family mortgage loan delinquency rates and loans in-foreclosure decreased significantly during 2015. The rate for loans 60 days or more delinquent decreased from 10.42% to 8.18%, while loans in foreclosure decreased by \$15.7 million or 34%.

Mortgage receivables increased by \$38.8 million. Single-family loan purchases amounted to \$87.7 million and increased by \$37.5 million or 75%. Multi-family loan originations totaled \$73.1 million and increased by \$59.6 million or 441%.

Total revenues from federal programs decreased by \$5.6 million or 4% to \$136.5 million due principally to lower income from the U.S. Department of Health and Human Services for the Low Income Home Energy Assistance Program (LIHEAP).

To view MaineHousing's complete financial statements, please scan the code or visit www.mainehousing.org

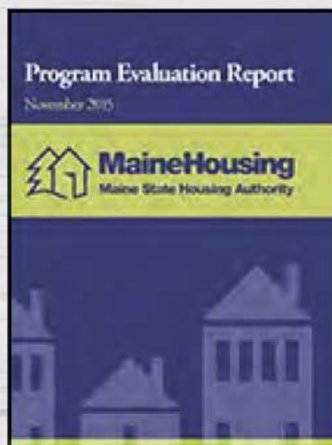


Please note: These pages are for illustrative purposes and are not intended to present a complete financial picture of MaineHousing. For more information, please refer to the audited financial statements.

ARTICLES AND REPORTS



MaineHousing Director John Gallagher discusses the availability of affordable housing for elder adults and the widening gap between the needs and wants of elders with limited financial resources in an article for the Maine Policy Review.



MaineHousing is required to present an evaluation of its programs to the Maine Legislature every seven years. The 2015 Program Evaluation Report was presented in the fall to the Joint Committee on Labor, Commerce, Research and Economic Development for its analysis and questions. MaineHousing was well received.



The Maine Affordable Housing Working Group was established by the Maine Legislature to review housing needs by Mainers and impediments to affordable housing. The group presented its findings in December 2015.

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MaineHousing

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