

MAINE STATE LEGISLATURE

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Maine Housing

Maine State Housing Authority

Memorandum

To: Senator Chris Rector, Chair
Representative Kerri Prescott, Chair
Members of the
Joint Standing Committee on Labor, Commerce, Research, and Economic Development

From: Peter Merrill, Director, Communications and Planning

Date: March 16, 2012

Subject: Report on the Maine Energy, Housing, and Economic Recovery Program

Attached please find a report on the status of the Maine Energy, Housing, and Economic Recovery Program. This report is required to be submitted to the committee annually. If you have any questions, please contact me at 626-4608 or pmerrill@mainehousing.org. Thank you for your interest.

The Maine Energy, Housing, and Economic Recovery Program

Annual Report by MaineHousing to the Joint Standing Committee on Labor, Commerce, Research, and Economic Development

Introduction

The Maine Energy, Housing, and Economic Recovery Program was created by the Legislature in 2009 to construct or substantially rehabilitate energy efficient affordable rental housing, to replace pre-1976 substandard manufactured housing units, and to create jobs.

The 124th Legislature responded to the dramatic increase in energy prices in 2008 by creating the Joint Select Committee on Maine's Energy Future. That Committee enacted an omnibus energy bill, the centerpiece of which was the creation of the Efficiency Maine Trust. That legislation included the Maine Energy, Housing, and Economic Recovery Program (often referred to as Part E). The law requires MaineHousing to report on the program each year by March 1st.

Uses

The Legislature directed MaineHousing to use the funds in the following proportions:

- At least 30% for multifamily affordable rental housing units serving seniors;
- At least 30% for multifamily affordable rental housing units serving persons of any age;
- At least 10% for multifamily affordable rental housing units serving populations with special needs; and
- At least 10% for the replacement of pre-1976 manufactured housing units.

Layered over that, MaineHousing was asked to use no more than 30% of the funds to provide for the needs of rural communities through flexible standards for development size and income eligibility. One of the key areas the Committee had in mind was the island communities.

Funding

The Legislature funded the program by authorizing MaineHousing to sell bonds in an amount of \$30,000,000 or more per year up with no more than \$200,000,000 outstanding at any one time. The bonds are repaid from the state's share of the Real Estate Transfer Tax. At the beginning of each state fiscal year MaineHousing will notify the state Treasurer of the amount needed to cover the payments and the Treasurer will deposit the money into a Fund account created by the Legislature. This unique arrangement was based on the TransCap program previously created by the Legislature to fund transportation programs.

These bonds are unlike any that MaineHousing has ever sold. Their unique nature meant that MaineHousing had to create a new bond resolution for them. A bond resolution is the legal contract

Allocation of Part E Funds - 2011 Report to the Maine State Legislature

Project Name	Project Location	Rural and/or Islands?	Construction Start Date	Part E Funds Allocated	Total Project Development Cost	Number of Affordable Units	Construction Jobs Created/Retained	Construction Wages	Cost of Building Materials
Projects Serving Seniors									
Ash Street Apartments	Lewiston		2/14/2011	\$518,055	\$8,875,000	32	404	\$2,087,764	\$3,371,288
Danforth on High	Portland		2012	\$2,794,989	\$5,849,323	34			
Stonecrest Manor	Standish		01/2012	\$2,068,667	\$4,050,000	25			
Goose River Apartments	Belfast		2012	\$2,384,586	\$4,700,000	24			
Emery School	Biddeford		8/11/2011	\$169,774	\$6,690,200	24	319	\$367,097	\$324,102
Chamberlain Place	Brewer		2012	\$3,145,000	\$5,352,000	32			
The Meadows	Fort Fairfield		2012	\$2,425,000	\$4,184,312	25			
Projects Serving Any Age									
Hillside Apartments	Vinalhaven	Yes	11/30/2010	\$150,000	\$1,267,000	6	49	\$285,000	\$285,100
Webster School	Auburn		12/13/2010	\$1,630,551	\$7,100,000	28	446	\$751,619	\$1,304,526
Oak Street Apartments	Portland		Mar-11	\$3,700,000	\$6,400,000	37	286	\$1,518,825	\$2,406,052
Rivershore Place	Auburn		2012	\$2,025,000	\$4,720,906	22			
105 Main Street	North Haven	Yes	9/22/2011	\$355,000	\$434,250	2			
Schoolhouse Road	Chebeague	Yes	2012	\$350,000	\$424,379	2			
Lofts at Bates Mill	Lewiston		1/20/2012	\$1,200,000	\$9,239,414	33			
Old Gilkey Road	Islesboro	Yes	Summer 2011	\$350,000	\$600,000	2			
Affordable Housing Rental Project	Isle Au Haut	Yes	2012	\$350,000	\$60,000	2			
Projects Serving Special Needs									
70 State Street	Augusta		2012	\$455,082	\$1,300,000	16			
76 Pier Street	Bangor		2012	\$669,050	\$669,050	4			
2-4 Pebble Lane	Sanford		Jul-05	\$450,000	\$460,000	5			
385 Cumberland Avenue	Portland		2012	\$888,783	\$1,126,502	8			
119 Saco Street	Westbrook		2012	\$267,300	\$267,300	2			
5 Colby Lane	Kennebunk		3/15/2011	\$295,000	\$395,894	3	26	\$80,000	\$52,200
97 Court Street	Bangor		2012	\$980,000	\$980,000	8			
Somerset Housing	Skowhegan		2012	\$283,253	\$566,506	4			
46 Garfield 28 Leavitt	Long Island	Yes	2012	\$350,000	\$695,850	2			
Luther St	Peaks Island	Yes	2012	\$350,000	\$542,163	2			
6 Mousam St	Sanford		2012	\$500,000	\$875,000	4			
179-185 Indiana Ave	Bangor		2012	\$1,800,000	\$2,283,000	24			
169 Holland St	Lewiston		2012	\$279,300	\$284,300	2			
82 Silver St	Waterville		2012	\$621,750	\$621,750	4			
Pine/Trafton St	Sanford		2013	\$292,038	\$584,076	4			
Projects Replacing manufactured homes									
Mobile Home Replacement Project	Statewide		Contract negotiations in progress	\$4,500,000	To be determined on a case by case basis. Leverage expected	50			
Total				\$36,598,178	\$81,598,175	472	1,530	\$5,090,305	\$7,743,269
Use of Part E Funds Summary									
	Total Funds	Percentage of funds							
Total for Senior Housing	\$13,506,071	36.9%							
Total for Any Age Housing	\$10,110,551	27.6%							
Total for Special Needs Housing	\$8,481,556	23.2%							
Total for Manufactured Housing replacement	\$4,500,000	12.3%							
Total Rural/Islands	\$1,905,000	5.2%							