



MaineHousing

Annual Report 2021



MaineHousing
26 Edison Drive, Augusta, Maine 04330
mainehousing.org

About MaineHousing

MaineHousing has helped Maine people own, rent, repair, and heat their homes since 1969. MaineHousing is an independent state authority created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. MaineHousing is a \$2.1 billion financial institution with a staff of over 180 people and is governed by a 10-member Board of Commissioners appointed by the Governor. MaineHousing assists more than 90,000 Maine households and invests more than \$300 million in the Maine economy annually.

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.

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Message from the Director

Daniel Brennan, Director



In 2021, MaineHousing broke records as we partnered with federal, state, and local government, as well as our colleagues in the non-profit and private sectors working to ease the impact of an ongoing COVID-19 pandemic.

During our second full year of responding to a public health crisis that has put incredible strain on the housing market, we have added an historic number of affordable housing units to our development pipeline – more than any year in the last 30.

At the same time, with the help of our community action partners, we distributed a record amount of financial aid to Maine people in the form of Emergency Rental Assistance, helping well over 17,000 households and close to 20,000 children in a program that was among the first in the nation to go live – distributing more than \$100 million of rent and utility payments in its first nine months.

Over the last year, we have also overcome a multitude of public policy challenges navigating a critical effort to keep more than 1,500 Maine people experiencing homelessness housed during one of the coldest winters in the last 10 years. We launched the first major component of a complete redesign of Maine's system for responding to homelessness that we are spearheading with many collaborators across the state and across the nation as we help lead the way towards ending homelessness as we know it.

We distributed record amounts of federal energy assistance, doubling the aid for those who receive a boost from our Home Energy Assistance Program and worked to streamline those payments to ensure that when winter came those most in need had the fuel they needed to stay warm. Those efforts gained praise from the Blaine House to the White House.

Our Energy and Housing Services Department helped thousands of Mainers update or repair their heating systems and provided the aid needed to button up hundreds of homes with our weatherization program, while also providing efficiency upgrades by installing heat pumps in nearly 1,000 households.

Despite an unrelenting real estate market that saw median home prices skyrocket and inventories shrink, another 725 families found their way home in 2021, thanks to the determined efforts of our homeownership team. These families are now building equity instead of paying rent and are on their way to that American Dream.

With sound management of our resources and strong support from both state and federal lawmakers, two different presidents, and Maine's governor, we exited 2021 on a solid financial footing, well poised to move forward with our mission in 2022.

As always, as you study our efforts from 2021 in the pages of this report, do so knowing we could not do it without the support of our many friends and partners.

Thanks to you, we continue our work to meet the housing needs and boost the financial well-being and quality of life for thousands of Mainers from Fort Kent to Kittery and all the places in between.



ReStart

Starting over by creating pathways to home ownership. A small program with a large impact.

When Jen Szandzik first joined MaineHousing's ReStart Program she didn't believe homeownership would ever be in her future.

"I was unemployed, my credit score was terrible," Szandzik said, "I had no money saved up for emergencies, and I had a car that was very unreliable. I can definitely say that my confidence in myself was at an extreme low."

ReStart is MaineHousing's program that helps families with housing vouchers become self-sufficient through coaching, financial management, and connections to educational and employment resources.

MaineHousing's ReStart Program is not our biggest program, but it has an outsized and positive impact on the people it helps, truly achieving the mission of family self-sufficiency. Equally important, it has empowered home ownership for many, who, like Szandzik, use the savings and financial acumen they gain from the program to purchase their first home.

Back to Szandzik's story:

"It is four years later and I am graduating from the ReStart program," she said. "I have a full-time job with a company I love, my credit score is amazing, I have money in my saving account, a reliable car for my family, and I am buying a house. The ReStart Program has helped me gain my confidence back and completely changed my life."

Through ReStart, Szandzik saved over \$18,000 by upgrading her work skills, increasing her earnings, saving money, and gaining the discipline and confidence to become fully financially independent. Meanwhile, her mortgage payment is \$200 less than what the payment on her former apartment was. Her daughter has a home her family will own and is seeing first-hand the results of sticking to a plan, underscoring the generational impact of first-time home ownership.

MaineHousing's ReStart team – a two-person, dynamic duo – truly empowers home ownership by helping their clients build real financial wherewithal. One-on-one counseling and mentorship by ReStart staff consistently boosts participants to full homeownership. In a word, ReStart Program coordinator Laurie Glidden said, "proud," is how she feels when a client can become a homeowner, especially in today's economy.

"Those I work with have been putting all they have into taking care of their families, going to school or advancing within their jobs, or both," Glidden said, "all while being at an income level that makes supporting a family difficult. They are doing all these things with the goal of reaching their dreams. When they get there I am so proud of them."



ReStart Continued

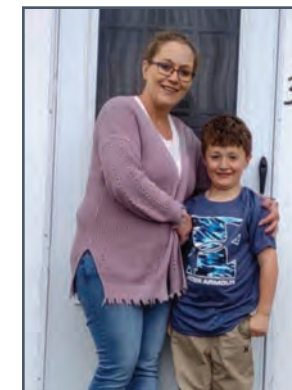
In 2021 Glidden and partner Brianna Martin, worked with 75 people. Their results are outstanding with 52 of their clients increasing their earnings by an average of \$16,626 – while their average personal savings climbed to more than \$2,000 a year and dependence on monthly Housing Assistance Program vouchers decreased by \$331 a month on average.

"I love connecting with each and every one of them on a personal level and building trust," Martin says of ReStart participants. "As a coach, I am asking these participants to share their life stories and future dreams with me and trust that the ReStart program can help guide them there. There is something so powerful when a participant has a meaningful moment such as landing a new job, or paying off a debt, or reaching a specific amount in their savings ..."

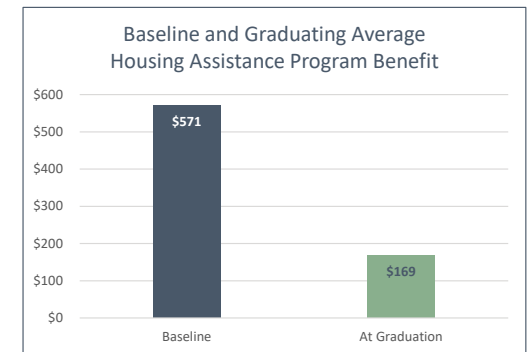
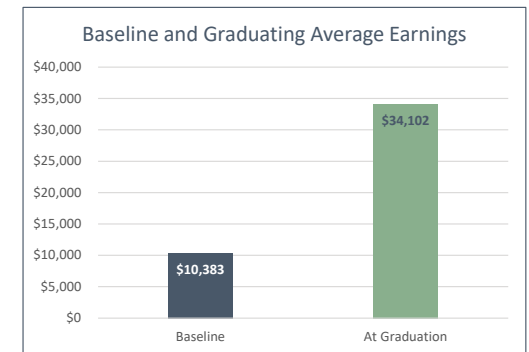
Nine 2021 graduates of the program collectively saved close to \$44,000 with 89 percent of the group also increasing their earnings and 100 percent of the group gained independence from the Housing Choice Voucher program. ReStart participants also saw their earnings triple by the time they graduated from the ReStart program.

Since 2018, six ReStart participants have achieved home ownership, all examples of how the program is empowering home ownership.

The program is essential in linking participants with key supports, resources and opportunities including ongoing education, community volunteer opportunities, and career and professional network building. Key partners include the State of Maine's departments of labor and education, the state's regional workforce boards, and the Maine Community College System.



"I was able to learn how to work on my credit and today have a credit score that is going to allow me to become a homeowner," said ReStart participant Casey Henderson. "If it wasn't for the ReStart program and Laurie, I would not be where I am today. The tools I was taught I will use for the rest of my life."



Moving to a Hybrid Workspace

2020 brought about a cataclysmic shift in nearly all aspects of our life, none more so than in our working environments in which many changes were instantly forced upon us. Two years later, MaineHousing has embraced this new reality and fully adopted many of those once instant changes into our employee handbook.

Planning For Change

2019 was a year of great celebration for MaineHousing. We observed our 50th anniversary and after nearly 30 years, we decided to stop leasing and purchase our own space.

Our newly acquired building was gutted and completely redesigned with our needs and staff size in mind. This move would take us to a much larger facility, but into smaller

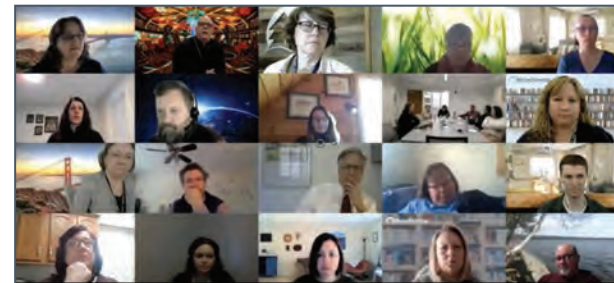
workspaces, with less overall storage space in a more open working environment.

Our move was set for May of 2020 and staff dove straight into the task of downsizing. It was a time of great change for the agency, but looking back now, knowing what was just around the corner, it was just the first of a series of large changes.

On March 16th, 2020, like every other organization in Maine, MaineHousing opened to a very different world. By the end of that week, nearly all staff had transitioned to remote working. During the early days of the pandemic, the agency adopted CDC recommendations for all workplace health protocols. A skeleton crew stayed in the physical building completing all needed in-person tasks, while the rest struggled to adapt to the new remote workplace.

In June of 2020, we moved to our new location and two things became clear: first, it was uncertain when staff would be returning to the office full time, and second, we needed to hire more staff. The CARES Act was about to send millions of dollars to Maine and we needed more personnel to help offset the already high workload.

Staff continued to work a mix of fully in-office, fully remote, and a hybrid of both, so workspace shortages never became a problem. Departments simply worked to make sure desks were available for employees on the days they were going to be in the office. New hires went through an initial orientation and then were offered the same choices for remote/in-office work, depending on their specific jobs. All through 2020 and 2021 management continued to listen to staff, adjusting policies when needed and learning on the go.



All Staff Virtual Meeting

Moving to a Hybrid Workspace Continued

Our new office space and work policies were instrumental in MaineHousing's selection last year as one of the Best Places to Work in Maine, a competition based on third-party employee surveys and measurements.



In late 2021, it became clear that we were no longer waiting for things to go back to normal, but that we were living within an unusual circumstance, and MaineHousing fully embraced that.

Shifting From Workplace to Workspace

As relief money from the CARES Act flowed into Maine, our staff began working at a higher capacity than ever before. Even with additional hires, employees were handling a record workload, yet targets were being met, and work was being completed. There was no compelling reason to move back to an all-in-person environment when our work could be done efficiently under our hybrid model.

MaineHousing had successfully shifted its perspective from building one workplace to fit all employees, to trusting individual staff members to build their own workspaces, however those may look and wherever they may be.

Moving Forward

For our organization, hybrid work is here to stay, and we are building our future around a new working environment, with new tools and technologies. This has affected our management, our training and our overall outlook on what an office can be. The combination of hybrid work – and a beautiful, bright new office where people actually want to be – has proved to be a winning one. Next time the world is hit with a change as big as COVID, we will be ready.



Emergency Rental Assistance Program

Delivering on a promise. \$100 million in rent relief in just nine months.

Like so many Mainers, Megan's life had been upended by COVID-19 as the pandemic dragged us into its second year. In 2021, Megan and thousands of others continued to desperately watch their losses mount.

"I lost my business so drastically and abruptly, all my savings, and at the same time so many of my support system of family and closest friends to COVID," Megan, wrote in a heartfelt letter of gratitude. "It debilitated me on so many levels, financially, but also emotionally, as it did so many others."

But as the pandemic dragged on MaineHousing was again asked to innovate, designing a program to ensure that federal aid could move rapidly to where it was needed most.

That urgency kept thousands of Maine kids, our vulnerable elders, and families who lost work and income because of pandemic restrictions safely housed.

"Keeping a roof over peoples' heads is critical, especially during the pandemic and during the cold winter months," Maine Gov. Janet Mills said. "I applaud MaineHousing and community action agencies across the state for getting these Federal relief funds out the door, faster than most states nationwide, to keep families in their homes and help landlords pay their mortgages."

Megan's heartfelt message, like dozens of others that came in during 2021, reminds us that numbers tell only part of a story.

"Having an organization like this to help me through, a team so kind and gracious, helping me not feel so alone and terrified through it, has been an extraordinary blessing," Megan wrote. "You distinctively ROSE TO THE OCCASION, when I needed help the most, and have made me feel like I'm not so ALONE in this."

Her message illustrates the deep emotional toll and stress that pandemic-related financial problems were having on Maine people.

MaineHousing's rapid response – our ERA program made its first payments in March of 2021 – put Maine at the front of the pack nationally. By the end of 2021 we had helped more than double the number of households we initially estimated would need our assistance. We never knew the demand would be so high.



Emergency Rental Assistance Program Continued

In another innovative approach, MaineHousing decided to use portions of the ERA relief funding to help two Maine non-profit legal organizations, Pine Tree Legal Assistance and Legal Services for the Elderly, deliver eviction prevention services with a focus on settling eviction complaints by assuring landlords they would be paid.

According to Pine Tree attorney Maureen Boston, of the 827 tenants that PTLA represented in 2021, they were able to prevent or delay eviction in 812 cases, a success rate of 98 percent.

"Emergency Rental Assistance payments to landlords and tenants have helped make that possible," Boston said. "Previously tenants who were struggling to pay rent had very few financial assistance options. ERA has opened the door to come to agreements where landlords get paid and tenants remain housed in a larger number of cases."

The rapid deployment of these funds not only helped keep the thousands of Mainers housed, it helped keep rental units from being foreclosed on and from falling into disrepair.

"This funding has been absolutely critical to housing stability in Maine throughout the pandemic," said Brit Vitalius, the president of the Southern Maine Landlords Association. "By supporting tenants and by extension, landlords, Maine families have been able to stay in their homes and landlords have continued to pay their mortgages and care for their properties."

Supporting this work, MaineHousing created an informative, in-house YouTube video that instructed viewers on the ERA program and on how they could get free legal help if they were facing eviction. In an unprecedented move, the Chief Justice of Maine's Supreme Judicial Court, the state's top court official, agreed to place a link to the video on the court system's evictions information page, where it remains today.

MaineHousing's staff used all lines of communication to serve Mainers looking for rental relief. One staffer, Sarah Johnson, fielded countless direct messages to the agency's Facebook page. Johnson would quickly answer questions from those worried about losing their housing to those confused about the application process and requirements. She served as a direct conduit between Mainers in need and those waiting to help. She frequently and quickly connected people with their local community action agency or tracked down lost or delayed rental relief applications. Johnson had multiple interactions with more than 156 individual applicants. Those conversations frequently ended the same way – a message of relief and a resounding thank you.

This work too remains ongoing. In March of 2021, when the American Rescue Plan Act was passed into law and President Biden touted, "Help is on the way," MaineHousing and our partners took those words seriously and delivered on that promise.



MaineHousing by the Numbers

MaineHousing by the Numbers Continued



Expand Affordable Housing Opportunities

725
First Home Loans

A First Home Loan is the most affordable way to buy a first home or return to home ownership

- › Total Amount of Loans: \$114 million
- › Average Unit Purchase Price: \$162,178
- › Average Loan Amount: \$157,175
- › Average Borrower Gross Income: \$58,226

524
New Multifamily Units Completed

MaineHousing encourages private development of affordable rental housing for families, seniors, and persons with special needs

- › Family Units: 168
- › Older Adult Units: 351
- › Supportive Housing Units: 5
- › Average Cost/Unit: \$198,898

773
Multifamily Units Financed & Under Construction



- › Family Units: 346
- › Older Adult Units: 395
- › Supportive Housing Units: 32



Help Maine People Attain Housing Stability

5,700
Homeless Clients Served

The Emergency Shelter & Housing Assistance Program (ESHAP) provides grants to agencies serving people who are homeless or at risk of becoming homeless

- › Shelters Funded: 36
- › Navigators Funded: 80
- › Financial Support: \$6.8 million

3,756
Average Monthly Voucher Households Served

MaineHousing administers 35% of Maine's "Section 8" housing vouchers

- › Subsidy: \$30.4 million
- › Average Housing Assistance Payment Per Voucher/Month: \$675

17
Recovery Residences

The Recovery Housing Program provides stable, temporary housing to low- or moderate-income persons in recovery from a substance use disorder

- › Beds: 129



MaineHousing by the Numbers

MaineHousing by the Numbers Continued



Improve & Preserve Housing Quality

33,029
Households Received Heating Assistance

The Home Energy Assistance Program (HEAP) helps qualified homeowners and renters pay for heating costs

- ▶ HEAP Households: 27,506
Average Benefit: \$801
- ▶ COVID Supplemental Households: 29,826
Average Benefit: \$713
- ▶ Emergency Fuel Assistance Households: 2,174
Average Benefit: \$280
- ▶ TANF HEAP Assistance Households: 7,102
Maximum Benefit: \$350

1,658
Central Heating Systems Repaired or Replaced

The Central Heating Improvement Program (CHIP) provides grants to repair or replace central heating systems that serve low-income households

- ▶ Expenses: \$5.1 million
- ▶ Average Project Cost: \$2,474



316
Households Weatherized

The Weatherization Program provides grants to low-income homeowners and renters to reduce energy costs by improving home energy efficiency

- ▶ Expenses: \$5.4 million
- ▶ Average Project Cost: \$9,497

20,050
Multifamily Units in Portfolio

The portfolio includes properties developed with MaineHousing financing, as well as properties monitored on behalf of HUD*

- ▶ Low Income Housing Tax Credit and Section 8: 10,327 units
- ▶ Section 8 Contract Administration: 8,026 units
- ▶ Supportive Housing: 1,813 units
- ▶ Additional MaineHousing-financed Affordable Housing: 3,569 units

*U.S. Department of Housing and Urban Development

278
Homes Repaired

The Home Accessibility and Repair Program provides help to low-income homeowners who cannot afford necessary home repairs

- ▶ Expenses: \$3.6 million
- ▶ Average Unit Project Cost: \$10,409

14
Households Helped with Mobile Home Replacement

The Mobile Home Replacement Initiative assists income eligible Maine Residents seeking to replace their pre-1976 mobile home with a new Energy Star certified manufactured home

- ▶ Expenses: \$1 million
- ▶ Average Cost: \$72,775



MaineHousing by the Numbers



Improve & Preserve Housing Quality

792
Households with Heat Pump Installed

The Heat Pump Program pays for the cost and installation of a heat pump for eligible Maine homeowners

- › Expenses: \$3 million
- › Average Project Cost: \$3,237

99
Units Abated of Lead

MaineHousing receives funding from State and Federal sources to help make homes and rental properties lead safe

- › Average Cost: \$34,936

58
Homes Abated of Arsenic

The Arsenic Abatement Program provides grants to eligible homeowners with private well water that shows evidence of high levels of arsenic contamination

- › Expenses: \$63,034
- › Average Project Cost: \$3,519

MaineHousing's COVID-19 Response



Emergency Rental Assistance (ERA)

\$105.6 million in benefits distributed to support eligible Mainers
16,580 households received a benefit
7,000 households with children / **3,000** households with older adults
Over **17,000** children and older adults



Emergency Shelter and Quarantine & Isolation

8 hotels / **107,408** bednights provided
\$14 million for lodging and operations
Presque Isle, Bangor, Waterville, Lewiston, Portland, South Portland, Scarborough



Homeless Shelters

\$3.4 million emergency operating funds
36 shelters / Statewide



Supplemental Home Energy Assistance Program (HEAP)

\$21.3 million in benefits
29,826 households received a benefit / **\$713** average benefit



Rapid Rehousing Grants

\$1.3 million utilized
Grants to **5** shelters to help homeless households secure permanent housing
Portland, Bangor, Knox County, Western ME



Homeless Diversion Program Grant

\$660,000 grant to provide staffing and client support to assist in the prevention of homelessness for households seeking shelter
25 shelters / **15** agencies



Financial Summary

As of and for the years ended December 31, 2021 and 2020

STATEMENT OF NET POSITION (in millions of dollars)

	2021	2020
Assets:		
Cash and investments	\$557.8	\$505.1
Mortgage and other notes receivable	1,410.5	1,459.7
Other assets	71.3	46.6
Total Assets	2,039.6	2,011.4
Total Deferred Outflows of Resources	13.9	22.1
Liabilities:		
Bonds and notes payable	1,571.6	1,600.7
Other liabilities	72.4	51.6
Total Liabilities	1,644.0	1,652.3
Total Deferred Inflows of Resources	3.2	1.0
Net Position:		
Investment in capital assets	2.7	2.8
Restricted	368.2	343.3
Unrestricted	35.4	34.1
Total Net Position	\$406.3	\$380.2

Financial Summary Continued

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in millions of dollars)

	2021	2020
Revenues:		
Interest from mortgages and notes	\$60.1	\$62.5
Income from investments	1.2	2.3
Net (decrease) increase in the fair value of investments	(1.0)	(0.2)
Grants and subsidies	364.7	217.0
All other revenue	13.6	11.3
Total Revenues	438.6	292.9
Expenses:		
Operating and program administrative expenses	26.5	26.9
Provision for losses on loans and foreclosed real estate	0.0	0.1
Interest expense	42.1	45.7
Grants and subsidies	343.9	209.1
Total Expenses	412.5	281.8
Increase in net position	26.1	11.1
Net Position at beginning of year	380.2	369.1
Net Position at end of year	\$406.3	\$380.2

Note: This page is for illustrative purposes and is not intended to present a complete financial picture of MaineHousing.
For more information, please refer to the audited financial statements.



Financial Highlights

- » MaineHousing's net position increased by \$26.1 million to \$406.3 million as a result of program operations and financing activities. The net position of the proprietary funds, which present MaineHousing's business-type activities, increased \$5.7 million while the net position of governmental activities increased \$20.4 million.
- » Low market mortgage rates contributed to a record high volume of single-family loan prepayments, which increased by \$47.3 million or 42.8% and totaled \$157.8 million in 2021. Prepayment activity coupled with a lower volume of new loan purchases contributed to a \$73.6 million decrease in the single-family loan portfolio and a \$2.4 million reduction in interest revenues.
- » Multifamily loan originations increased by \$15.1 million or 37% and totaled \$55.7 million in 2021. Income from financing fees increased by \$1.2 million as a result of the higher volume.
- » Bond retirements totaled \$250.1 million. The retirement and refunding of bonds lowered average interest rates on outstanding bonds and contributed to a \$3.7 million or 8.1% reduction in interest expense, which offset a \$3.5 million decrease in interest income from mortgage loans and investments.
- » Total revenues from governmental activities increased by \$148.9 million or 65.9% to \$374.8 million as a result of a significant amount of federal program funds provided in response to the COVID-19 pandemic. MaineHousing administered a number of different pandemic relief programs for the State of Maine and received a total of \$171.1 million in 2021. Fee income for the administration of programs increased by \$1.6 million as a result of the additional COVID-19 programs that were administered in 2021.



“MaineHousing’s net position increased by \$26.1 million to \$406.3 million as a result of program operations and financing activities.”



2021 Board of Commissioners



Lincoln J. Merrill, Jr., Chair



Henry Beck (ex-officio)



Daniel Brennan (ex-officio)



Laura Buxbaum



Nancy Harrison



Brian Hubbell



Kevin Joseph



Bonita Usher



John Wasileski

Message from the 2022 Board Chair

Frank O'Hara, Chair



Dear Friends,

Housing has never been more important in Maine: to young people starting a first job; to those experiencing homelessness looking for stability; to seniors seeking a smaller home; to employers wanting to expand their workforce; or people with substance use or mental health problems needing a residence with supportive services included.

At the same time, housing has never been less affordable in Maine. Never. The crisis is everywhere.

During these pandemic times, MaineHousing is stepping up. In the last year, we've built more apartments, sheltered more homeless, helped more people pay for skyrocketing heating costs, and helped more people pay their rent and utilities than ever before. Our financing and development teams have helped add and preserve more affordable apartment units than during any period over the last 30 years.

Next year, we plan to do even more, but to meet this challenge, we need partners. We need municipalities, non-profit agencies, social service agencies, builders, banks, realtors, and churches to all pitch in. Our housing crunch is a statewide problem. We need all hands on deck.

If you're reading this report, you are already, or are potentially, one of our partners. Together, we can meet this challenge and ensure Maine people have safe, warm, and affordable homes for generations to come.

Frank O'Hara was named Board Chair and confirmed in February of 2022. He replaced Lincoln Merrill whose term on the Board expired.





Maine State Housing Authority (“MaineHousing”) does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances:

Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

