

## **Appendix G**

### **Five Year Strategic Plan**

## **Five Year Strategic Plan 2010 – 2014**

### **Affordable Housing**

This strategic plan identifies how MaineHousing will utilize its various resources to meet the housing needs of Maine citizens during the next five years. Geographic priorities are specific to each housing program offered and limited according to funding source restrictions and identified needs.

Income eligible citizens, Community Housing Development Organizations, and housing developers may apply for grants or loans from anywhere in Maine. The rental and supportive housing development programs are offered statewide, although the scoring process favors projects in service center communities and near public transportation. Home repair, lead paint hazard reduction, weatherization, and energy assistance services are delivered statewide through Community Action Agencies under contract with MaineHousing. The Tenant Based Rental Assistance Program is geographically targeted. The focus is on rapidly re-housing people who are homeless and referred by a shelter in one of six counties where the program is offered.

MaineHousing distributes funds with a balance among the agency board's priorities and a resource allocation process that reviews housing needs among priority groups, e.g., people who are homeless. Resources are maximized to the extent possible. For example, some Low Income Housing Tax Credits are distributed with HOME funds through Community Housing Development Organizations (CHDOs).

### **Public Housing**

MaineHousing collaborates with local public housing agencies coordinating the use of housing vouchers. Public Housing Authority development projects are funded through MaineHousing's rental housing development programs. MaineHousing will continue to actively apply for new Section 8 vouchers. Rental subsidies will be supported through the combining of tax credits, bond capacity, HOME, and the Housing Opportunities for Maine (HOME) Fund (real estate transfer tax) where appropriate. MaineHousing is also the statewide Public Housing Authority (PHA). It also administers a Section 8 Homeownership Program the Family Self-Sufficiency Program. Section 8 vouchers may be project based depending on the need for housing for tenants transitioning from homeless shelters, including domestic violence into permanent housing. MaineHousing PHA Plan needs are based on the statements of needs of families on its waiting lists and on the needs identified in the Consolidated Plan's Housing Needs Assessment. MaineHousing is willing to provide assistance to troubled public housing agencies so that they may have their troubled designation removed. MaineHousing will work with HUD and provide the troubled public housing agency technical assistance including the administration of vouchers for them if needed.

### **Homelessness**

MaineHousing provides financing to emergency shelters. Funding sources include the HUD Emergency Shelter Grant/Emergency Shelter Grant and state funds from the Real Estate Transfer Tax, and the State General Fund. Support is also provided for transitional or subsidized housing. Rental assistance is provided to people who are homeless and working on self-sufficiency through

the Tenant Based Rental Assistance Rental Assistance Program. MaineHousing also provides assistance to stabilize and rapidly re-house people who are at risk of being homeless. The Homeless Prevention and Rapid Re-Housing Program (HPRP) supported those activities.

HUD McKinney-Vento funding supports three Continuum of Care service provider groups in Maine. They consist of the City of Portland, Greater Penobscot, and Maine Balance of State Continuums of Care. The Maine Balance of State Continuum is coordinated by MaineHousing. The Balance of State Continuum of Care plan is provided as an appendix to this Consolidated Plan. The Housing Needs Assessment and Housing Market Analysis included in this Consolidated Plan provide information concerning the reasons for homelessness in Maine and appropriate responses that are being implemented.

### **Lead Based Paint**

MaineHousing estimates that there are 63,480 low-income households with lead-based paint in Maine. MaineHousing and the Maine Department of Health and Human Services (DHHS) Center for Disease Control and Prevention are coordinating efforts to remove this danger from Maine homes and protect Maine children. The DHHS Center for Disease Control and Prevention program provides lead-based paint education and outreach.

MaineHousing's program provides a grant to applicants with incomes at or below 80% of the area median income. Families with children under age 6 who test positive for elevated lead levels in their blood are eligible for priority funding. MaineHousing will combine HUD Lead Paint Hazard Reduction Grant funds with other resources to make 280 Maine homes lead safe during the next five years.

### **Supportive Housing**

MaineHousing Supportive Housing Programs (SHP) provide reduced interest rate debt financing and subsidy funds to eligible nonprofit developers to create affordable housing for low and very low-income persons with special needs. Financing may be used to purchase, purchase and rehab, or construct facilities such as transitional housing, group homes, emergency shelters, and supported or independent apartments.

The programs typically offer financing through two program options:

- Homeless Housing Requests for Proposals (RFP), which are issued periodically and offer subsidy and debt funding on a competitive basis for the creation of housing units for persons who are homeless.
- Supportive Housing Program for non-homeless persons, which is periodically allocated funds and offers subsidy and debt funding on a walk-in basis (applicants must meet a minimum threshold score).

MaineHousing is providing subsidy funding from the federal Neighborhood Stabilization Program. These subsidy funds are allocated to the development of supportive housing for homeless persons and for persons with special needs. The funds are initially set aside for:

- the development of permanent housing on foreclosed upon properties in targeted communities for individuals and/or families who are homeless, and

- the development of permanent housing on foreclosed upon properties in targeted communities for individuals and/or families who have special needs and require supportive services to help maintain residency.

MaineHousing also provides funding for a new development for women who are homeless. Florence House in Portland is designed to serve up to 50 women in different types of settings – an emergency shelter, a transitional setting, and 25 efficiency apartments.

MaineHousing also produces housing that responds to specific needs. The 30 units in Iris Park Apartments in Portland, for instance, are designed especially to serve people who are blind. It is one of only two such apartment developments in the country. MaineHousing also provides funds to Alpha One to make homes accessible for people with disabilities throughout the state.

In the following table, we have ranked the priority need for each of the housing population groups:

PRIORITY	
HIGH	VLI Existing Home Owners
HIGH	VLI Renters
HIGH	Homeless Persons and Families
HIGH	VLI Persons with Special Needs
HIGH	First-time Homebuyers
MEDIUM	LI Renters
MEDIUM	Non-homeless Persons with Special Needs
MEDIUM	Low Income Owners
LOW	Large Related Renter Households

The total HOME resource allocation by MaineHousing during the five-year plan will serve the following housing populations:

OBJECTIVES / PRIORITY NEEDS	PRIORITY NEED LEVEL	# NEW HOUSEHOLDS SERVED	GEOGRAPHIC TARGETING/COM MENTS
Deep Rental Subsidy  VLI LI	HIGH  MEDIUM	600  200	Non-entitlement areas
Rehab Assistance for Home Owners  VLI LI	HIGH  HIGH	200  500	No restrictions for HOME
Rehab of Investor Owned Structures  VLI LI MI	HIGH  HIGH LOW	300  300 200	No restrictions for HOME
Ownership Opportunities  LI MI	HIGH  HIGH	3,000  3,000	No restrictions
Increase Supply of Housing	HIGH	750	Areas where documented need exists for additional units
Special Needs Housing	HIGH	125	No restrictions
Maintain Response for Persons and Families that are Homeless	HIGH	35,000	No restrictions

Develop a continuum of long-term, independent, affordable housing options.	HIGH	included in figures above	No restrictions
Maintain the homebuyer education training program	HIGH	10,000	Use of HUD dollars through hoMEworks education providers
Lead Paint Repair	HIGH	450	Restricted to non-entitlement areas
Replacement of Substandard homes	HIGH	100	No restrictions with rural priority

**Housing Development Objectives:** The following describes the statewide strategies used to meet the priorities identified above.

**Deep Rental Subsidy (High Priority):** MaineHousing (MH) will continue to work our public and private sector development partners to increase the number of deep rental subsidies. MH will actively apply for new Section 8 Voucher programs and work to more efficiently use its existing resources. Working with our partners, we will focus development in the areas of greatest need. Along with agency funds, MH will use a combination of tax credits, bond capacity, HOME, and the state HOME Fund, where appropriate.

**Rehabilitation Assistance for Homeowners (High Priority):** MH will continue its home repair program. The program is providing more financial options for the varied income strapped homeowners. Homeowners are provided services by Community Action Agencies under contract with MaineHousing. MH will also continue to support the program with funds for lead paint hazards. Community Action Agencies will continue to utilize the resources of the MaineHousing's Weatherization program to make basic energy related repairs. Resources for this program may include HOME dollars, the state HOME Fund, the U.S. Department of Energy, U.S. Department of Health and Human Services, CDBG, and MaineHousing's bonding capacity. MH is exploring a more coordinated approach between home repair and home weatherization.

**Rehabilitation of Investor Owned Structures (High to Low Priority):** The need to slow disinvestment in the state of Maine is driven by three factors: the poor quality of housing, the poor quality of some housing markets, and a preservation program to keep existing subsidized housing from going "to market". Using the same products outlined in the deep rental subsidy program, MH will continue to supplement these with resources to serve smaller unit projects. These will include use of the state HOME Fund, MH bond capacity, and when available, Rural Development funds. In defined community projects, CDBG funds will also be available.

MH will also seek ways to expand owner occupied rental housing ownership beyond the existing entitlement communities. Restricted by IRS rules, MSHA will seek other funding sources to underwrite the interest buydown and purchase plus improvement options. Other options may

include further subsidies to maintain the low-income rental units and the use of tenant based rental assistance to assist tenant re-location (or subsidy), where the debt structure makes it impossible to maintain the lower rents. HOME funds will continue to support the Tenant Based Rental Assistance Program.

**Homeowner Opportunities (High Priority):** Homeownership remains as one of the primary services that MaineHousing and Rural Development deliver in Maine. Flexible underwriting standards need to be balanced with the abilities of very low-income residents to absorb the responsibility of owning a home. Maine will continue to invest in homeownership training and education programs to assist potential buyers and educate the public on the importance of affordable housing development (and appropriate zoning standards).

**Increasing Housing Supply (High Priority):** Maine will continue adding rental housing to the areas most needing it. An important activity will be the targeting of tax credit dollars to areas of need. Affordable Housing Tax Increment Financing will also be utilized to increase the supply of single-family homes and multi-family housing.

MH will work with other funding agencies to provide replacement homes for mobile homes in worst condition and for other homes requiring rehabilitation far in excess of program funding limits for them to meet housing quality standards.

**Special Need Housing (High to Medium Priority):** The housing needs of special population groups exceed the supply available for the different groups. There also continues to be limitations on the amount of service dollars to provide supportive programs. The creation of special needs housing requires communication and coordination among many agencies.

People with mental illness They require the greatest innovation of housing approaches and connection to services of all the special need populations. Persons with mental illness, substance abuse problems, or a combination of both, make up approximately half of the population in homeless shelters. Others are living on the streets or in independent living situations where a group home or transitional housing environment with services would be preferable. MaineHousing will continue to combine the following resources to serve this population group:

- McKinney money
- General Obligation Bonds
- 501c-3 Bonds
- state HOME Fund dollars
- federal HOME dollars through the CHDO process
- Department of Health and Human Services (DHHS)
- State Bridging Rental Assistance Program (BRAP)
- Section 8

MaineHousing will continue to work with for-profit and non-profit developers to create housing. MH will also coordinate with DHHS to provide the necessary services and housing supports through their regional delivery network.

The development of housing to serve the elderly will continue as a long-term need as Maine's population ages. Housing developed will be done along a housing continuum extending from seniors living independently to living in assisted living situations, and living in nursing care facilities as necessary. MH will continue to encourage new and innovative strategies for low-income households including:

- Helping seniors through home improvements including elderly hardship grants
- The creation of assisted living units through a variety of resources, including:
- Tax credits
- Taxable and tax-exempt bond sources
- The use of real estate transfer tax funds
- Encouraging applications to the 202 program, where appropriate
- The creation of traditional senior citizen housing
- The provision of services within existing senior housing to permit aging in place

MaineHousing will continue to work with the DECD, Maine DHHS, USDA Rural Development, and the Area Agencies on Aging to further develop senior housing options.

People with physical disabilities will be eligible for housing and services as described above, depending on the given situation. MH grant and loan funds can be used to make improvements to homes in which the persons with physical disabilities live as long as HOME program requirements are met. DECD also provides funding for disability related home rehabilitation needs. Non-federal sources of funding for disability related home rehabilitation will be utilized when available.

Persons who are homeless housing alternatives will continue to be developed through Maine's statewide Continuum of Care. Their needs are substantial with transitional housing being one of the most difficult issues. Resources will be made available to create permanent housing for the working poor. MH's supportive housing program and McKinney funds will be used to create specific types of transitional housing as funding sources permit. Transitional and permanent housing will continue to be developed for those groups needing on-going services. Tenant Based Rental Assistance and a security deposit program are two methods utilized by MH to assist the homeless.