Building Opportunity through Quality Affordable Housing

MaineHousing
Federal Funds Report
2018

MaineHousing
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www.mainehousing.org
For more information, contact
Peter Merrill, Deputy Director
207-626-4608
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.
Congressional Support for Quality Affordable Housing in Maine

Total 2018 Federal Housing Investment

$360.5 million

$160 million in Home Purchase
$69 million in Rental Housing Development
$30.3 million in Energy Assistance
$0.6 million in Home Improvement
$97.1 million in Rental Assistance
$3.3 million in Homeless Assistance
Second Congressional District
$175,953,325 in Federal Funds
34,550 Households Served
21 Homeless Shelters Assisted

First Congressional District
$184,604,999 in Federal Funds
19,266 Households Served
16 Homeless Shelters Assisted
How MaineHousing Uses Federal Resources

(2018 federal funding in italics)

Priority: Expand Affordable Housing Opportunities

Home Purchase

Tax Exempt Bonds
($160,002,989)

The sale of tax exempt bonds provides the funding for the purchase of mortgage loans that have been originated and closed by the network of lender partners who offer our First Home Loan program to first-time homebuyers. The mortgage payments made on these loans are the source of revenue used to pay a majority share of MaineHousing’s annual operating expenses. In 2018, 1,189 Maine households utilized the First Home Loan program to purchase their first home.

Rental Housing Development

Low Income Housing Tax Credits, HOME Partnership, and Housing Trust Fund
(Constructed: $14,699,998; Financed: $54,344,953)

Low Income Housing Tax Credits, the HOME Partnership, and the Housing Trust Fund are our primary sources of funding for new affordable rental housing. MaineHousing uses a competitive scoring process to allocate tax credits among proposed housing developments to ensure the housing is serving areas with the greatest needs. In 2018, these funding sources provided over $14 million for the construction of 186 units, and $54 million for the financing of 842 units.
Energy Assistance

Central Heating Improvement Program (HEAP)  
($2,664,868)  
The Central Heating Improvement Program (CHIP) provides grants for home heating systems repair and replacement. In 2018, MaineHousing improved heating in 1,542 households.

Home Energy Assistance Program (HEAP)  
($25,270,123 for fuel assistance for the 2017-2018 heating season)  
MaineHousing uses HEAP funds to provide heating assistance to low-income households, including emergency funds for lower-income households experiencing an energy emergency. In 2017-2018, MaineHousing assisted 37,369 homes with their energy expenses.

Weatherization Assistance Program  
($2,406,974)  
In Federal Fiscal Year (FFY) 2017, MaineHousing received a waiver to invest 25% of the HEAP grant in weatherization to make homes of low-income residents more energy efficient. The increase will be applied through March 31, 2019. MaineHousing usually combines HEAP Weatherization with Department of Energy Weatherization Assistance Program funds in order to do a more complete and effective weatherization of a home. In FFY 2018, MaineHousing helped 542 homes become more energy efficient.

Home Improvement

Lead Hazard Reduction Demonstration Program  
($630,889)  
The program provides forgivable loans to landlords and grants to single-family households in an effort to make pre-1978 homes of lower-income households in Maine lead safe. Priority is given to households with a child under the age of six or in which a child has been identified as having an elevated blood level due to lead exposure. In 2018, MaineHousing remediated lead problems in 66 Maine homes.
Priority: Help Maine People Attain Housing Stability

Rental Assistance

Section 8 Project Based Rental Assistance
($71,322,256)
This rental assistance is committed to properties that were developed during the 1970s and early 1980s before the housing program was terminated by Congress. Apartment projects MaineHousing financed remain as affordable housing for low-income seniors and families who pay no more than 30% of their adjusted income for rent while living in these properties. In 2018, MaineHousing administered rental assistance to 8,030 renter households statewide.

Section 8 Voucher Program
($25,785,416)
Rental Assistance is provided to individuals and families who can use the assistance in any privately owned apartment that meets HUD quality inspection standards and where the owner agrees to sign a Housing Assistance Contract with MaineHousing. A percentage of the vouchers are targeted to serve specific populations, such as veterans, people who are homeless, or households who participate in a program helping them become self-sufficient. In some instances, vouchers can be used to help finance a home mortgage. In 2018, MaineHousing provided 3,553 renters with vouchers.

Homeless Assistance

Funding Emergency Shelters and Navigators
($1,512,055)
MaineHousing allocates these funds to Maine’s network of 37 emergency homeless shelters statewide. Shelters use these funds for operating expenses, as well as housing relocation and stabilization services in order to rapidly re-house and stabilize individuals and families who are living in shelters and on the streets across Maine. This funding also supports 62 Housing Navigators employed by the shelters to conduct comprehensive assessments of clients, create housing stability plans, assist with housing search and placement, and follow clients beyond shelter to ensure housing stability. In 2018, MaineHousing provided funds to 37 shelters.

Stability through Engagement Program (STEP)
($1,250,575 in Federal HOME Funds and McKinney-Vento Grant Funds)
MaineHousing allocates housing vouchers to households experiencing homelessness for up to 24 months. The vouchers are allocated directly to Maine’s 37 Emergency Shelter and Housing Assistance Program (ESG) shelters. In 2018, MaineHousing provided funding to assist 108 households through FedHOME Funds and an additional 80 households whose STEP was funded through Continuum of Care (CoC) Tenant Based Rental Assistance (TBRA) funds.

Continuum of Care (CoC) Grant
($322,340 in McKinney-Vento Grant Funding)
This funding is used by MaineHousing to provide support for the operation and improvement of the Continuum, such as organizing and submitting the annual Notice of Funding Availability (NOFA) application; compliance with HUD reporting; clerical support for the Continuum, CoC Board, and committee meetings; and monitoring the Continuum and Emergency Solutions Grant (ESG). All of these activities benefit the agencies and programs that make up the Continuum and other programs that are able to provide a variety of housing services for those who have experienced homelessness in Maine. In 2018, a total of 11 agencies, including MaineHousing, received McKinney-Vento funds that supported 24 transitional housing beds, 79 rapid rehousing beds, 98 facility-based permanent supportive housing beds, and 1,240 Shelter Plus Care beds.

Homeless Management Information System (HMIS) Grant
($344,888)
The Maine CoC designated MaineHousing as the State’s HMIS lead. MaineHousing receives the funds from the HMIS Grant to fund the application used to collect data required by HUD. In 2018, HMIS funds were used to record data on people sheltered through Rapid Rehousing, Permanent Housing, Permanent Supportive Housing, and Veterans Affairs Supportive Housing (VASH) programs. Data was also recorded for people participating in Street Outreach, Runaway and Homeless Youth, and Veterans’ programs.
# Housing Demographics for Maine

## Maine People in Need

<table>
<thead>
<tr>
<th></th>
<th>1st District</th>
<th>2nd District</th>
<th>Maine</th>
<th>2nd District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owners</td>
<td>Renters</td>
<td>Owners</td>
<td>Renters</td>
</tr>
<tr>
<td>&lt;= 30% Area Median Income (AMI)</td>
<td>15,347</td>
<td>19,978</td>
<td>15,994</td>
<td>17,267</td>
</tr>
<tr>
<td>&gt; 30% to &lt;= 50% AMI</td>
<td>18,540</td>
<td>13,736</td>
<td>19,157</td>
<td>13,438</td>
</tr>
<tr>
<td>&gt; 50% to &lt;= 80% AMI</td>
<td>27,786</td>
<td>15,984</td>
<td>30,567</td>
<td>15,116</td>
</tr>
<tr>
<td>&gt; 80% to &lt;= 100% AMI</td>
<td>14,275</td>
<td>7,097</td>
<td>19,010</td>
<td>6,961</td>
</tr>
<tr>
<td>&gt; 100% AMI</td>
<td>130,592</td>
<td>33,210</td>
<td>112,249</td>
<td>20,066</td>
</tr>
<tr>
<td>Total</td>
<td>206,540</td>
<td>90,005</td>
<td>196,977</td>
<td>72,848</td>
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</tbody>
</table>

Source: Claritas Current Year Household Income

## Housing, Affordability Varies by Region

<table>
<thead>
<tr>
<th></th>
<th>1st District*</th>
<th>2nd District*</th>
<th>Maine*</th>
<th>United States**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Home Price</td>
<td>$268,000</td>
<td>$150,000</td>
<td>$212,500</td>
<td>$193,500 (value)</td>
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<tr>
<td>Median Household Income</td>
<td>$65,293</td>
<td>$48,290</td>
<td>$56,987</td>
<td>$60,336</td>
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<tr>
<td>Income Needed to Afford</td>
<td>$80,374</td>
<td>$46,046</td>
<td>$64,367</td>
<td>$56,332</td>
</tr>
<tr>
<td>Median Home Price*</td>
<td>61%</td>
<td>48%</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>Households Unable to Afford</td>
<td>61%</td>
<td>48%</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>Average 2-Bedroom Rent</td>
<td>$1,048</td>
<td>$940</td>
<td>$998</td>
<td>$982 (median gross)(^1)</td>
</tr>
<tr>
<td>Renter Households Unable to Afford Average 2-Bedroom Rent</td>
<td>53%</td>
<td>62%</td>
<td>57%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Source: *2018 MaineHousing Facts, **National Association of Realtors*, 2017 American Community Survey (5 Year Estimates), Tables DP-03, DP-04, B-25118

\(^1\)Median gross rent is the median contract rent, plus the average monthly cost of utilities.
Improving Incomes, Rising Home Prices and Rent

Both Congressional Districts have seen an 18% increase in rent prices over the ten year period. The state has seen a similar increase of 19%.

In median incomes, there is a considerable difference between the two Congressional Districts and Statewide. District 2 has improved median incomes at a rate of 17% in contrast to District 1 at 23% and a statewide increase of 20%.

District 2 has lagged behind District 1 and the State in terms of median home prices, only a 25% increase. Inventories and demand are the least there in contrast to the District 1 counties of Cumberland and York where prices have increased 50% over ten years.

- Median home prices have outpaced growth in median household incomes in both Congressional Districts and across Maine. The increases have been particularly steep in the First District, pushing the statewide increase to 25%, slightly higher than the Second District increase of 24%.
- Median incomes have increased at a relatively equal rate in both Districts and subsequently statewide.
- In District 2, both increases in median home prices and average rents have outpaced income.

Sources: The home price data in these charts is derived from the Maine Real Estate Information System (MREIS). Income data is from Claritas. The rental data comes from MaineHousing’s quarterly survey of rental costs and data received from MaineHousingSearch.org.
<table>
<thead>
<tr>
<th>Program Area</th>
<th>Federal Funding Source(s)</th>
<th>CD 1</th>
<th>CD 2</th>
<th>Maine</th>
<th>Income Eligibility Limit²</th>
</tr>
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<tbody>
<tr>
<td><strong>Home Purchase and Education/Counseling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>First Time Homebuyers</td>
<td>Tax-Exempt Housing Bonds</td>
<td>528</td>
<td>661</td>
<td>1,189</td>
<td>$160,002,989</td>
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<td><strong>Rental Housing Development</strong></td>
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<tr>
<td>Tax Credit Units Completed</td>
<td>Low Income Housing Tax Credits and HOME Partnership Grant</td>
<td>186</td>
<td>0</td>
<td>186</td>
<td>$14,699,998</td>
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<td>Tax Credit Units Financed/Under Construction</td>
<td>Low Income Housing Tax Credits and HOME Partnership Grant</td>
<td>506</td>
<td>336</td>
<td>842</td>
<td>$54,344,953</td>
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<td><strong>Energy Assistance</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>CHIP (Central Heating Improvement Program)</td>
<td>Home Energy Assistance Program (HEAP) Funds</td>
<td>494</td>
<td>1,048</td>
<td>1,542</td>
<td>$1,913,243</td>
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<td>Fuel Assistance¹</td>
<td>Home Energy Assistance Program (HEAP) Funds</td>
<td>10,728</td>
<td>26,641</td>
<td>37,369</td>
<td>$19,393,583</td>
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<td>Home Weatherization</td>
<td>Department of Energy (HEAP and Weatherization Assistance Program (WAP))</td>
<td>210</td>
<td>332</td>
<td>542</td>
<td>$2,406,974</td>
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<td><strong>Home Improvement</strong></td>
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<tr>
<td>Lead Hazard Reduction Demonstration Project</td>
<td>HUD Lead Hazard Reduction Demonstration Grant 2016 - 2019</td>
<td>22</td>
<td>44</td>
<td>66</td>
<td>$630,889</td>
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<tr>
<td><strong>Rental Assistance</strong></td>
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<td></td>
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<tr>
<td>Section 8 Rental Units</td>
<td>Section 8 Project-Based Assistance</td>
<td>4,717</td>
<td>3,313</td>
<td>8,030</td>
<td>$28,243,261</td>
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<td>Section 8 Vouchers</td>
<td>Section 8 Housing Choice Vouchers</td>
<td>1,586</td>
<td>1,967</td>
<td>3,553</td>
<td>$13,106,292</td>
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<tr>
<td><strong>Homeless Assistance</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Funding Emergency Shelters &amp; Navigators</td>
<td>Emergency Solutions Grant</td>
<td>16</td>
<td>21</td>
<td>37</td>
<td>$510,255</td>
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<td>Stability Through Engagement Program (STEP)</td>
<td>Federal HOME Grant and McKinney-Vento Grant Funds</td>
<td>192</td>
<td>136</td>
<td>328</td>
<td>$449,424</td>
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<td>Homeless Programs &amp; Projects</td>
<td>Continuum of Care Grant</td>
<td>73</td>
<td>51</td>
<td>1</td>
<td>$119,656</td>
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<td>Homeless Management Information System (HMIS)</td>
<td>HMIS Grant</td>
<td>16</td>
<td>21</td>
<td>1</td>
<td>$172,444</td>
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</tbody>
</table>

¹Data is for the FFY2018 Heating Season (10/2017 - 9/2018) Fuel Assistance.

²Program eligibility depends on household size and other criteria, as well as income. Program eligibility details available at www.mainehousing.org. AMI is Area Median Income.
Economic Impact of the Low Income Housing Tax Credit Program 2015-2018

Second Congressional District
1,082 Jobs
$30.8 Million in Wages and Salaries
$106.1 Million in Total Economic Output
$60.8 Million in GDP

First Congressional District
2,432 Jobs
$86 Million in Wages and Salaries
$284.4 Million in Total Economic Output
$167.1 Million in GDP
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