

FUNDING SOURCES FOR AFFORDABLE HOUSING IN HANCOCK COUNTY, MAINE



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SOURCES OF MATCHING FUNDS FOR HOUSING DEVELOPMENT OR REHABILITATION PROJECTS.

2014-2015

Introduction

This brochure serves as a short summary of various funding sources for affordable housing. Normally, multiple funding sources are needed to make a project viable. For more information contact Tom Martin at the Hancock County Planning Commission (207-667-7131 or tmartin@hpcme.org). Also, visit the agency web site at: <http://www.hpcme.org/comdev.html> *Please note that program rules are subject to change. Contact Tom Martin for the latest information.*

I. WASHINGTON HANCOCK COMMUNITY AGENCY

Telephone: (207-610-5957)

Website: <http://www.whcacap.org/> **email:** housing@whcacap.org

Postal address: 248 Bucksport Road, Ellsworth, ME 04605

Agency Purpose:

Washington Hancock Community Agency (WHCA) is a community action agency dedicated to fighting poverty and helping low-income people in Down East Maine. It offers a wide range of services including heating assistance, transportation, weatherization, small business assistance, tax preparation and more. WHCA brings community resources together to help people in Washington County and Hancock County achieve self-sufficiency and a better quality of life. It provides the following housing services:

1. Maine Whole Home Program

The Maine Whole Home Program helps income-eligible homeowners seeking grant funds to repair health and safety issues in the home as well as septic repair or full replacement loans. The Whole Home Program provides home repair grants, elderly hardship grants (must be 62 years or older), deferred forgivable loans and 1% Septic loans to income eligible homeowners. To be eligible you must own and live in the home that will be repaired or renovated

Eligible Repairs:

- Well and septic systems
- Heating and electrical system repairs
- Roof and chimney repairs
- Structural repairs
- Repair or replacement of windows and doors
- Repair or replacement of siding
- Handicap accessibility improvements
- Other health and safety repairs

Grants and loan amounts vary based upon your needs, the program you qualify for and available funding. Depending on your location, family size, and income you may qualify for a loan or grant.

2. Weatherization Program

Weatherization Program funds are used to install energy saving measures in LIHEAP (Low Income Heating and Energy Assistance Program) eligible homes to conserve energy and heating costs. A qualified Home Energy Auditor assesses a home's energy use and loss, heating system efficiency and air quality. Once the home has been assessed and found eligible it is put on a priority list. Homes are weatherized from the list until funding is depleted each year. Weatherization improvements may include insulation, air sealing, moisture controls, and health and safety measures. The energy auditor's findings will determine which measures are needed.

Eligibility:

- Client must have a current LIHEAP fuel application and live in the home.
- Priority is given to households with senior citizens (over 60), children under two years of age, or a person with a disability that makes them hypothermia- vulnerable.
- Priority is also given to households with the highest fuel consumption

3. Central Heating Improvement Program

The Central Heating Improvement Program (CHIP) is an emergency program for eligible home owners that repairs or replaces malfunctioning or condemned heating systems.

CHIP funds are only used to repair or replace dangerous, malfunctioning or non-working heating systems. You must be LIHEAP eligible and own the home to be eligible. Up to \$4,000 in repair or replacement costs are allowed for:

- Heating system evaluations
- Burner retrofit
- Furnace repairs, replacement, and conversions
- Chimney repair or replacements.

II. MAINE STATE HOUSING AUTHORITY

Telephone: 1-800-452-4668

Website: <http://www.mainehousing.org/>

Agency Purpose:

MaineHousing is an independent state agency that bridges public and private housing finance, combining them to benefit Maine's low and moderate-income people. MaineHousing brings millions of new private and federal housing funds to Maine annually to create safe, affordable, and warm housing. The mission of the Maine State Housing Authority is to assist Maine people to obtain and maintain decent, safe, affordable housing and services suitable to their unique housing needs. In carrying out this mission, MaineHousing will provide leadership, maximize resources, and promote partnerships to develop and implement sound housing policy.

MaineHousing offers several programs to encourage private development of affordable rental housing for families, seniors and persons with special needs. Low income housing tax credits, development loans, direct development subsidies, affordable housing tax increment financing, and options to restructure debt are available. Developers are required to ensure that housing developed with MaineHousing financing remains affordable. It provides the following programs:

Low Income Housing Tax Credit Program

The Low Income Housing Tax Credits are a federal resource that MaineHousing allocates in Maine. The credits are allocated to developers, who sell (syndicate) them to corporate investors. Money raised from the sale is used as equity in the developer's rental housing

project. For more information, see: <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/LIHTC>

Rental Loan Program

The Rental Loan Program (RLP) provides long-term mortgage financing at attractive interest rates for development of affordable rental housing. The RLP may be used for acquisition, acquisition and rehab, or new construction of apartment buildings of five or more units; developers must reserve a portion of the units for lower income renters. For more information, see <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/RentalLoan>

Supportive Housing Programs

The Supportive Housing Programs (SHP) provide reduced interest rate debt financing and subsidy funds to eligible nonprofit developers to create housing for low- and very low- income persons with special needs. For more information, see: <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/SupportiveHousing> .

Revolving Loan for Acquisition Program

The Revolving Loan for Acquisition Program provides loans up to \$300,000 to assist developers in the acquisition of land or land and buildings for the development of affordable housing projects. Eligible projects include those that qualify and have applied (or will apply) to the tax credit financing programs, and projects that will create supportive housing units for people with special needs. The loan term is 24 months, and repayment is deferred until the project's permanent loan closing or the end of the term. For more information, see: <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/RevolvingLoan>

Affordable Housing Tax Increment Financing

The Affordable Housing Tax Increment Financing (AHTIF) Program enables communities to dedicate the incremental tax revenues from new affordable housing development to help make the housing affordable or to pay for related costs. For details, see: <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/TaxIncrement>

Loan Modification Program

The Loan Modification Program offers owners of MaineHousing financed multi-family properties the opportunity to restructure MaineHousing debt by modifying interest rates, extending loan terms, or both. Loan modifications generally lower debt service payments in return for extended project affordability. For program details, see:

<http://www.mainehousing.org/programs-services/housing-development/developmentdetails/SubsequentLoan>

Subsequent Loan Program

The Subsequent Loan Program provides additional financing to owners of existing MaineHousing financed properties for such things as unanticipated operating shortfalls, capital improvements and creation of new units. For details, see <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/SubsequentLoan>

Contract Administration Loan Program

The MaineHousing Contract Administration Loan Program ensures the preservation of affordability by permitting eligible owners of Section 8 properties with a project-based Housing Assistance Payments contract. See: <http://www.mainehousing.org/programs-services/housing-development/developmentdetails/contract-administration-loan-program>

Multifamily Home Energy Loan Program

This program provides low interest loans for multifamily housing improvements that increase energy efficiency and conservation of resources, thereby preserving the quality of housing for Maine residents and reducing property operating expenses. Property owners who make improvements identified in an energy audit may reduce energy consumption by 15% to 20% annually. See: www.mainehousing.org/programs-services/housing-development/developmentdetails/MHELP

III. USDA HOUSING LOANS AND GRANTS

Telephone: 207-990-3676

Website: <http://www.rurdev.usda.gov/me>

Agency Purpose:

Rural Development is a division of the United States Department of Agriculture comprised of the [utilities programs](#), [business-cooperative programs](#), and the [housing programs](#). These three program areas provide a variety of financial services to communities and individuals in the state of Maine.

The agency's goal is to work with other federal, state, and local groups to enhance the quality of life in rural Maine. It provides financing for many different programs that benefit the citizens of rural Maine. Multi-family housing programs provide apartments

for families and senior citizens. Hundreds of families have become homeowners, most for the first time.

Single Family Housing programs include:

1. Single Family Direct Home Loans

Also known as the Section 502 Direct Loan Program, this program assists low- and very low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income. For program details, see: <http://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans/me-0>

2. Single Family Guaranteed Home Loans

Also known as the Section 502 Guaranteed Loan Program, this program assists low and moderate income applicants obtain decent, safe and sanitary single family housing in eligible rural areas by providing a guarantee to approved lenders allowing them to offer a lower interest rate and no down payment to increase an applicant's ability to own a home. For program details, see: <http://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>

3. Single Family Housing Repair Loans and Grants

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

Multi-Family Housing Loans:

This program provides competitive financing for affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas. This program assists qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants. Qualified applicants include:

- Individuals, trusts, associations, partnerships, limited partnerships, nonprofit organizations, for-profit corporations and consumer cooperatives.
- Most state and local governmental entities.
- Federally-recognized Tribes

IV. HANCOCK COUNTY HABITAT FOR HUMANITY

Telephone: 207-667-8484, 207- 667-3082

Website: <http://www.hancockcountyhabitat.org/>

Postal address: P.O. Box 343, Ellsworth, ME 04605

Agency purpose:

Hancock County Habitat for Humanity is a locally run affiliate of [Habitat for Humanity International](#), a non-profit, ecumenical Christian housing organization. Habitat for Humanity works in partnership with people in need to build and renovate decent, affordable housing. The houses are sold to those in need at no profit and with no interest charged.

V. OFFICE OF COMMUNITY DEVELOPMENT

Telephone: 207-624-7484

Website: www.meocd.org

Agency Purpose:

The Maine Office of Community Development (OCD) is a division of the Department of Economic and Community Development (DECD). OCD administers the HUD funded Community Development Block Grant (CDBG) Program. Hancock County Planning Commission serves as the designated technical assistance provider for CDBG programs in the HCPC service area. For details on application and match requirements, contact Tom Martin at the HCPC.

Housing Programs include:

1. Housing Assistance Grants:

The Housing Assistance Grant Program (HA) funds programs that address the housing problems of low and moderate-income (LMI) persons. Eligible activities are those directly related to assisting or creating residential housing units including Acquisition, Code Enforcement, Conversion of Non-Residential Structures, Demolition, Historic Preservation, Housing Rehabilitation, New Housing Construction as allowed by HUD regulations, Relocation Assistance, and Removal of Architectural Barriers. Multi-jurisdictional applications with more than 3 communities will not be accepted.

Maximum grant award: \$500,000.

2. Public Infrastructure Category 2:

Provides funding for infrastructure in support of new LMI affordable fully financed housing.

Maximum Grant Award: \$500,000