

National Housing Trust Fund Allocation Plan

State of Maine

Plan Year 2016

Prepared by

Maine State Housing Authority

June 2016

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Introduction

The National Housing Trust Fund (HTF), funded with a percentage of overall GSE business from Fannie Mae and Freddie Mac during calendar year 2015, will provide the State of Maine with a formula allocation of \$3 million in 2016 to create housing affordable to extremely low income (30% or less of Area Median Income) households for a minimum of 30 years. MaineHousing will administer these funds for the State of Maine. Although HTF regulations allow funds to be used for both homeownership and rental housing, Maine will limit the use of these funds to affordable rental housing due to high demand for rental housing affordable to extremely low income households. The majority of HTF resources will be distributed through a specific Request for Proposals process; any remaining funds may be requested through MaineHousing's Rental Loan Program. The 2017 Qualified Allocation Plan for LIHTC awards a point for applicants who agree to accept an HTF allocation.

This HTF Allocation Plan describes how MaineHousing intends to distribute the HTF funds, including how the HTF funds will be used to address the State of Maine's priority housing needs. The HTF Allocation Plan also describes what activities may be undertaken with HTF funds and how recipients and projects will be selected.

This Plan was developed with input from our partners, stakeholders, and low income households solicited during a consultation period as well as a public comment period, and finalized through a public hearing process.

Expected Resources

The FY 2016 HTF Allocation Amount is \$3,000,000, of that \$2,700,000 is for direct investment in unit production. HUD regulations allow MaineHousing to use up to ten percent (\$300,000) of the state allocation for reasonable costs to administer the HTF.

Eligible Recipients

MaineHousing will distribute HTF funds via a competitive process that will allow for the following eligible recipients:

- Not-for-profit organizations
- Municipalities
- Tribal Housing Authorities
- Public housing authorities

Individuals are not eligible to receive direct assistance from the HTF.

The State does not intend to use subgrantees in the 2016 funding cycle.

Eligible Applications

MaineHousing will distribute HTF funds by selecting applications that are submitted by eligible recipients. MaineHousing will issue a Request for Proposals to eligible applicants that will assign scoring based upon a combination of the required selection criteria located at §91.320[k][5] and selection criteria adopted by MaineHousing. The selection criteria will be included in the Request for Proposals and will include all of the following (listed in order of highest priority to lesser priority):

1) *Applicant's ability to undertake eligible activities in a timely manner*

Applicants will be evaluated on their development capacity; their experience with public sector housing development programs; and their track-record for developing projects successfully within a reasonable time-frame.

2) *Degree to which applicants will expand the number of adaptable and accessible units in the State.*

Applicants will be evaluated on the number of newly accessible or adaptable units which will be created as a result of the applicant's development proposal.

3) *The extent to which the application makes use of non-federal funding sources*

Applicants will be evaluated on the quantity, quality and timeliness of leveraged non-federal funding (other than market rate loans and other MaineHousing resources) that will be committed to the proposed project.

4) *Priority based upon geographic diversity*

MaineHousing will regard the entire State of Maine as the eligible area for purposes of the HTF.

Applicants will receive additional scoring points for projects that will be developed in census tracts that have been designated as high opportunity areas as set forth in MaineHousing's 2017 Qualified Allocation Plan.

5) *Applicants ability to obligate HTF funds*

Applicants will be evaluated on project readiness, including items like local approvals, architectural plans and site control.

6) *The merits of the application in meeting the State's priority housing needs*

All applications will be required to address one or more of the following Consolidated Plan priorities: Improve Housing Quality, Expand the Supply of Affordable Housing, and/or Help Maine People Attain Housing Stability

7) *For rental housing, the duration of the units' affordability period*

MaineHousing will require that affordability be for the 30 year term required by the HTF. The affordability requirements will be outlined in a deed covenant that will be recorded in the applicable registry of deeds.

8) *For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families.*

MaineHousing will make Section 8 Housing Choice Vouchers available on a "project-based" basis for eligible units funded with HTF.

Applicants will receive addition scoring points for projects that include project based vouchers from other Housing Authorities.

Eligible Activities

MaineHousing will require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in §93.200. MaineHousing will define an eligible activity as meeting one of the following definitions:

- Acquisition and rehabilitation of existing housing units
- Adaptive re-use of existing buildings or new construction of rental housing units
-

Recipient Application Requirements

MaineHousing will require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements. The certification will be included in the application package for the HTF Request for Proposals.

Performance Goals and Benchmarks

MaineHousing anticipates committing funds to 15 to 20 housing units within twelve months of receiving an award of the funds from HUD; the units will be completed within two years of commitment.

Maximum Per- Unit Development Subsidy Amount

The HTF cost limits are aligned with Maine's HOME program limits and are based on unit type

Unit Type	Unit Maximum Subsidy Amount
Efficiency/Studio	\$137,361.60
1 Bedroom	\$157,466.40
2 Bedroom	\$191,476.80
3 Bedroom	\$247,708.80
4 Bedroom	\$271,908.00

MaineHousing will award additional scoring points to projects that spend less than the maximum subsidy amount of HTF per unit.

:

Rehabilitation Standards

MaineHousing will utilize the 2014 MaineHousing Quality Standards and Procedures Manual (attached and located on the MaineHousing website) to ensure that the rehabilitation standards located at §93.301[b] are met for all housing units rehabilitated with HTF funds. The MaineHousing standards meet all of the standards at §93.301[b] with the exception of the following, which will be added to the Request for Proposals guide distributed to applicants:

- Standards must require an estimate (based on age and condition) of the remaining useful life of the major building systems upon project completion. Major systems include: structural support, and roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

- For multifamily housing with 26 or more total units, the useful life of systems must be determined through a capital needs assessment that determines the work to be performed and identifies the long-term physical needs of the project.
- If the remaining useful life of one or more major system is less than the applicable period of affordability, the standards must require the grantee to ensure that a replacement reserve is established and that adequate monthly payments are made to repair or replace the systems as needed.

Resale and/or Recapture Provisions

MaineHousing does not intend to use HTF funds to assist first-time homebuyers. This section is not applicable.

HTF Affordable Homeownership Limits

MaineHousing does not intend to use HTF funds to assist first-time homebuyers. This section is not applicable.

State Limited Beneficiaries or Preferences

MaineHousing does not intend to limit beneficiaries and/or give preferences to any segments of the extremely low income population. MaineHousing intends to design the HTF Request for Proposals to enable applicants to target housing for special needs and/or homeless populations or other subpopulations. However, MaineHousing will not require that applicants serve selected sub-populations. Nor will the Request for Proposals include any selection criteria that would serve to prioritize any selected sub-populations.

MaineHousing will require that all units that receive financial assistance from the HTF be affordable to households with incomes at or below 30% of the Area Median Income. This affordability restriction will be outlined in deed covenants that will remain in place for 30 years from the date that the HTF funds are disbursed. This affordability restriction will not be contingent upon any outstanding HTF funding.

Refinancing of Existing Debt

Not applicable. Maine will not use HTF funds for refinancing of existing debt.

Grantee Certifications

MaineHousing will attach all required certifications identified at §91.225 for purposes of the HTF.

Required Forms

MaineHousing will attach the following:

Standard Form 424 – Application for Federal Assistance

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Attachments

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Substantial Amendment to the State of Maine Consolidated Plan

Program Years 2015 - 2019

And

The State of Maine's 2016 Annual Action Plan

The purpose of this Substantial Amendment to the State of Maine Consolidated Plan is to add the National Housing Trust Fund.

Between April and June of 2016, MaineHousing met with groups representing the population to be served by the National Housing Trust Fund (HTF). The groups were consulted on potential uses of the HTF.

On June 7, 2016 MaineHousing held a public hearing requesting additional input on uses of the HTF.

Both this Substantial Amendment and the accompanying HTF Allocation Plan are available for public comment. The deadline for written comments is August 5, 2016 and a Public Hearing for comment on the draft is scheduled for July 28, 2016.

Substantial Amendments

ES 05, Executive Summary

Introduction

In June of 2016, Maine's Five-Year Consolidated Plan and its 2016 Action Plan were substantially amended to include the National Housing Trust Fund (HTF). MaineHousing will administer the HTF.

Summary of Citizen Participation Process and consultation process

Between April and June of 2016, MaineHousing consulted with groups representing potential recipients and applicants for HTF.

On June 7, 2016 MaineHousing conducted a public hearing to allow citizens the opportunity to provide input into the potential uses of the HTF.

The public hearing notice was placed on the MaineHousing website. In addition, the public hearing notice was published in the Bangor Daily News, Portland Press Herald and the Kennebec Journal. An email announcing the June 7 hearing was sent to over 240 interested individuals and groups.

A draft plan will be made available for a 30 day period beginning June 27th. A public hearing will be held on July 28, 2016.

PR 15 Citizen Participation

Summarize Citizen Participation Process and how it impacted Goal Setting

Maine Housing conducted a public hearing on potential uses of the HTF. The public hearing was designed to encourage participation by local, regional and statewide institutions and other public and private organizations.

In addition to the public hearing noted above, MaineHousing also conducted consultation meetings with potential recipients and applicants for the HTF and held a focus group of low-income households and advocates.

Citizen Participation Outreach

Public Hearing, Non-targeted/broad community, 14 attendees, Comments are attached to this document.

Newspaper Ad, Non-targeted/broad community, No comments received

Internet Outreach, Non-targeted/broad community, 0 responses, no comments

SP 10 Geographic Priorities

The HTF may be used anywhere in the State of Maine.

Applicants will receive additional scoring points for projects that will be developed in census tracts that have been designated as high opportunity areas as set forth in MaineHousing's 2017 Qualified Allocation Plan.

SP 25 Priority Needs

The HTF applicants will be required to address one of the following priorities:

Improve Housing Quality,

Expand the Supply of Affordable Housing,

Help Maine People Attain Housing Stability

SP 30 Influence of Market Conditions

National Housing Trust funds can be used to supplement the Rental Loan Program to produce, preserve and rehabilitate rental housing:

New Unit Production - The HTF will be an eligible source of funds to address the need for new rental units for extremely low income renters.

Rehabilitation - The HTF will be an eligible source of funds to address the need for rehabilitation of units for extremely low income renters.

Acquisition, including Preservation - The HTF will be an eligible source of funds to preserve existing affordable housing for extremely low income renters.

SP 35 Anticipated Resources

Source of Funds – Other Housing Trust Fund

Source – public – federal

Uses –Admin and Planning, Housing, Multifamily Rental New Construction, Multifamily Rental Rehab

Expected Amount Available Year 1 – 0

Expected Amount Available Remainder of Con Plan - \$12,000,000

Narrative Description – MaineHousing will detail the use of this funding source in the HTF Allocation Plan.

SP 45 Goals

Goal 1, Increase the Quality and Supply of Rental Housing

Description: In addition to the Rental Loan Program and the Housing Assistance Grant Program, the National Housing Trust Fund will be used to increase the supply of rental housing for extremely low income households. Program funds will be used to produce, preserve and rehabilitate rental housing.

Funding Allocated: \$12,000,000

Goal Outcome Indicator: An additional 60 Household Housing Units, for a total of 622 units over the next four years.

Narrative

All HTF housing will serve extremely low income households.

AP 15 Expected Resources

Source of Funds – Other Housing Trust Fund

Source – public – federal

Uses –Admin and Planning, Housing, Multifamily Rental New Construction, Multifamily Rental Rehab

Expected Annual Allocation – \$3,000,000

Expected Amount Available Remainder of Con Plan - 9,000,000

Narrative Description – MaineHousing will detail the use of this funding source in the HTF Allocation Plan.

AP 20 Annual Goals and Objectives

Goal 1, Increase the Quality and Supply of Rental Housing

Description: In addition to the Rental Loan Program and the Housing Assistance Grant Program, the National Housing Trust Fund will be used to increase the supply of rental

housing for extremely low income households. This program will produce, preserve, and rehabilitate rental housing.

Funding Allocated: \$3,000,000

Goal Outcome Indicator: MaineHousing anticipates committing funds to 15 to 20 HTF housing units within twelve months of receiving an award of the funds from HUD; the units will be completed within two years of commitment. The 15 to 20 HTF units combined with the HOME units for a total of approximately 240 units.

AP 25 Allocation Priorities

Introduction: MaineHousing will focus the HTF on rental housing.

Funding Allocation Priorities

Other Housing Trust Fund: 100% will be allocated to Increase the Quality and Supply of Rental Housing.

Reason for Allocation Priorities: The HTF has been allocated to address rental housing due to the needs identified in the market analysis of the Consolidated Plan. That analysis established that there are not enough affordable housing units and that 52 percent of renters spend more than 30 percent of their income on rent.

AP 30 Method of Distribution

Introduction: This section summarizes the Method of Distributions (MOD) used to allocate CDBG, HOME, HTF and ESG funds. The housing and community development needs statewide exceed the available resources to address them.

Distribution Methods

State Program Name: National Housing Trust Fund

Describe the state program addressed by the Method of Distribution: The HTF will be allocated according to the State of Maine National Housing Trust Fund Allocation Plan. The program will fund rental housing for extremely low income tenants via a competitive process which will directly select recipients

To be eligible to receive funds, a recipient must be a:

Not-for-profit organization

Municipality

Public Housing Authority

Or a

Tribal Housing Authority

Individuals are not eligible to receive direct assistance from the HTF.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

MaineHousing will set forth criteria for selecting applications in the HTF Allocation Plan. Selection criteria may include (listed in relative order of importance):

Applicant’s ability to undertake eligible activities in a timely manner

Degree to which applicants will expand the number of adaptable and accessible units in the State

The extent to which the applicant makes use of non-federal funding sources

Geographic Diversity

Applicant ability to obligate HTFs

Merits of the application in meeting the State’s priority housing needs.

The duration of the units’ affordability period

The extent to which the project has Federal, State or local project-based rental assistance.

Describe how resources will be allocated among funding categories.

The HTF has been allocated entirely to rental housing. It can be used to produce, preserve, and rehabilitate rental housing.

Describe threshold factors and grant size limits.

The HTF cost limits are aligned with Maine’s HOME program limits and are based on unit type

Unit Type	Unit Maximum Subsidy Amount
Efficiency/Studio	\$137,361.60
1 Bedroom	\$157,466.40
2 Bedroom	\$191,476.80
3 Bedroom	\$247,708.80
4 Bedroom	\$271,908.00

MaineHousing will award additional scoring points to projects that spend less than the maximum subsidy amount of HTF per unit.

What are the outcome measures expected as a result of the method of distribution?

MaineHousing expects to commit to 15 to 20 rental units using the HTF within twelve months of receiving an award of the funds from HUD. These units will serve 15 to 20 extremely low income households.

Discussion:

The method of distribution above relates to money budgeted to the programs mentioned. Administrative costs are partially covered by 10% of the annual HOME allocation, 10% of the annual HTF allocation, and 7.5% of the annual ESG allocation.

AP 50 Geographic Distribution

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed.

The State of Maine does not prioritize the allocation of CDBG, HOME, HTF or ESG funds geographically. Income eligible citizens, Community Housing Development Organizations, eligible HTF recipients, and housing developers may apply for grants or loans from anywhere in Maine.

Rationale for the priorities for allocation investments geographically

While the State of Maine has not chosen to target particular geographical areas for special assistance, the HTF Allocation Plan specifies that applicants will receive additional scoring for projects that will be developed in municipalities that have been designated as high opportunity areas, as set forth in MaineHousing's 2017 Qualified Allocation Plan.

AP 55 Affordable Housing

Introduction: Only HOME and HTF units that can be assured of meeting the standard of "affordable housing" are described here.

One Year Goals for the Number of Households to be Supported:

Homeless: 150 HOME Units and 11 HTF units

Non-Homeless: 225 HOME Units and 4 HTF units

Special Needs: 0 HOME Units and 0 HTF units

Total: 375 HOME Units and 15 HTF units

One Year Goals for the Number of Households Supported Through:

Rental Assistance: 150 HOME units

The Production of New Units: 113 HOME Units and 15 HTF Units,

Rehab of Existing Units: 112 HOME Units

Acquisition of Existing Units: 0

Total: 375 HOME Units and 15 HTF Units,

Discussion: The goals listed above are in relation to HOME and HTF funding only. Additional households will be assisted with other programs offered by MaineHousing and DECD.

AP 65 Homeless and Other Special Needs Activities

Discussion: The HTF will be used to help extremely low income individuals by producing, preserving, rehabilitating and operating rental housing. Given the income of the population to be served, it is likely that homeless individuals, individuals and families at risk of homelessness, and people receiving assistance from public or private agencies will be assisted by the HTF.

AP 75 Barriers to Affordable Housing

Discussion: The goal of creating 15 to 20 units with the HTF will help to address multiple impediments to fair housing choice including:

Lack of affordable housing and
Lack of housing for disabled individuals

AP 85 Other Actions

Actions planned to enhance coordination between public and private housing and social service agencies.

The preparation of the HTF Allocation plan included participation from multiple private sector, public and social service agencies. Input on potential uses of the HTF, geographic preferences, affordability periods, leverage and priority needs groups were among the many items discussed. Additionally input was gathered from the public at a focus group, and a public hearing was held on June 7, 2016.

MaineHousing used technology to maintain communication with interested individuals and groups via email and website posting.

Public Consultation

Public consultation for the development of the State of Maine 2016 NHTF Allocation Plan included meetings with stakeholder groups, multiple public hearings and public comment period.

Input from Public Hearing and Written Comments

On June 7, 2016 a public hearing was held to accept comments potential uses for the National Housing Trust Fund. The hearing was held in Augusta from 1:00 pm to 3:00 pm. Altogether, 14 people attended the hearing.

Attendees shared the following information (Full written comments are appended to this section and summarized below):

Comment No. 1: Portland Maine is experiencing a rental housing crisis with 100 no-cause evictions. MaineHousing has an opportunity to create permanent affordable housing with the National Housing Trust Fund and offer people with extremely low incomes some respite from living in fear. Sometimes paying 50% or even 30% of income toward rent is not affordable.

Comment No. 2: This source of funds is focused on serving the extremely low income population. There is a small amount of HTF money available this year, making efficiency and leverage important to enable more families to be assisted. Maximum rents can be the greater of 30% of 30 % of area median income or 30% of the federal poverty line.

Comment No. 3: Encouraged deeper subsidies to make the units affordable for the extremely low income tenants. Rent payments of 30% of income are not affordable to individuals with extremely low incomes. The HTF should be used to challenge norms and disrupt the cycle of homelessness.

Comment No. 4: Tenants cannot afford to pay 30% of their incomes for rent. MaineHousing needs to push to make units more affordable. Paying 30% of income for rent results in life and death choices between medical care and rent.

Comment No.5: Encouraged MaineHousing to think outside the box on rent levels and to be aggressive on how it defines the affordability criteria. Suggested setting fixed rents at 10% or 15% of FPL or AMI. This could be done by leveraging other sources like LIHTC, state vouchers, Medicaid dollars and local government matching funds.

Comment No. 6: Encouraged MaineHousing to target ELI populations and to focus on serving people with extended histories of homelessness. MaineHousing was urged to couple project based vouchers subsidy to supportive housing to deeply target households at the lowest income. This could be done by an annual supportive housing RFP servicing long-term homeless and populations with behavioral challenges.

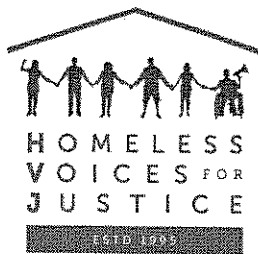
Comment No 7: Spoke to the need for affordable housing for extremely low income people, especially people who are a risk of homelessness and low wage workers. They need a safe place to live.

Comment No. 8: Encouraged MaineHousing to use the National Housing Trust Fund to aid people with mobility challenges and increase accessible housing units. There is a long waiting list for people who want to renovate the home they have. Accessible housing and following fair housing and 504 regulations should be part of the Allocation Plan.

Comment No. 9: Spoke to the lack of accessible housing for people with significant physical challenges and the choice people face between employment and housing. There is a lack of accessible housing choices for families needing them.

Comment No. 10. Indicated that the last rounds of the Supportive Housing Program were under funded and included low subsidy caps. MaineHousing should include realistic subsidy caps in the HTF Allocation Plan.

DRAFT



June 7th 2016

Testimony on Maine State Housing Authority's National Housing Trust Fund Allocation Plan

Good afternoon. My name is Jim Devine and I am an advocate with Homeless Voices for Justice. I am here to testify about Maine State Housing Authority's National Housing Trust Fund Allocation Plan.

Homeless Voices for Justice (HVJ) is a grassroots group that works for social change on behalf of people who struggle with homelessness and poverty. Our goal is to build a coalition for and of homeless people throughout Maine, and to empower people whose first-hand perspective has often been absent in the development of policies and programs that impact their social and economic well-being.

I live in Portland on Congress Street. Although I have to pay 50% of my income in rent, I feel lucky to have an apartment. Recent no-cause evictions in the Portland area have impacted 100 affordable units of housing for the most vulnerable, low-income, formerly chronically homeless tenants with serious medical and mental health conditions, immigrants and refugees, people in wheelchairs, people with developmental disabilities, people with cancer. This is a horrific crisis that impacts 100 people and their families. And these are only the evictions that we know about. It seems like every week we learn about more evictions. Every week I see people that I know who had their own apartments back in the shelter. One man had to return to the shelter in a wheelchair.

Last fall a four-unit apartment building on Brackett Street, where my son was living, changed ownership and forced everyone living there to leave. It was difficult for him and his partner to find another place to live on such short notice. It is essential for the well-being of the community and its residents that people have some sense of stability in their lives. People shouldn't have to live in fear that they'll be forced to move at a moment's notice with nowhere else to go. There is a housing crisis in Portland that is resulting in forced homelessness.

With this National Housing Trust fund money, Maine State Housing has an opportunity to offer people with extremely low incomes some respite from living in fear. It is crucial that MSHA create permanent, affordable housing with this money.

I don't think that paying 50% of my income in rent is affordable. Sometimes even paying 30% of income toward rent is not affordable.

Thank you for taking the time to consider my comments.

Homeless Voices for Justice

Augusta • Brunswick • Lewiston • Portland

38 Preble Street, Portland, ME 04101 • (207) 775-0026 ext. 1269 • hvj@preblestreet.org



Preble Street

Turning Hunger and Homelessness into Opportunity and Hope

Florence House

June 7, 2016

Logan Place

To The Maine State Housing Authority,

Veterans Housing Services

My name is James Gagne and I am a Program Manager with Preble Street's Veterans Housing Services. The mission of Preble Street is to provide accessible barrier-free services to empower people experiencing problems with homelessness, housing, hunger, and poverty, and to advocate for solutions to these problems. Thank you to The Maine State Housing Authority for the opportunity to speak on behalf of Preble Street and the many low-income individuals we serve across the state. The \$3,000,000 in National Housing Trust Funds is an exciting opportunity to deliver housing stability to those living in extreme poverty. The flexibility that these funds afford could allow our community to define affordability in a way that best meets the needs of those who have never experienced a reality in which housing is truly affordable.

Maine Hunger Initiative

Advocacy

Food Programs

Clinical Intervention Program

Anti-Trafficking Coalition

First Place

Teen Center

Joe Kreisler Teen Shelter

Resource Center

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I would like to take this time to provide some perspective on the notion of affordability for those living at or below 30% AMI. One of the first things we do when we meet with a client is to create a budget. I've attached a typical budget for a household of one for you to review. If you look at the bottom please note that the monthly expenses amount to \$730. Please also note that many of the extremely low-income folks we work with receive a fixed SSI income of \$733/month. As you work your way up the budget you will find that housing and utility expenses **are not** included. What we see day in and day out for extremely low-income clients is that affordable housing doesn't exist at 50% of income or 30% of income; housing is just barely affordable at 0% of income.

Regardless, as case managers, we work with people to try to squeeze what we can out of the budget so that we can fit housing costs into it. In doing so we ask our clients to sacrifice what little they have. For someone on a fixed income such as SSI these aren't temporary sacrifices, these will last a lifetime. We ask our clients to rely on SNAP benefits, a program designed to merely supplement food costs, to cover all of their nutritional needs. We suggest they shop the aisles for canned foods and leave fresh meat and produce aside. We ask our clients to do away with their phone bills and rely only on the limited minutes of air time that's provided by a subsidized Safelink phone. Extended hold times with DHHS, Social Security, heating assistance operators and doctor's office now take precedence over precious conversations with family or loved ones that are

Mark R. Swann
Executive Director


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United Way
of Greater Portland

needed for support. We ask people to reduce their transportation costs, to cut out calls to taxi cabs or stop giving gas money to friends and find alternative, less reliable means of transportation to the grocery stores, soup kitchens, and the various appointments and engagements they undoubtedly have. For folks that own cars we ask that they sell them and suggest that by giving up their keys to independence they'd no longer have to worry about car payments, insurance bills or costly repairs. We ask people to shop for clothes, shoes and jackets at second hand stores and only when absolutely necessary. We tell them to wear what they have but dress in layers. No need for boots, just add an extra pair of socks we say. If we could, we'd tell people to forgo debt payments. But we can't. Debt collectors like DHHS and Social Security garnish payments before they show up in bank accounts. The utility companies can't garnish checks so instead they turn off the electricity or stop delivery of heating fuel. And then we have the non-essentials; the cable and internet bills, the savings accounts, the gifts for grand kids, a trip across state lines to visit a sick friend or family member. We don't ask people to cut back on these expenses, we tell them if they want housing they need to eliminate them. I recently had a housebound client who told me cable was her only connection to the outside world and without it she'd be lost. In as gentle and empathetic way as possible, I told her she'd be more lost without a place to plug it in.

Not surprisingly, folks find it difficult to heed our advice. For one reason or another, at some point, there's not enough money for rent or utilities and there's another eviction on the record, another debt unpaid, and another cycle of nights on the street. To truly provide housing stability for those living in extremely low-income households it is important we honestly reflect on and give weight to our assumptions about affordability. Perhaps the well established norm of "30% of income" as affordable rent doesn't apply to an individual whose economic situation we describe as *extreme*. As a community we have an opportunity and responsibility to allocate funds in way that challenge these norms and disrupt the cycle of homelessness.

Sincerely,


James Gagne

Preble Street
Veterans Housing Services
38 Preble Street
Portland, Maine 04101

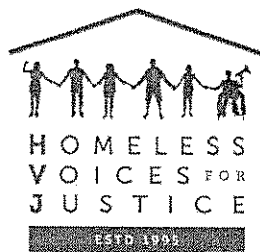


Veterans Housing Services

Veteran	SAMPLE	Date	
Prepared by	SAMPLE		
	Income		
Supplemental Security Income		\$ 733.00	
	Total Income	\$ 733.00	
	Essential Expenses	Actual	Notes
Rent and Utilities		\$ -	
Transportation		\$ 100.00	
Laundry		\$ 25.00	
Food		\$ 100.00	
Debt		\$ 150.00	
Telephone		\$ 40.00	
Clothes		\$ 35.00	
Healthcare/OTC Meds		\$ 50.00	
Cleaning/Toiletries		\$ 30.00	
	Total Essential Expenses	\$ 530.00	
	Non Essential Expenses	Actual	Notes
Cable/Internet		\$ 100.00	
Misc/Unexpected expenses		\$ 80.00	
Savings		\$ 20.00	
	Total Non-Essential Expenses	\$ 200.00	
	TOTAL HOUSEHOLD EXPENSES	\$ 730.00	

Staff: _____

Date: _____



June 7th 2016

Testimony on Maine State Housing Authority's National Housing Trust Fund Allocation Plan

Good afternoon. My name is Bill Higgins and I am an advocate with Homeless Voices for Justice. I am here to testify about Maine State Housing Authority's National Housing Trust Fund Allocation Plan.

Homeless Voices for Justice (HVJ) is a grassroots group that works for social change on behalf of people who struggle with homelessness and poverty. Our goal is to build a coalition for and of homeless people throughout Maine, and to empower people whose first-hand perspective has often been absent in the development of policies and programs that impact their social and economic well-being.

Six years ago my homelessness came to an end. In early 2010, I was lucky enough to get a HUD VASH Voucher due to experiencing chronic homelessness. I qualified for this voucher as I am a veteran of the US Navy. However, as much as I tried, I was not able to find an apartment in Portland where my supports were. The nearest available apartment that I could move into was in Biddeford. While I appreciated a home, it was extremely difficult living so far away from the network I had set up for myself in Portland. I was finally able to move back to Portland in late January, sharing a two-bedroom apartment with a long term friend who has also been homeless multiple times. The new property is owned by the same organization that owned the one in Biddeford.

The vacancy rate for apartments in Portland has reached almost 0% over the past few years. To make this problem worse, landlords have begun charging higher rents, which is making it difficult for people with a limited income to make ends meet. We've seen many landlords over the past few months sell their buildings, only to have the new owners evict everyone who's been living there, many who have been there for many years. And it's no secret as to why they're doing this – so they can renovate the apartments and charge much higher rents when they're done. Each night there are over 400 people who sleep on a mat on the floor or outside, who so desperately need apartments to move into.

Maine State Housing Authority, you have an opportunity with this money from the National Housing Trust Fund to invest in permanent, safe, and affordable housing for people with

Homeless Voices for Justice

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extremely low-incomes. We, at Homeless Voices for Justice, are concerned that you make sure your investment is truly affordable. It is not affordable to pay 50% to 60% of income for rent. Every month people with extremely low-incomes have to make choices about buying food, getting medical care, or paying the rent. Sometimes 30% of income is not even affordable for many of us. When we have to make choices between crucial medical care and rent, we have to make life and death choices everyday.

Individuals living in poverty, low wage earners, those who live with little money who are not long time shelter stayers, and in tax credit units not affordable without a voucher need to be included for the affordable housing proposed.

While HUD is recommending that for NHTF funded units, the definition of affordability means setting rents at 30% of the Federal Poverty Level (\$297/mo for a single person) or at 30% of Area Median Income (in Portland, that's \$405/mo for a single person). These amounts might be affordable for those whose incomes are at 30% of Area Median Income, but what about for those who have less? Or far less? This money shouldn't be restricted to the people at the top of the "extremely low income" category. For these reasons, we feel the need to push MSHA to go beyond what HUD is recommending.



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**Testimony of Joby Thoyalil, Maine Equal Justice Partners
On the National Housing Trust Fund Allocation Plan
June 7, 2016**

Good afternoon Director Gallagher and other representatives from the Maine State Housing Authority (MaineHousing). My name is Joby Thoyalil and I work for Maine Equal Justice Partners. We are a civil legal services organization and we work with and for people with low incomes seeking solutions to poverty through policy, education and legal representation.

Housing insecurity is an urgent problem faced by many individuals and families in Maine – especially those who are considered to have “extremely low incomes,” which is defined by the federal Department of Housing and Urban Development (HUD) as those with incomes that are 30% or less than the area median income. More than 75,000 Maine households fit that description and more than 42,000 of them are renters.

HUD also determines what they consider to be a “fair market rent” in counties and metropolitan areas throughout the country. When you compare fair market rents across Maine and the top income levels of people who are extremely low income, the results are stark. Across every county and metropolitan area in Maine, people with extremely low income are typically paying well over 50% of their monthly incomes on rent alone. Households that pay 30% or more of their income on rent are considered by HUD to be rent-burdened. Households that pay 50% or more of their income on rent are considered by HUD to be severely rent-burdened and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.” According to the Center on Budget and Policy Priorities, over 38,000 Maine households are severely rent-burdened, **which constitutes a 44% increase since 2007.**¹

While Maine has several programs to help people afford housing, they do not focus on people with extremely low incomes. Many of the affordable housing services we have in Maine focus on particular groups of people, such as seniors, those with mental illness, veterans, and others. We appreciate looking at need on a population basis like this, but there is a lack of assistance for individuals and families who are just plain struggling to make ends meet – those who are trying, but are still not able to afford safe and stable housing. Many of these folks are moving in and out of homelessness, between crashing on friends’ couches and living out of their cars, and those who have a place currently, but are one missed payment away from becoming homeless. The main program to help these folks is Section 8 rental assistance, but with tens of thousands on Section 8 waitlists throughout the state, and waiting periods

that can last for several years, it is clear that the program is woefully underfunded and unable to meet the need that is out there.

That is why we are happy that the \$3 million Maine will receive from the National Housing Trust Fund (NHTF) must serve this group. We understand that MaineHousing, through its Allocation Plan, must provide criteria trust fund recipients must follow with regard to affordability. We strongly urge you to think outside of the box for this. We believe that you cannot truly serve this group unless MaineHousing is aggressive in how it defines the affordability criteria. The HUD interim rule suggests setting rents at 30% of the Federal Poverty Level (FPL) or at 30% of 30% of Area Median Income (AMI). For many, if not most people with extremely low incomes, these criteria will NOT result in rents that are sustainable. Attached to my testimony is a chart we made to help illustrate this. It shows examples of income amounts – for TANF families, SSI recipients, and minimum wage earners – and how those incomes stack up against HUD’s suggested affordability models for the NHTF.

You can see that for a family of three, whose only source of income is TANF, they would have to pay 74-76% of their income on rent if they were to live in one of the NHTF funded units and if MaineHousing adopts HUD’s recommendations for defining affordability. As you look at the chart, that share of household income varies widely depending on the method of affordability used, the location, and the amount of income, but with the many examples given, we are looking at percentages of income in the 30s, 40s, 50s, 60s, and 70s - all of which constitute rent-burden or severe rent-burden.

When households are rent-burdened, people find it difficult to pay for other basic life necessities. As a principle, we think MaineHousing should consider someone's ability to pay, similar to the way a bank underwrites a loan, in determining affordability. Affordability determinations should take into account essential obligations such as food, utilities, medical expenses, debt service, and so on. Accordingly, we strongly support the Brooke rent model, which determines rents based on household income.

If you must set rent amounts that are fixed, then consider going to 10% or 15% of FPL or AMI. We strongly believe that 30% is too high for this population of people, since it will likely result in rent-burden for any household that is making less than 30% AMI.

We urge you to make true affordability for these units your goal, and by doing so, to only provide NHTF funds to projects that will achieve this goal. We acknowledge that this means the money will likely serve fewer people. There is clearly a trade-off between helping a few with true and sustainable affordability, and spreading out the funds to provide some help to more individuals, but without making it truly affordable for them. To mitigate the effect of that trade-off, we also recommend using these funds in ways that leverage other resources. This could take many forms, including, but not limited to:

- Further subsidizing Low Income Housing Tax Credit (LIHTC) units;
- Providing state-funded vouchers to accompany NHTF units;
- Taking advantage of Medicaid dollars to pay for housing related services for qualified groups to help overcome severe barriers to getting and staying housed;

- Creating incentives for towns and municipalities by awarding funds to projects where local governments devote matching funds.

These are just a few ideas, but we hope that you will use this process as an opportunity to explore new ways to serve this population. Earlier this year, the Legislature passed LD 1607, which directs MaineHousing to examine strategies to increase access to affordable housing for persons with extremely low incomes. It also directs you to provide reports to the Legislature on your progress in this area. We recommend using the development of the NHTF Allocation Plan as an opportunity to learn more about people at or below 30% AMI – particularly those well below – to identify deficits, determine the level by which this group is disproportionately underserved and to add to your knowledge on how to better and more significantly serve this population. Our sincere hope is that through this process you will acquire knowledge that will allow you to answer these questions and to put together a plan to better serve this population beyond this \$3 million.

Thank you for the opportunity to share our comments with you.

¹ <http://www.cbpp.org/sites/default/files/atoms/files/4-13-11hou-ME.pdf>

HUD Recommended Affordability Models for National Housing Trust Fund Projects in Maine

Rental Payment Standard	TANF family of 3	SSI family of one	Minimum wage working family of 3 (40 hours wk.)
Brooke Rent—30% of family income	Income: \$485 Rental cost: \$146	Income: \$733 Rental cost: \$220	Income: \$1,204 Rental cost: \$361
30% of FPL	Income: \$685 Rental cost: \$504 (74% of income)	Income: \$733 Rental cost: \$297 (41% of income)	Income: \$1,204 Rental cost: \$504 (42% of income)
30% of 30% AMI— Portland (\$1,350/mo for one; \$1,735/mo for 3)	Income: \$685 Rental cost: \$521 (76% of income)	Income: \$733 Rental Cost: \$405 (55% of income)	Income: \$1,204 Rental cost: \$521 (43% of poverty)
30% of 30% AMI— Lewiston (\$1,040/mo for one; \$1,338/mo. for 3)	Income: \$685 Rental cost: \$401 (59% of income)	Income: \$733 Rental cost: \$312 (43% of income)	Income: \$1,204 Rental cost: \$401 (33% of income)
30% of 30% AMI— Bangor (\$1,083/mo for one; \$1,393/mo for 3)	Income: \$685 Rental Cost: \$418 (61% of income)	Income: \$733 Rental cost: \$325 (44% of income)	Income: \$1,204 Rental cost: \$418 (35% of income)
30% of 30% AMI— Aroostook (\$958/mo for one; \$1,233/mo for 3)	Income: \$685 Rental cost: \$370 (54% of income)	Income: \$733 Rental cost: \$287 (39% of income)	Income: \$1,204 Rental cost: \$370 (31% of income)
30% of 30% AMI— Kennebec (\$1,083/mo for one; \$1,393 for 3)	Income: \$685 Rental cost: \$418 (61% of income)	Income: \$733 Rental cost: \$325 (44% of income)	Income: \$1,204 Rental cost: \$418 (35% of income)
30% of 30% AMI— Franklin (\$958/mo for one; \$1,233/mo for 3)	Income: \$685 Rental cost: \$370 (54% of income)	Income: \$733 Rental cost: \$287 (39% of income)	Income: \$1,204 Rental cost: \$370 (31% of income)
30% of 30% AMI— Sagadahoc (\$1,253/mo for one; \$1,610/mo for 3)	Income: \$685 Rental cost: \$483 (71% of income)	Income: \$733 Rental cost: \$376 (51% of income)	Income: \$1,204 Rental cost: \$483 (40% of income)
30% of 30% AMI— Washington (\$958/mo for one; \$1,233/mo for 3)	Income: \$685 Rental cost: \$370 (54% of income)	Income: \$733 Rental cost: \$287 (39% of income)	Income: \$1,204 Rental cost: \$370 (31% of income)

Sources: <http://mainehousing.org/docs/default-source/property-mgmt/2016-rent-income-chart.pdf?sfvrsn=0>
<https://aspe.hhs.gov/poverty-guidelines>

Rental Housing Affordability for “Extremely Low Income” Households

Metro Area/County	HUD Fair Market Rent (2-bedroom)	30% of Area Median Income (family of 3)	% of monthly income needed to pay HUD FMR
Androscoggin* *see Lewiston- Auburn Metro	*	*	*
Aroostook County	\$658	\$14,800 yr. \$1,233 mo.	53%
Bangor Metro	\$892	\$16,700 yr. \$1,391 mo.	64%
Cumberland County	\$962	\$19,550 yr. \$1,629 mo.	59%
Franklin County	\$671	\$14,800 yr. \$1,233 mo.	54%
Hancock County	\$847	\$17,250 yr. \$1,437 mo.	58%
Kennebec County	\$755	\$16,700 yr. \$1,391 mo.	54%
Knox County	\$883	\$16,950 yr. \$1,412 mo.	62%
Lewiston-Auburn Metro	\$777	\$16,050 \$1,337 mo.	58%
Lincoln County	\$834	\$16,800 yr. \$1,400 mo.	59%
Oxford County	\$658	\$14,800 yr. \$1,233 mo.	53%
Penobscot County	\$760	\$14,800 yr. \$1,233 mo.	61%
Piscataquis County	\$658	\$14,800 yr. \$1,233 mo.	53%
Portland Metro	\$1,109	\$20,850 yr. \$1,737 mo.	63%
Sagadahoc County	\$896	\$19,350 yr. \$1,612 mo.	55%
Somerset County	\$708	\$14,800 yr. \$1,233 mo.	57%
Waldo County	\$748	\$14,950 yr. \$1,245 mo.	60%
Washington County	\$658	\$14,800 yr. \$1,233 mo.	53%
York – Kittery – South Berwick Metro	\$1,196	\$22,750 yr. \$1,895 mo.	63%
York County	\$968	\$17,600 yr. \$1,466 mo.	66%

Sources: https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2016_code/select_Geography.odn
https://www.hudexchange.info/resource/reportmanagement/published/HOME_IncomeLmts_State_ME_2015.pdf

June 7, 2016

To the Members of the Maine Housing Board of Directors,

My name is Peggy Kolesar and I live in West Gardiner. I am here today because I am very concerned about the state of affordable housing in Maine. I am concerned for my children who are now young adults. I am concerned for children of others, too many families living in cars. I am concerned for single women my age, not earning the same as we did in our younger years. We find ourselves either having to pay a fortune for housing or having to be in a roommate type situation. We have lost a lot of control we had in our lives. I am concerned for people like myself at risk of homelessness, low income people who are working but struggling to get by.

Last summer, I found myself in a desperate situation. I got sick and landed in the hospital, I lost my job, I got behind on rent and I was evicted. Part of what made me sick was my housing itself – it was full of mold which really aggravated my asthma. It wasn't safe housing either – there were electrical problems too. The court gave me 7 days to leave. I put everything into storage and I started looking for places that appeared to be abandoned, open fields, anywhere I could set up a tent somewhere. I didn't have the money to pay first and last month's rent plus a security deposit for a new place. After renting for 16 years from an uncle, I didn't have a record of all those years I paid rent on time every month. I didn't have the references I knew I needed these days. I didn't have the money to pay the utility hook up. First time I got an apartment, it was a handshake and it was mine. Now some places request application fees. And if you have no credit or heaven forbid you owe anybody anything along the way, you're in trouble. Now everyone is looking at credit. There are so many factors. It's so expensive to move and that's why I was stuck in unhealthy and unsafe housing in the first place.

So I found myself looking for anywhere I could camp where I didn't think we'd be bothered. I found a place in Farmingdale but was forced to leave by the authorities after 30 days. I found another place I was allowed to stay but there was no running water and no sewer. We stayed there a month. I lost 50 lbs in that month – I'm diabetic and I couldn't keep my insulin cold so I stopped taking it. Not surprisingly, I ended up in the hospital. Someone had a free camper and I decided I could haul it behind my truck. It was a God send. But it was almost an empty shell. It was really cold in October. And it was hard to find safe spaces to park it. As a woman in a camper, I was lucky to have my dogs as protection. I would stay in the Walmart parking lot for a night here and there. I stayed in a little park but was told I couldn't be there at night. I moved across the street at the officer's suggestion but a different officer came and told me I had to leave. At that point I had had enough. Luckily my friend introduced me to the people at her Church and I was able to stay in their parking lot for a month. When I finally moved in with my friend, we had to duck tape the camper it was in such bad shape.

When I think of the housing crisis in Maine, I think of people paying a fortune to live in dilapidated places. We pay for 4 walls and a roof and nothing else. All too often when you don't have money you have to settle for some nasty places. And the cost of renting a one bedroom apartment is like a house payment but in the end you have nothing to show for it. Why?

I am lucky to be staying with a friend now. But it's not my home. It's her home. I'm old. I've been renting forever. I just can't get ahead. I'm trapped where I am now. I don't have other options. My hours at work are changing and I'm facing another summer of living in a camper.

I understand that you all have this National Housing Trust Fund money coming to Maine to address housing for extremely low income people. I am here to tell you there isn't enough housing that's affordable, especially for people like me. Now I'm working in Jay and living in Gardiner. It's an hour drive one way. I'm spending \$300 a month on gas to get back and forth. I get paid \$9.50 an hour. I am better off than a lot of people who end up homeless. My kids are grown. I'm really lucky for that. People who are at risk of homelessness, low wage workers, people who are just getting by, we need you to think of us when you make a decision about this money. We need these funds to be used to make housing actually affordable for people. I know it's a multifaceted issue. This is an opportunity to do something important for low income people. Right now it's like we aren't expected to live as human beings. I don't need much. I don't need to be a millionaire. But I do need a safe place to live. My story is one of many. There are many of us out here in need of the most basic thing: shelter. We're doing all we can and still can't make ends meet. We call on Maine Housing to do all you can to address this.

Thank you.