

# Pivotal funding pushes forward Maine affordable housing projects

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By J. Craig Anderson Staff Writer

Plans to create nearly 400 new units of affordable housing in Maine will move ahead after receiving crucial financial support from a federal bank this week.

The Federal Home Loan Bank of Boston will play a pivotal role in the development of much-needed affordable housing in 2017, providing \$17.5 million in subsidies for 13 projects in Maine to build or renovate more than 380 rental units, according to a release from the bank.

## Housing Projects

The 13 affordable housing projects being subsidized by the Federal Home Loan Bank of Boston:

### **Parish House Apartments, Bar Harbor**

Lender: Camden National Bank

Sponsor: Community Housing of Maine Inc.

Size: Six rental units

Funds: \$750,000 grant

### **Berwick Senior Housing, Berwick**

Lender: Eastern Bank

Sponsor: The Housing Partnership

Size: 24 rental units

Funds: \$497,478 grant and subsidy, \$597,195 advance

### **Penobscot Elder Homes, Indian Island**

Lender: Bangor Savings Bank

Sponsor: Penobscot Indian Nation

Size: 24 rental units

Funds: \$750,000 grant

### **Mary Ann Manor Apartments, Limerick**

Lender: Gorham Savings Bank

Sponsors: Avesta Housing Development Corp. and Hill Street Terrace Housing Corp.

Size: 12 rental units

Funds: \$425,280 grant

### **Pinewood Manor, Old Orchard Beach**

Lender: Camden National Bank

Sponsor: Pinewood Manor Inc.

Size: 50 rental units

Funds: \$750,000 grant

### **58 Boyd Street Apartments, Portland**

Lender: Bangor Savings Bank

Sponsors: Portland Housing Authority and Portland Housing Development Corp.

Size: 44 rental units  
Funds: \$975,173 grant and subsidy, \$2,932,139 advance

### **Micmac Rehab II, Presque Isle**

Lender: Bangor Savings Bank  
Sponsor: Aroostook Band of Micmacs  
Size: 14 rental units  
Funds: \$750,000 grant

### **Southgate House, Scarborough**

Member: Bangor Savings Bank  
Sponsor: Avesta Housing Development Corp.  
AHP Units: 38 rental units  
Funds: \$1,421,392 grant and subsidy, \$2,550,000 advance

### **Fox School, South Paris**

Lender: Norway Savings Bank  
Sponsor: Avesta Housing Development Corp.  
Size: 12 rental units  
Funds: \$750,000 grant

### **Merici Woods, Waterville**

Lender: Camden National Bank  
Sponsor: WHA Inc.  
Size: 28 rental units  
Funds: \$750,000 grant

### **St. Francis Apartments Phase 2, Waterville**

Lender: Bangor Savings Bank  
Sponsors: DBH Management Inc. and Roman Catholic Bishop of Portland  
Size: 18 rental units  
Funds: \$298,257 grant and subsidy, \$299,739 advance

### **Riverview Terrace, Westbrook**

Lender: Gorham Savings Bank  
Sponsor: Westbrook Development Corp.  
Size: 83 rental units  
Funds: \$1,090,761 grant and subsidy, \$1,285,923 advance

### **Bartlett Circle Renovation 2.0, Yarmouth**

Lender: Bath Savings Institution  
Sponsor: Yarmouth Senior Housing  
Size: 28 rental units  
Funds: \$720,000 grant

*Source: Federal Home Loan Bank of Boston*



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Among those projects are three involving Portland-based developer Avesta Housing Development Corp. Avesta CEO Dana Totman said there is a critical need for more affordable housing in Maine and called the Boston bank's

support essential.

“In some cases, the project never would get built (without it),” Totman said Thursday. “In other cases, we might have waited another year and reapplied.”

Avesta has about 3,000 people on its wait list this year, he said. “Our phone is simply ringing off the hook with people looking for affordable housing.”

Funding for each housing project comes from a multitude of sources, Totman said, but it’s often impossible to secure adequate funding without help from the Federal Home Loan Bank of Boston.

For example, one of the projects Avesta plans to develop is Southgate House in Scarborough, a 38-unit apartment complex for low-income families. The total estimated project cost is \$8.3 million, Totman said, and about \$1.4 million of that will be covered by a grant from FHLB Boston through Bangor Savings Bank.

“This is the last \$1.4 million that lets us finish the project,” he said. “It’s critically important.”

Affordable housing has been a contentious political issue in Maine. Gov. Paul LePage has [refused to release](#) a \$15 million senior housing bond that was intended to provide gap financing for 225 new senior housing units. LePage has said he’s concerned that the language of the bond isn’t precise and that one or two developers could make millions from those affordable housing projects.

Meanwhile, about 10,000 Maine seniors are waiting for affordable housing to be built.

In its 2016 report on housing affordability, the Maine Housing Authority said only about 25 percent of the state’s 158,000 renter households earn enough to buy a home at the median home price. And, 52 percent of renter households in Maine pay more than 30 percent of their income for housing, with 80 percent of those paying over 35 percent.

“Additional supply of rental units is needed to meet both general market demand and a growing population of Maine renters needing rental assistance,” the report concluded.

## **BACKING FROM BOSTON**

The \$17.5 million allocation is part of the Boston bank’s ongoing mission to create low-cost housing in New England. In all, the bank said 45 projects throughout the region would receive \$56.4 million in grants, loans and interest-rate subsidies through its 2016 Affordable Housing Program allocation. Those funds will be used to finance 1,100 units of affordable rental and ownership housing for families earning no more than 80 percent of the local median income.

The Federal Home Loan Bank of Boston is one of 11 government-sponsored banks across the nation that were chartered by Congress in 1932 to promote community lending and investment by providing subsidized loans and grants to member financial institutions such as community banks. Applicants for affordable housing program funds must first get a member bank to partner with them. The Federal Home Loan banks provide grants and low-interest loans to the member banks, which then pass them through to the developers.

The newly funded projects in Maine include affordable housing for seniors in Portland, Westbrook, Yarmouth, Waterville and Indian Island on the Penobscot Indian Nation reservation.

“We are pleased to serve as a vital link, through our members, to critical financing that connects local residents and families to decent, affordable housing,” said Edward Hjerpe III, FHLB Boston’s president and CEO. “(Affordable Housing Program) financing increases access to housing and also contributes to the creation of new jobs and economic growth in our communities.”

The program's funds are used to create or preserve affordable housing and help pay construction, acquisition or rehabilitation costs, he said. Member financial institutions work with local developers to apply for the funding, which is awarded through a competitive scoring process.

Member institution Bangor Savings Bank sponsored five of the 13 winning projects in Maine this year. They include two projects on Native American lands: the Penobscot Elder Housing project and another developed by the Aroostook Band of Micmacs to renovate former Loring Air Force Base military housing in Presque Isle and convert it into low-cost rental housing.

Other community banks that sponsored winning projects include Camden National Bank, Eastern Bank, Gorham Savings Bank, Norway Savings Bank and Bath Savings Institution.

John Moore, senior vice president and Community Reinvestment Act compliance officer for Bangor Savings, said \$56.4 million in Federal Home Loan Bank subsidies represents a good year for affordable housing projects in New England. In all, applications this year for subsidies to build affordable housing projects in the region totaled 143.

In addition to Avesta, winning applicants this year include Community Housing of Maine Inc., The Housing Partnership, Hill Street Terrace Housing Corp., Pinewood Manor Inc., Portland Housing Authority, Portland Housing Development Corp., WHA Inc., Westbrook Development Corp., Yarmouth Senior Housing, and DBH Management Inc. and the Roman Catholic Bishop of Portland, the Federal Home Loan Bank of Boston said on its website.

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