

Maine
Community
Development
Association

MCDA

Newsletter

Message from the President – Al Smith

As the Maine Community Development Association (MCDA) moves forward in 2001, we are remaining active on the affordable housing issue. Last year, we worked with the Maine Affordable Housing Network (MAHN) to organize four regional housing forums and the Housing Summit held in Lewiston last fall. The brainchild of MCDA member David Wylie, this process proved an effective tool for bring many housing folks together and identifying issues. The Housing Summit has spearheaded the organizing of a board base Housing Coalition within the legal framework of the MAHN.

And now we have a vehicle to potentially attain needed new resources to address affordable housing concerns in Maine. A 20 million dollar Affordable Housing Bond package is before the legislature. LD 1593 is “An Act to Authorize a General Fund Bond Issue in the Amount of \$20,000,000 to address the Affordable Housing Crisis in the State and is sponsored by Senator Beverly Daggett of Kennebec. There are 65 sponsors which includes both Democrats, Republicans, and an Independent. The Bond will address five board areas of need including Renovation, Replacement, and Preservation of Affordable Apartments (3.5 million); Housing for Mental Health Consumers (5 million); Housing for people Who are Homeless (5 million); Land Acquisition for Affordable Housing

Development (2.5 million); Housing for Victims of Domestic Violence (2 million); and, Capacity Building and Capital for Non-Profit Community Housing Organizations. Please see the Housing Bond article for more details.

MCDA is also developing plans for several workshops and training sections including a panel presentation on the “Role of Local CD Committees’ in Implementing Community Development Projects”. This will be presented at the upcoming DECD/OCD Implementation Workshop for 2001 CDBG Grantees to be held on May 30th and 31st. We are also planning programs on Public Infrastructure and Public Facility, which will cover a wide range of issues including water and sewer including small water systems, fire stations; parks and playgrounds; handicap accessibility; environmental considerations; and more.

We will have another busy year working on community development in Maine. It will include some great discussions on emerging issues like the new lead paint rules. Our meetings are always informative, spirited and full of humor. I hope you will join our MCDA family by becoming a member and attending our meetings and events. We hold as many meeting around the State as possible. For example, we will be meeting on June 8th in Fort Fairfield.

**An Update on NAWSP
by Dave Wylie and Tony
Levesque**

It's still too early to gauge the impact of the Northern Aroostook Wells and Septic Project. The project is in a winter time-out before resumption of activities in spring 2001. This will begin the project's second year of implementation. Several areas of concern however have already been identified and are for the most part unexpected.

The most daunting issue facing NAWSP is the sheer size of the area of coverage. A 28-community region covering the northern half of the largest county on the eastern seaboard is too large an area to serve without serious transportation and program delivery issues. Future regional projects should keep this in mind and perhaps reduce the number of communities served to a manageable level. The project was first conceived as a seven to nine community effort, but need and popularity enlarged it beyond its original projected bounds. The program has collected over 200 applications, and processing them has been a daunting task. For instance, obtaining all necessary documentation from potential NAWSP participants has proved a major hurdle.

One problem NAWSP is facing with serious implications for southern Maine projects is enabling the conversion of seasonal dwellings (like lakeside cottages) into permanent year-round residences. There is something of a split in NAWSP's ranks over the issue. A number of proposed projects in unorganized townships are in limbo because of the long-standing year-round occupancy of lakeside cottages without conversion permits. Technically speaking, NAWSP may be in violation of state statutes if it assists in obtaining clean water and compliant septic systems for these particular residences. DEP has somewhat complicated the situation by its tendency to allow the repair of non-complaint systems with little regard to the status of occupancy. Several on NAWSP's

overview committees have strongly expressed the view that solving threats to health and the environment supersede other regulatory issues. The matter is still being considered.

Another issue is water. Unlike septic systems regulated by the Maine State Plumbing Code, water systems are not controlled by any central authority that determines standards and appropriate remedies. There are rules governing the installation of wells, but the state has no system in place that regulates or approves filtration and disinfection systems or makes determinations on what remedial action is suitable in repairing contaminated water supplies. The problem is further compounded by HUD's complete absence of a standard other than the unit needing a potable water supply. This has forced NAWSP's field technicians into a crash self-education course on water system problem-solving, much to their chagrin and dissatisfaction. They have proposed a number of solutions to several water-related problems, but chalk most of them up to experiment.

There is also a growing feeling among several NAWSP representatives that future projects of this type be funded under a separate category by DECD. NAWSP is currently considered a Housing Assistance activity, using standard HA guidelines and being subject to the housing assessment process. The housing assessment process, however, is an awkward fit at best for projects with this type. Water and sewer projects are targeted (much like housing rehabilitation) to specific households and needs. The housing assessment process used as a prerequisite for future housing related activities is comprehensive in scope, factoring in every housing issue from public housing to assisted living to homelessness in its wake. The requirements laid down in the 2001 housing assessment planning grant application effectively eliminate entities like NAWSP from applying for planning funds, though NAWSP is still considering a submission for planning money.

While most documentation and process involved in housing assistance is applicable to

water and sewer projects like NAWSP, DECD and HUD might want to consider modifying some of them to accommodate future activity. Developing a set of standards or guidelines relating to the correction of water and sewer problems is a good place to start. That way, projects would have a basis from which to establish standards and procedures.

These are a few of the problems encountered by NAWSP thus far. However, they should not deter other communities from attempting their own version. NAWSP started out as a prototype project, and new programs of this type always have glitches in them. In the end, programs of this nature will radically improve the living conditions of LMI homeowners by providing safe drinking water and efficient septic systems in preparation for future housing rehabilitation activities.

One immediate recommendation comes to the forefront. It's probably appropriate for MCDA and DECD to co-sponsor a day-long day seminar on water and sewer issues as they relate to single family LMI homes. The authors of this article envision the invitation of representatives from the Department of Human Services, Maine Rural Water, DEP, the Maine Well Drillers Association and others to give their views on water and septic problems and their solution. The seminar could also be an introduction to communities contemplating their own version of NAWSP-type projects in future. A specific emphasis of this seminar should one or two sessions on the intricacies of water-related problems and appropriate remedies. This kind of seminar would also give community representatives and others an opportunity to question NAWSP's operators and obtain first-hand information on how or how not to develop similar projects.

\$20 Million Housing Bond to Address the Affordable Housing Crisis in the State

There is a pressing need in Maine for affordable housing opportunities for families of low and moderate income. In Maine:

- A worker earning minimum wage has to work 84 hours per week in order to afford a two-bedroom unit at Fair Market rent.
- 46% of Maine renters are unable to afford Fair Market rent for a two-bedroom unit.¹
- 26,000 low income Mainers live in substandard housing.²
- Combining rents with energy costs, Maine renters at the poverty level have less disposable personal income than renters in any other state in the nation.³

Renovation, Replacement, and Preservation of Affordable Apartments

Need: A significant portion of the rental housing for low and moderate income Maine people is provided in small apartment buildings, many of which are owner-occupied. There are more than 80,000 apartment buildings with 2 to 5 units in Maine. Every county in Maine has at least 1,000 of these units and most are owner-occupied. The condition of many of these units, which can be found in virtually every Maine community, is often substandard.

While there are home improvement loans available from Maine lenders, many of the owners of these small apartment buildings can not afford the interest rates, nor have tenants who can not afford to pay the higher rent which additional debt on the building would require. Failure to improve the quality of this key element of Maine's affordable housing supply will result in inadequate conditions for tenants, and the loss of affordable units from the market.

Use of Funds: **\$3.5 million** will provide for the renovation, replacement, and preservation of affordable apartments, including small, owner-occupied buildings. Uses would include low interest loans or grants to bring units up to

¹ National Low Income Housing Coalitions report "Out of Reach"
² Maine State Housing Authority report "State of Maine's Housing, 1999"
³ MassINC, 1998

decent, safe levels while maintaining affordability.

Capacity Building and Capital for Non-Profit Community Housing Organizations

Need: Organizations such as the Community Actions agencies and other non-profit community-based housing development programs are working hard to meet the needs of their communities. A major challenge that programs face is accessing funding to develop good housing projects that are affordable, provide occupants with efficient and attractive housing, and enhance the community.

Housing development is expensive and time consuming. Developments can take 3 years from conception to occupancy. Non-profit staff are often bogged down dealing with planning boards, state fire marshals office and writing grants for subsidies to make the developments affordable. The ability to hire more staff will enable these organizations to build more units more efficiently.

While there is always a need for money for “bricks and mortar,” simply buying land and erecting a building is not housing development. Many upfront costs, such as legal fees, architectural fees and market studies can increase the cost of a project up to \$25,000. These costs directly affect the bottom line of a project and are passed on to the very people who can afford it least. Housing development happens in two stages, predevelopment and construction.

Predevelopment is the phase where things such as grant writing, site location and architectural drawings are done. During this phase the nonprofit incurs many up front costs and uses a lot of staff time. Grants for these predevelopment costs would ensure the fiscal viability of the nonprofits and would not increase the cost of the developments, ultimately keeping rents more affordable.

Finally, affordable housing is critical to good economic development. Creating opportunities for housing near transportation and

employment is a win-win situation. Today, attractive affordable housing projects are breaking down old stereotypes and creating more desirable neighborhoods, where families of many income levels co-exist.

Supporting community based housing programs is good for the State, the communities and the people who occupy the affordable quality housing that they provide.

Use of Funds: **\$2 million** to provide capacity and capital grants to non-profit community-based housing development organizations. Uses would include grants for capacity building of non-profit organizations and grants for predevelopment costs of developing affordable housing.

Housing for Mental Health Consumers

Need: Over 1/3 of people who are homeless also have a mental illness. Mental health consumers need stable housing before addressing their mental health needs. Hundred of people have rental vouchers but are unable to find affordable apartments to use these vouchers.

Use of Funds: **\$5 million** will provide a fund to provide one time capital subsidies for a broad range of housing statewide serving low income mental health consumers. The housing will be both for transitional and permanent housing. Uses would include a capital subsidy to enable nonprofit corporations to purchase and renovate existing apartments in tight markets to enable utilization of rental voucher programs, the purchase of houses for transitional housing or permanent housing, the development of new construction of apartments, transitional housing and residential treatment programs. The subsidy could be used in conjunction with other sources of subsidy and would be structured so as to reduce dramatically or eliminate any debt on the projects, thus assisting in the long-term affordability of the housing.

Housing for Victims of Domestic Violence

Need: Domestic violence shelters provided almost 20,000 bednights in 2000. Almost 25% of shelter guests cite violence in the household as their reason for homelessness. Victims of domestic violence need affordable transitional and permanent housing to move them out of their violent situations and out of shelters and into stable housing and stable lives.

Use of Funds: **\$2 million** to provide transitional and permanent housing for victims of domestic abuse and their families. The need is for affordable rental units and the ability to purchase permanent homes at affordable rates.

Housing for People Who Are Homeless

Need: Bednights in Maine have increased 40% over the past 5 years to over 213,000 bednights in 2000. Over 5,000 unduplicated guests were served from July through December 2000. The number of shelter beds, occupancy rates at shelters, and the number of bednights provided have all increased significantly over the past few years. It is estimated that there are approximately 1,100 people who are homeless in Maine on a given night. About 45% of those people stay in shelters while an estimated 600 are living on the streets, in cars, and in abandoned buildings.

Use of Funds: **\$5 million** for transitional and permanent housing for people who are homeless.

Land Acquisition for Affordable Housing Development

An Update from the Office of Community Development – Orman Whitcomb CDBG Program Manager

The Office of Community Development continues to change. Aaron Shapiro has resigned as CDBG Program Manager and accepted a position with the Community Development Office of the City of Portland.

Need: The cost of land in southern and coastal Maine has skyrocketed making it difficult to develop affordable housing. It is estimated that the cost of a single-family lot is over \$50,000. The average home in Hancock County sold for \$160,000, almost a 40% increase over sales prices just a decade ago. However, the average family in this county could only afford a home that costs \$135,000. Rents have also skyrocketed in many areas of the state. In Portland, average rents have increased 40% in the last 5 years. This bond will provide funds to lower the cost of land and thereby lower the cost of building affordable housing.

Economic growth can not be sustained without affordable housing for workers. We've already seen what happens when regions have growth without the attendant affordable housing: people start building in the outskirts where land is cheaper. It's called sprawl and it's not pretty.

This subsidy will be leveraged with other sources such as MSHA tax exempt bond funds, federal HOME funds, Federal Home Loan Board Affordable Housing Partnership, and other state and federal funds.

Use of Funds: **\$2.5 million** for acquisition of land in stressed areas in terms of affordability. The fund would be used to provide grants and low interest loans to enable developers to lower their cost of land acquisition thereby lowering the cost of housing.

One of the incentives for Aaron to take the new position is that instead of riding a van for tow hours plus each day commuting to and from work, he can now get to work via a five-minute walk. Aaron was an asset to the program, a respected fellow employee and will be greatly missed. We all wish him well in his new job.

In the area of job changes, since Aaron has left there have been and will be some additional

changes. Orman Whitcomb has become the CDBG Program Manager, and Mike Baran is now the TA Program Manager. Tammy Knight has accepted the position vacated by Mike and we have advertised for the position vacated by Tammy. The OCD has a new member, Daniel Stevenson who was hired as a Project Development Specialist to fill the position vacated by Todd Jorgensen. Daniel was formerly the Planner for the City of Biddeford.

The CDBG program application process is now almost over for the 2001 program. The Public Facilities and Infrastructure, Housing Assistance, Community Planning, Housing Assessment Planning, Downtown Revitalization, Micro-Loan, and Public Service applications have been received. A list of applicants invited into the Project Development Phase (except the Public Service Program) follows this article.

It's hard to believe but we'll be starting the process toward development of a proposed program statement for 2002 CDBG program in a couple of months. Please be thinking of any changes/enhancements that you would like to provide the OCD with comments/suggestions during the process. An implementation workshop for new grantees will be held May 30th and 31st. Another Program Administrator and Rehab Technician Certification program is scheduled for June 21st and 22nd. Also, if you haven't, please take the time to visit our web site and let us know what you think. As always, if you have any comments or questions, please do not hesitate to contact me at 287-8458.

Community Planning Grant

Athens, Bowdoin, Dexter, Fairfield, Greenville, Guilford, Indian Township, Lincoln, Machiasport, Monson, Morrill, Orono, Orrington, Rangeley, Rockland

Housing Assistance Program

Jonesport, Penobscot Nation, Westbrook, Milbridge, Waldo, Milo & Orneville, Dover-Foxcroft, Greenville, Bath

Housing Assessment Planning Grant
Regional: Eddington, Clifton, Bradley, Milford ; Gardiner; Regional: Harmony, Hartland, Palmyra, St. Albans, Wellington; Indian Township, Mount Vernon, Newburgh, Old Orchard Beach, Richmond, Waterville

Micro-Loan Program

Bucksport, Rockland

Public Infrastructure Grant Program

Corinna, Eastport, Ludlow, Madawaska, Mapleton, Milbridge, Monmouth, Newport, Phillips, Randolph, Searsport, Winthrop

Public Facilities Grant Program

Bath, Damariscotta, Danforth, Harmony, Jackson, Oakland, Pembroke, Peru, Solon, Steuben, Swans Island

Downtown Revitalization Grant Program

Gardiner, Oakland, Winthrop, Mexico

From www.abilitymaine.org (an interactive website providing information about disabilities and the people who live with them).

Breaking Story

Seeing-eye Fish Needed!

According to a well known Windsor activist, the puddles are so deep this mud season that he really could use a seeing-eye fish. "A tuna helper might be appropriate," he quipped, just before sinking out of sight in a pothole

Scholarship Opportunities for Women with Disabilities

The ELA Foundation is announcing their annual scholarship for women with disabilities who are pursuing a graduate degree at any college or university in the United States. The application procedure and form can be found on the ELA website at Grants/Scholarships. All applications must be received by June 15, 2001. (from AbilityMaine website.)

Deadline

by

Linda M. Berube, NMDC Community Development Specialist

At midnight you know
you are the only fool
who will see Brownie the dog
take the hydrant and
the skunk you can not catch
eat from Kitty's bowl,
you are one with all who crawl
and slither
in those wee twilight hours
where cold coffee and chips
keep you company
to make the deadline
that haunts you in the grocery
store,
your brother's wedding

and in the pew
where you are not listening to
the message that can not help you
now,
yet you will feed the slot,
pull the handle one more time,
again and again
because you are an addict
no therapy can fix
like a man with a bottle,
with a date
that you will make at sunrise
when Brownie sleeps
and the crows call.

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