

# Bridging the Gap in a Market Lacking “Starter” Homes

**MaineHousing**

Homeownership: Encouraging New Construction

**HFA Staff Contact**

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## **Bridging the Gap in a Market Lacking “Starter” Homes**

*Bridging the gap in a market short of starter homes. The Affordable Homeownership Program is creating modest new homes at affordable prices, providing opportunity for both young families hoping to start their American Dream and older adults looking to downsize*

MaineHousing’s Affordable Homeownership Program (AHOP) was established in 2022 in response to a housing market critically short on new, affordable, single-family homes.

Like much of America, Maine is struggling to significantly enhance housing resources and opportunities for its residents at all income levels, particularly for the so-called “missing middle” households, which include most middle-income earners whose wages have not kept pace with rapidly rising home prices.

“After getting divorced and starting over, I was in a winter rental (short-term seasonal lease) and didn’t know where I was going to end up,” said AHOP homebuyer Nichole D. “The rents in the southern Maine area are so high. This program, along with the High Pines Village workforce housing, allowed me to purchase a home I love.” In all of Maine’s 16 counties, the median sale price for a single-family home is unaffordable for each county’s median income. Maine reached this precarious tipping point for the first time in 2021, and since then, the purchase price of the typical family home has increased by nearly 60 percent.

Even as home prices have risen, increasing material costs and narrowing margins in the construction industry have led to a greater focus on larger and more expensive private housing production. Since most affordable housing programs create rental housing, these market pressures contribute to an expanding affordability gap in Maine’s single-family real estate market.

To counter these trends, AHOP incentivizes builders with subsidies in the form of forgivable loans, thereby directly increasing their operating margins, as long as they agree to offer a finished home at a price affordable to households earning up to 120 percent of the local median income.

Built to MaineHousing’s efficiency and design standards, these new homes offer built-in long-term affordability through energy savings, durability, and ease of maintenance.

Utilizing two funding allocations totaling approximately \$20 million from the Maine State Legislature for single-family home construction subsidies. By the end of 2025, AHOP will have added 276 new affordable homes for purchase in 21 places in Maine where the dream of homeownership has nearly vanished for middle-income earners. “There are people who have been priced out of homes completely, let alone new homes,” Mark Patterson, the co-owner of Patco Construction, told the [Portland Press Herald in February of 2025](#).

Patterson built two subdivisions under the program—one in Sanford and the other in Waterboro—and hopes to create more. Patterson estimated that starter homes comprise about 30% of the company’s business. Five years ago, his company developed 960-square-foot homes that sold for approximately \$180,000. In 2024, he stated that those homes were selling for over \$400,000.

Once again, the Maine Legislature, still in session at this writing, appears prepared to commit both fiscally and statutorily to AHOP.

In submitting this nomination, MaineHousing acknowledges that this program is still a work in progress. In many ways, AHOP is an evolution of an earlier affordable subdivision program that was launched before the 2008 housing market collapse, but it has been modified for greater flexibility based on the lessons learned from that earlier iteration.

Beyond stand-alone houses, the program now includes condominium and townhouse developments. In some instances, both stand-alone homes and multi-home buildings are integrated into the site. This flexibility accommodates residences priced for various income levels and the diverse lifestyles of new owners, while enhancing design adaptability for incorporating and adding new ownership homes into existing neighborhoods.

While AHOP is complex to administer and challenging to sustain, we believe valuable lessons can be learned by other HFAs from MaineHousing’s successes with this program. Its ongoing adaptation and flexibility have 276 new homes for purchase in parts of Maine that have struggled to add affordable homeownership options, making it a quality program worth replicating.

### **The AHOP Road Map:**

**Purpose:** Lower the costs of producing single-family homes that are affordable to homebuyers with incomes up to 120% AMI, including first-time homebuyers.

**Funding:** Zero-interest forgivable loans of between \$80,000 and \$90,000 per unit, depending on location. The program allows qualified buyers to obtain below-market First Home Loan mortgages, and developers to obtain MaineHousing subsidies for multifamily rental units if the project is a mixed owner/renter development.

### **What does the program pay for?**

This flexible program helps with direct development costs (and does not include pre-development, overhead, staffing, or developer operating costs).

#### The eligible uses include:

- Land acquisition
- “Soft costs,” including construction loan interest
- Infrastructure such as roads, water, electrical, sewer, storm drainage, retaining walls; retention ponds; sidewalks; and landscaping
- Construction costs

### **Program Eligibility:**

#### **To qualify for funding, projects must:**

- Contain at least five affordable units in one contiguous parcel
- Request a minimum of \$400,000 in funding (\$80,000-\$90,000 per unit) up to a maximum of \$1,800,000 per development
- Not to exceed the maximum allowable prices of \$350,000 or \$378,000, depending on their location within the state

## **Appendix A – 2024 RFP for Affordable Homeownership Program, Program Guide (AHOP)**



**2024**

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# **Affordable Homeownership Program**

mainehousing.org | 207-626-4600

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# MaineHousing Affordable Homeownership Program Request for Proposals and Program Guide

## Introduction

The Maine State Housing Authority (MaineHousing) is pleased to announce the Affordable Homeownership Program (Program or AHOP). In an effort to offer solutions to the current shortage of affordable homes for sale, MaineHousing is making \$10 million of funding appropriated by the Governor and Legislature available to facilitate the development of affordable single-family housing. This Program endeavors to provide economic, wealth-building opportunities to low and moderate income Maine households through homeownership.

The funds disbursed under the Program are a small portion of the overall financing of a single-family housing development. AHOP is intended to incent developers to create modestly sized and priced homes that are affordable to homebuyers who would be attracted to homes more appropriately sized and priced than many available today. Homebuyer income limits are based on 120% of Area Median Income (AMI) HOME limits as described under “Targeting” in this Requests for Proposals and Program Guide. The goal of MaineHousing’s funding is to help lower the costs for developers constructing homes in a single-family housing development by providing zero percent forgivable loans to reimburse developers for land acquisition costs, site development soft costs, including construction loan interest, on-site infrastructure costs, and construction costs. Funds made available under the Program are not intended to be used to pay pre-development costs.

For purposes of AHOP, an **Affordable Homeownership Unit** is a new (never previously occupied) owner-occupied single-family home with a minimum of two bedrooms, a permanent foundation, and at least 500 square feet that meets the criteria outlined herein. Manufactured housing and modular housing are included, along with traditional site-built construction. Manufactured home parks, where the lots are not owned by the resident, are not eligible under this Program. Please contact MaineHousing if the proposed development will include condominiums or a land trust. Condominium and land trust proposals must be structured in such a way that prospective owners are able to access the conventional mortgage lending market.

A successful application under the Program does not automatically qualify Affordable Homeownership Unit buyers as eligible for financing under MaineHousing’s First Home Loan Program or any other MaineHousing loan program. Eligibility for the First Home Loan Program or any other MaineHousing loan program will be determined by an evaluation and approval process separate and distinct from that of the Program.

MaineHousing reserves the right to suspend or terminate the Program at any time and to cease processing any project application prior to issuing a term sheet. MaineHousing is under no obligation to finance a project until the project has been successfully reviewed and a loan closing has been approved.

## Funding and Pledges

To be eligible for financing under the Program, a minimum of five (5) single-family homes must be Affordable Homeownership Units.

The maximum forgivable loan amount is \$90,000 per Affordable Homeownership Unit in Cumberland, Sagadahoc or York counties and \$80,000 per Affordable Homeownership Unit in the remaining 13 counties of the State. The minimum forgivable loan amount is \$400,000 and the maximum forgivable loan amount is \$1,800,000 per affordable single-family housing development. One home in the development must be pledged as an Affordable Homeownership Unit for each \$90,000 or \$80,000 loan increment up to \$1,800,000.

Once awarded funding, developers participating in the Program will not be allowed to access additional subsidy from MaineHousing for their AHOP project. This does not impact homebuyers who receive a MaineHousing First Home Loan and may receive subsidy for down payment and closing costs.

Funding from the current Program may not be used to provide gap financing to projects that have received funding in previous AHOP rounds. Additionally, projects that have received points for requesting less than the maximum subsidy amount are not eligible to receive more subsidy than was requested in their applications.

## Eligible Uses

Forgivable loans will be made for the reimbursement of land acquisition costs, site development soft costs, including construction loan interest, on-site infrastructure, and construction costs as determined by MaineHousing. On-site infrastructure costs may include, but are not limited to: the installation of roads; utilities such as water, electrical, and sewer; storm drainage; retaining walls; retention ponds; sidewalks; and landscaping. Pre-development costs are not eligible. Acquisition cost must not exceed the Broker’s Opinion of Value.

Overhead, staffing, and other general operating costs are not eligible costs under AHOP.

## Application Process

Applications and completed exhibits must be submitted to MaineHousing by January 16, 2025.

## Location

All Maine municipalities are eligible under this Program. MaineHousing encourages developers to work with communities in designing and siting projects. Many Maine municipalities are eager for additional housing. Communities can assist developers of subdivisions with density bonuses and other incentives to increase the benefit to the developer. Scattered site projects are not eligible; all units must be part of the same contiguous parcel.

## Targeting

A developer must sell the Affordable Homeownership Units in the development with the purchase price and income limits described under (1) and (2) below, as well as with the affordability declaration described in (3):

- (1) Sale Price limits on Affordable Homeownership Units:

County	Price Limit
Cumberland, Sagadahoc and York	\$378,000
Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Somerset, Waldo and Washington	\$350,000

- (2) Income of the homebuyers is limited to those in the chart below.

Location	Income Limit
Cumberland, Sagadahoc and York Counties ( <i>excluding</i> HMFAs)	\$110,240
All other Counties ( <i>excluding</i> HMFAs)	\$101,160
Bangor HMFA:	\$102,240

Bangor, Brewer, Eddington, Glenburn, Hampden, Hermon, Holden, Kenduskeag, Milford, Old Town, Orono, Orrington, Penobscot Indian Island Reservation and Veazie	
Portland HMFA:  Cumberland County: Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Frye Island, Gorham, Gray, Long Island, North Yarmouth, Portland, Raymond, Scarborough, South Portland, Standish, Westbrook, Windham and Yarmouth  York County: Berwick, Buxton, Eliot, Hollis, Kittery, Limington, Old Orchard Beach, South Berwick and York	\$137,760
York/Kittery/South Berwick HMFA:  Berwick, Elliot, Kittery, South Berwick and York	\$135,600

The income limits for this program are tied to this specific funding offering and not subject to change.

- (3) Each Affordable Homeownership Unit will be sold with a Declaration of Covenants and Restrictions in the form attached to this Request for Proposals and Program Guide as **Exhibit A**. The Declaration of Covenants and Restrictions will require, among other things, that each subsequent sale of that Affordable Homeownership Unit for a period of 15 years from the initial sale thereof does not exceed 70% of the purchase price limit for the applicable county under MaineHousing’s First Home Loan Program or its successor (“First Home Loan Program”).

## Eligible Developers

Eligible developers and the members of the development team (contractors, engineers, architects) must be in good standing and either have successful prior experience with a MaineHousing development program or be able to demonstrate, to MaineHousing’s satisfaction, sufficient experience in developing a single-family housing development. Partnership with more experienced entities may be required for some applicants.

## Construction Standards

The site development and home construction shall comply with the Maine Uniform Building and Energy Code (MUBEC) in effect at the time of permitting, as well as all applicable local and state codes, ordinances, and standards as evidenced by inspection reports and/or written approval from local code enforcement officials. This applies to all municipalities within the State of Maine regardless of population size.

In addition, all Affordable Homeownership Units must:

- (1) Provide all electric equipment and systems such as heat pump(s), resistance heat, variable refrigerant flow, variable frequency drives or other non-fossil fuel systems for heating, domestic hot water, cooking and any cooling needs.
- (2) Include electrical raceways/conduits from the electrical panel to terminal units at the parking area for the future installation of a Level 2 electric vehicle charger and have an electrical panel that is adequately sized to provide for the future installation of a Level 2 electric vehicle charger.

- (3) Include electrical raceways/conduits from the electrical panel to terminal units at the roof for the future installation of PV solar panels and to provide an electrical panel that is adequately sized to provide for the future installation of PV solar panels.

MaineHousing neither oversees nor approves site plans, design plans, or construction. MaineHousing will not take responsibility for the quality of construction, and eligible developers that accept funding under this Program agree that all applicable codes, ordinances and standards can be achieved with the developer's total financing package. However, MaineHousing reserves the right to access and inspect all phases of the site and home construction to determine compliance with its standards.

## Security

The developer will execute a forgivable promissory note, a mortgage and security agreement in favor of MaineHousing, and other documents as may be required by MaineHousing to secure the developer's obligations under the note and the Program.

The mortgage will cover the entire development. Parcels will be released from the mortgage by MaineHousing as they are sold. MaineHousing reserves the right not to release a parcel if doing so would result in the developer not being able to sell the required number of Affordable Homeownership Units. If a single-family home in the development is sold as an Affordable Homeownership Unit, a Declaration of Covenants and Restrictions will be executed by the Buyer and recorded on the Affordable Homeownership Unit. Promissory notes from the developer are not forgiven, cancelled or otherwise discharged until the obligated number of units in the development are sold in accordance with the Program requirements. The loan made by MaineHousing under the Program, together with interest at a default rate to be specified by MaineHousing in the note, shall be payable in full three (3) years after the date of the loan if the obligated number of Affordable Homeownership Units in the subdivision have not been sold to qualified homebuyers within that 3-year period. The loan may not be prepaid.

## Application Requirements

For MaineHousing to accept and process an application under the Program, the following will be required:

- (1) Application – **Exhibit B**.
- (2) A narrative that addresses each of the following items concerning the *developer*:
  - a. Legal name;
  - b. Contact person, mailing address, phone number, and email address;
  - c. Financial statements for the most recent fiscal year;
  - d. Prior experience in single-family housing development and prior lending experience with MaineHousing; and
  - e. A description of any real estate assets that are in default or foreclosure with a lending institution or that are otherwise at risk of substantive financial problems.
- (3) A narrative that addresses each of the following items concerning the *proposed development*:
  - a. The number of Affordable Homeownership Units and projected income ranges of the purchasers of the Affordable Homeownership Units;
  - b. The purchase price of the Affordable Homeownership Units;
  - c. A marketing plan, specifically describing how the Affordable Homeownership Units will be marketed;
  - d. A description of the Affordable Homeownership Units and any market rate homes;
  - e. Proposed uses of Program funds – see Eligible Uses;
  - f. The development timeline; and
  - g. Qualifications of developer's proposed project team including site planner and/or engineer and contractor.

- (4) Evidence of an interest in the site (Deed, Purchase and Sale, an Option, or similar document).
- (5) A Broker's Opinion of Value (supplied by a broker holding an active State of Maine real estate license) of the Affordable Homeownership Units to establish the home is worth at least the proposed asking price. No home may be sold above the Broker's Opinion of Value.
- (6) Development Budget – **Exhibit C**.
- (7) Copies of commitment letters or term sheets for all other financing sources required for the development.
- (8) A final subdivision site plan.
- (9) Evidence that the development fits within existing zoning rules or final planning board approval if any variances were granted.
- (10) A survey.

## Scoring Criteria

MaineHousing will score applications based on the following criteria. Developers must complete all information and submit all documentation to be eligible for points.

Readiness. **Up to 20 points**

1. The project has all required municipal land use approvals (except building and other permits customarily issued during construction) and state land use approvals (such as site plan, subdivision, storm water, or wetlands approvals) required to proceed with and complete construction. **10 points**
2. If the timeframe to appeal all such approvals has expired with appellate action taken or all appeals have been resolved, project is eligible for an additional **2 points**
3. Developer has a funding commitment(s) from construction lender(s) for the amount required to make the project feasible. **8 points**

Developer Capacity. **Up to 14 points**

1. Developer has experience and current capacity in single-family home and subdivision construction. **Up to 8 points**
2. Reasonableness of preliminary budget. **Up to 4 points**
3. Developer experience with MaineHousing and/or similar projects. **Up to 2 points**

Funding Request. **Up to 12 points**

1. Developer is requesting 97-100% of maximum subsidy per unit allowed. **0 points**
2. Developer is requesting 92-96% of maximum subsidy per unit allowed. **4 points**
3. Developer is requesting 87-91% of maximum subsidy per unit allowed. **8 points**
4. Developer is requesting less than 87% of maximum subsidy per unit allowed. **12 points**

Leveraged Funds. **Up to 6 points**

1. One point for each \$20,000 per Affordable Homeownership Unit of other committed sources that will reduce the selling price of the homes. Sources must be in the form of grants and/or land donations.

Additional Space in Affordable Homeownership Units. **Up to 20 points**

1. Foundations with full, unfinished basements in all Affordable Homeownership Units. **7 points**
2. Ground-level storage such as a shed with a minimum usable inside space of 6'x8' or garage in all Affordable Homeownership Units. **5 points for a shed or 7 points for a garage**

3. Third bedroom (and each additional bedroom thereafter). ½ point per each additional bedroom in an Affordable Homeownership Unit up to 10 points.

### Submission and Contact Information

All applications and questions about the Program must be submitted to Kelly Purington at [kpurington@mainehousing.org](mailto:kpurington@mainehousing.org)

### MaineHousing Non-Discrimination Policy

*Maine State Housing Authority does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Dr., Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*

Accepted:



Daniel E. Brennan  
Director

November 6, 2024

## Exhibit A Declaration of Covenants and Restrictions

**This Declaration of Covenants and Restrictions (“Declaration”)** is made and entered into by and between the **MAINE STATE HOUSING AUTHORITY**, with a mailing address of 26 Edison Drive, Augusta, Maine 04330 (“MaineHousing”), and ***NAME OF PURCHASER***, with a mailing address of \_\_\_\_\_ (“Purchaser,” which term shall mean the initial owner of an Affordable Homeownership Unit as defined herein and any subsequent owner of that Affordable Homeownership Unit).

**Whereas**, MaineHousing provided a forgivable loan to the developer of the subdivision where Purchaser’s Affordable Homeownership Unit is located to assist the developer with development costs associated with the subdivision and in consideration of said loan, the developer agreed to sell ***NUMBER OF HOMES*** homes in the subdivision as Affordable Homeownership Units; and

**Whereas**, under the Affordable Homeownership Program, an “Affordable Homeownership Unit” is a new (never previously occupied), owner-occupied single-family home which for fifteen (15) years is subject to purchase price restrictions and may be sold only to purchasers whose income is at or below a certain level; and

**Whereas**, Purchaser is purchasing an Affordable Homeownership Unit; and

**Whereas**, in consideration of the benefit received by Purchaser from the purchase of an Affordable Homeownership Unit, Purchaser has agreed to abide by the covenants and restrictions set forth in this Declaration.

**Now, therefore**, MaineHousing and Purchaser hereby agree as follows:

1. Enforceability of Covenants. The covenants and restrictions set forth in this Declaration are intended to be and shall be considered covenants that run with the real estate described in Annex A attached hereto and made a part hereof and shall bind all subsequent owners of the real estate described in said Annex A. The covenants of Purchaser set forth herein are enforceable by MaineHousing as a contract beneficiary. The covenants and restrictions set forth herein shall survive a sale, transfer, or other disposition of the Affordable Homeownership Unit by Purchaser, except that such covenants and restrictions shall not survive a sale or transfer by foreclosure to a party other than Purchaser or any member of Purchaser’s household or a transfer by deed in lieu of foreclosure.

2. Covenants and Restrictions. Purchaser hereby covenants and agrees that for fifteen (15) years from the date of the recording of this Declaration in the appropriate registry of deeds, the following conditions and restrictions will be and remain in effect and Purchaser shall be bound thereby:

- i. The Affordable Homeownership Unit will be occupied and used as the Purchaser’s principal residence.
- ii. The Affordable Homeownership Unit will not be used as rental property, a vacation home or investment property for short or long term periods of time.
- iii. If Purchaser’s Affordable Homeownership Unit is sold during the term of this Declaration, the purchase price of the Affordable Homeownership Unit may not exceed 70% of the purchase price limit for the applicable county under MaineHousing’s First Home Loan Program or its successor (“First Home Loan Program”).
- iv. Purchaser may sell the Affordable Homeownership Unit only (i) to a homebuyer who has applied and qualified for financing under the First Home Loan Program or (ii) to another homebuyer whose income does not exceed 120% AMI at the time of the sale of the Affordable Homeownership Unit and only in accordance with the purchase price limit applicable to the Affordable Homeownership Unit as provided herein. Purchaser shall not sell, lease or otherwise transfer, or enter into any agreement or arrangement to

sell, lease, or otherwise transfer, an Affordable Homeownership Unit except to an eligible buyer and only at a price that does not exceed the applicable purchase price limit as provided herein and otherwise in accordance with the terms of this Declaration. An executed affidavit of Purchaser (as seller) and the new buyer recorded in the appropriate registry of deeds stating that the income of the intended buyer of an Affordable Homeownership Unit is within the First Home Loan Program limits and that the purchase price of the Affordable Homeownership Unit does not exceed the applicable purchase price limit as provided in this Declaration in the form attached as Annex B shall be sufficient evidence of the matters set forth therein. **Except with respect to transfers by operation of law or foreclosure as provided herein, no transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed with respect to which such executed affidavit has not been recorded in the appropriate registry of deeds shall be effective to transfer title to or create an interest in the Affordable Homeownership Unit that is the subject of such transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed, and such transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed shall be void.**

3. MaineHousing's Remedies for Breach by Purchaser. MaineHousing shall be entitled to all rights and remedies available at law and in equity, including injunctive relief and specific performance, to enforce the covenants and obligations of Purchaser and the restrictions set forth in this Declaration.

4. Amendment. This Declaration may not be amended without the written consent of MaineHousing, which, if given, shall be evidenced on the face of such amendment.

**MAINE STATE HOUSING AUTHORITY**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

*Signatures continue on following page*

**PURCHASER**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

State of Maine  
County of \_\_\_\_\_

Date: \_\_\_\_\_

Personally appeared the above-named \_\_\_\_\_, as  
\_\_\_\_\_ of the ***NAME of PURCHASER***, and gave oath to the  
foregoing and acknowledged before me the foregoing to be his/her free act and deed in his/her said capacity and  
the free act and deed of the ***NAME of PURCHASER***.

Before me,

\_\_\_\_\_  
Notary Public/Attorney-at-Law  
Printed Name: \_\_\_\_\_  
Commission expires: \_\_\_\_\_

**ANNEX B  
Seller Affidavit**

Each person signing this Affidavit, being duly sworn, deposes and says that:

1. The seller(s) listed below are selling the real estate described in Annex A attached hereto (the "Affordable Homeownership Unit"), which is subject to a Declaration of Covenants and Restrictions recorded in Book \_\_\_\_, Page, \_\_\_\_ in the \_\_\_\_\_ County Registry of Deeds to the buyer(s) listed below.

2. The purchase price does not exceed the 70% of the purchase price limit for the applicable county under MaineHousing's First Home Loan Program or its successor ("First Home Loan Program").

Seller: \_\_\_\_\_  
Printed name: \_\_\_\_\_

Seller: \_\_\_\_\_  
Printed name: \_\_\_\_\_

STATE OF MAINE  
COUNTY OF \_\_\_\_\_, ss

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

(Seal)

\_\_\_\_\_  
Name:  
Notary Public/Attorney-at-Law  
Commission Expires: \_\_\_\_\_

**Buyer Affidavit**

Each person signing this Affidavit, being duly sworn, deposes and says that:

1. The seller(s) listed above are selling the real estate described in Annex A attached hereto (the "Affordable Homeownership Unit"), which is subject to a Declaration of Covenants and Restrictions recorded in Book \_\_\_\_, Page, \_\_\_\_ in the \_\_\_\_\_ County Registry of Deeds to the buyer(s) listed below.

2. The purchase price does not exceed the 70% of the purchase price limit for the applicable county under MaineHousing's First Home Loan Program or its successor ("First Home Loan Program").

3. Buyer's income does not exceed 120% AMI or is using MaineHousing's First Home Loan Program at the time of the sale of the Affordable Homeownership Unit.

Buyer: \_\_\_\_\_  
Printed name: \_\_\_\_\_

Buyer: \_\_\_\_\_  
Printed name: \_\_\_\_\_

STATE OF MAINE  
COUNTY OF \_\_\_\_\_, ss

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

(Seal)

\_\_\_\_\_  
Name:  
Notary Public/Attorney-at-Law  
Commission Expires: \_\_\_\_\_

Notaries Public must have each person signing as Seller or Buyer raise his or her hand and elicit an affirmative response to the following oath: "DO YOU (SWEAR/AFFIRM) UNDER PENALTY OF LAW THAT YOU HAVE READ AND UNDERSTOOD THIS AFFIDAVIT AND THAT THE STATEMENTS WITHIN ARE TRUE BASED UPON YOUR PERSONAL KNOWLEDGE (SO HELP YOU GOD)?"

**Exhibit B  
Application**

I am aware that this Application must be signed and complete, including required exhibits and attachments as noted.

To the best of my knowledge, all information contained in this application and its supporting exhibits and attachments is true and correct. I also hereby authorize the Maine State Housing Authority (“MaineHousing”) to evaluate the application in such manner as MaineHousing deems necessary, including discussing this application with any lender, municipal official, vendor, or other party with an interest in this property or project.

I hereby authorize MaineHousing to verify any bank or other fund balance indicated on any personal or organizational financial exhibit, to investigate credit, employment or business standing of that or any related party, to disclose any aspect of the financial information to any person but only for the purpose of determining the accuracy of the information or otherwise investigate and evaluate the application in such manner as MaineHousing deems necessary.

I certify that none of the owner/applicant, its principals or partners is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any HUD programs.

Neither the applicant, nor any principal or affiliate of the applicant, nor anyone who will be paid for work on the program has business ties, familial relationships, or other close personal relationships with a current MaineHousing employee or commissioner or anyone who was a MaineHousing employee or commissioner within the past year except as follows:

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Applications must be signed by all principals (Individual, Partner, General Partner or Corporate representative authorized to bind the company) in the applicant entity.

***NAME of DEVELOPER [if applicable]***

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

No application for financing will be accepted or approved by MaineHousing if the applicant, or any entity controlled by the applicant, is more than 60 days delinquent on any loan with MaineHousing, or has been declared in default of such loan, unless either an approved payment or workout plan is in place and in good standing.

**UNSIGNED APPLICATIONS WILL NOT BE ACCEPTED**

## Exhibit C Development Budget

### Sources of Funds:

Construction Sources:			
Lender	Amount (\$)	Rate (%)	Term (mos.)
1.			
2.			
3.			
4.			
<b>Construction Sources Total</b>	<b>\$</b>		

Permanent Sources:			
Lender	Amount (\$)	Rate (%)	Term (mos.)
1.			
2.			
3.			
4.			
<b>Permanent Sources Total</b>	<b>\$</b>		

### Uses of Funds:

Description:	Costs (\$)
Land Acquisition	
Site Infrastructure (clearing, roads, sidewalks, utilities, landscaping)	
Professional Services relating to subdivision development (appraisal, engineering, survey, environmental, consulting, legal)	
Financing Fees (including construction loan interest)	
Permits (specify)	
Construction Costs (specify)	
<b>Total Development Costs</b>	<b>\$</b>

## Appendix B – AHOP Program Slideshow



# MaineHousing

## Affordable Homeownership Program

### An Update – January 2024





## Post-War American Housing

Developments like this appeared in any medium or large Maine town from 1945-60.

On-ramp to the American Dream: Affordable houses in these neighborhoods continue to be in high demand by buyers but are not generally being built today.

The Legislature and the Governor wanted to find a way to produce basic houses affordable to everyday middle-income people.



# THE AFFORDABLE HOMEOWNERSHIP PROGRAM

\$10 million allocated from Maine Jobs and Recovery Plan (ARPA)

Purpose: Lower the costs of producing single family homes that are affordable to homebuyers with incomes up to 120% AMI, including first-time homebuyers.

Funding: **Zero Interest Forgivable Loans** of between \$60,000-\$70,000 per unit, depending on location.

The program allows for Qualified buyers to obtain below-market First Home Loan mortgages; and developers to obtain MaineHousing subsidy for multifamily rental units if the project is a mixed owner/renter development.



# WHAT DOES THIS PAY FOR?

This is a flexible program that helps with direct development costs (and not overhead, staffing, or developer operating costs).

The program supports things like:

- Land acquisition
- “Soft costs” including construction loan interest
- Infrastructure, like roads, water, electrical, sewer, storm drainage etc.
- Construction costs



# ELIGIBILITY

## To qualify for funding, projects must:

Contain at least five affordable units in a subdivision

**Request** a minimum of \$300,000 in funding (\$60,000-\$70,000 per unit) up to a maximum of \$1,400,000 per development

**Price the homes** between \$287,000 and \$325,000 depending upon where in the state they are located



# AFFORDABLE HOMEOWNERSHIP PIPELINE

<u>Development</u>	<u>Location</u>	<u>Units</u>	<u>Funding</u>
19 Bodwell St	Sanford	8	\$ 480,000
Alexander Way	Boothbay Harbor	7	420,000
Beals Ave	Ellsworth	23	1,380,000
Clarks Bridge Crossing	Waterboro	9	630,000 (Completed!)
Fletcher Farms	Sanford	5	350,000
Stearns Farm	Hampden	23	1,380,000 (Completed!)
Highpines	Wells	20	1,400,000
Wildlands	Standish	12	840,000
Wilbur's Woods	Brunswick	<u>20</u>	<u>1,400,000</u>
<b><u>In MaineHousing's Pipeline</u></b>		<b><u>127</u></b>	<b><u>\$8,280,000</u></b>
Dougherty Commons	Portland	20	\$1,400,000
Windward Estates	Searsport	<u>7</u>	<u>420,000</u>
<b><u>Projects working to complete applications</u></b>		<b><u>27</u></b>	<b><u>\$1,820,000</u></b>
<b>TOTAL POTENTIAL KNOWN TODAY</b>		<b>154</b>	<b>\$10,100,000</b>





EXAMPLE:  
**STEARNS  
FARM**  
Hampden

ALL UNITS BUILT

\$240,000 / unit  
1400 sq. ft. 2BR, 1BA  
w/Garage





# STEARNS FARM

## Hampden

UNITS COMPLETED

Showing Basic Floor Plan  
Other features include  
Low HOA fees





## Affordable Homeownership Interior





EXAMPLE:

# HIGHPINES VILLAGE WELLS

3 BR UNITS

3 Models

1000 SF – 1050 SF

1.5 BATHS

\$250K - \$265K per unit

20 affordable units, part of a 120-unit  
mixed-income subdivision





## HIGHPINES VILLAGE – WELLS





EXAMPLE:  
**WILBUR'S WOODS**  
**BRUNSWICK**

21 HOUSES on a campus with a  
18 UNIT APARTMENT BLDG

\$325,000 PER UNIT in a town  
where median selling price is  
Around \$600,000

3BR / 1.5 Bath

A little different – mini cluster  
Parking off to one side  
Houses are modern with  
Cathedral ceilings, basements





EXAMPLE:

# CLARK'S BRIDGE CROSSING

North Waterboro

Houses at \$284,000

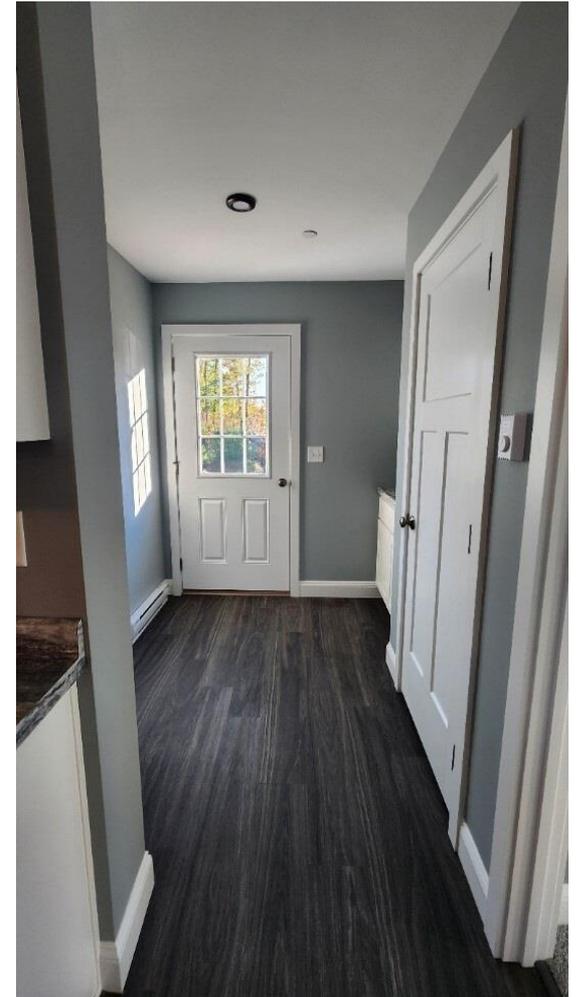
SOLD OUT



# CLARKS BRIDGE CROSSING

North Waterboro

Interior views



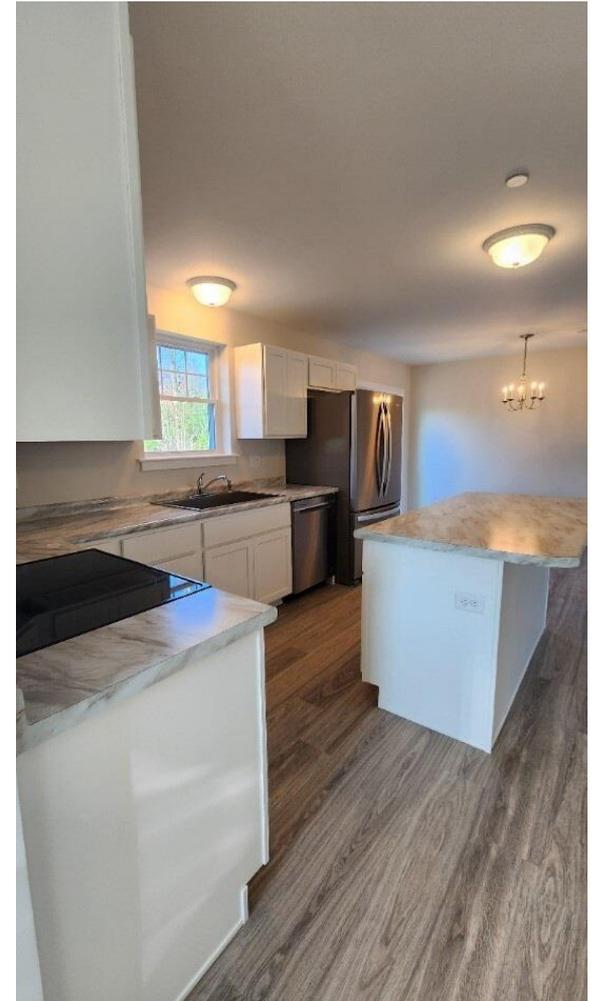
EXAMPLE:

More from

# CLARK'S BRIDGE CROSSING

North Waterboro

Showing Landscape and Interior



## **Appendix C – Map of towns with AHOP developments and number of homes developed**

# Affordable Homeownership Program – 276 Homes in 21 Development Locations

