

Housing for Maine

Kara Wilbur, Build Maine

September 21, 2021



We have an urgent problem.

Attainable housing is already scarce.

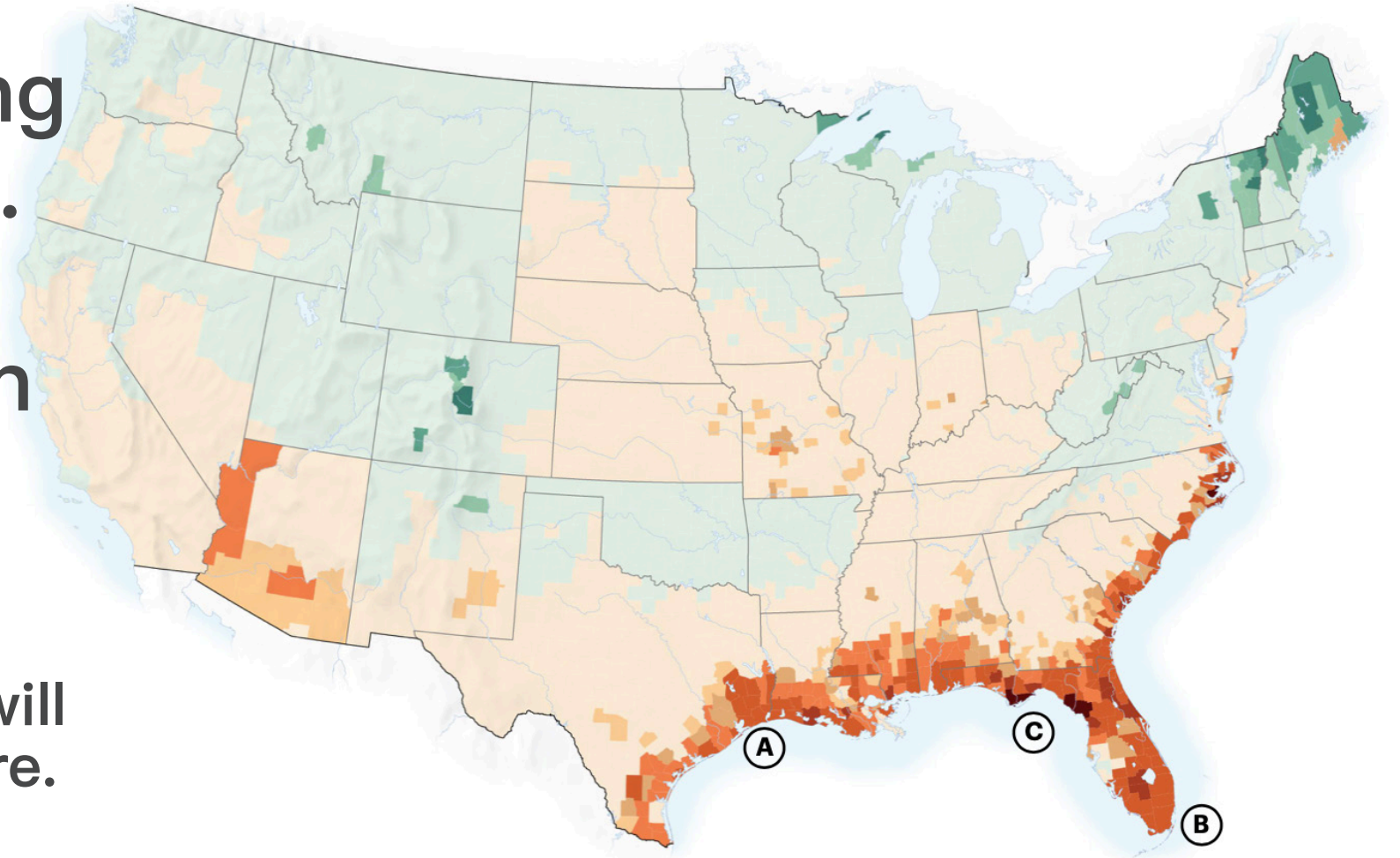
Climate migration is here to stay.

Increased demand plus speculative investment will drive prices up even more.

Economic Damages From Climate: 2040-2060



Climate damage as a percent of GDP



We are building too much of the the wrong kind of housing in the wrong places.

Kittery gives final OK to 303-unit apartment complex

Hadley Barndollar

Published 11:42 a.m. ET Jun. 26, 2020



The Kittery Planning Board on Thursday gave final approval to the construction of 303 studio, one-and-two bedroom units off Interstate 95 and Dennett Road in Kittery. *Courtesy*

How can we deliver more housing choice that ties into and supports our communities?

Updated: December 7, 2020

In off-market deal, new duplex development sets sales record for Windham



COURTESY / F.O. BAILEY REAL ESTATE

A development of 21 brand-new duplexes in Windham sold for \$9 million, thought to be a record-setter for the type of property in the area.

By Laurie Schreiber

A San Francisco investor looking to make a move to Maine saw a solid investment in the acquisition of a recently built tract of 21 new duplexes in Windham.

This suburban pattern is...

- Socially isolating
- Requires us to drive
- Requires expensive infrastructure
- Consumes open space.



Can we do it differently?



Route 302 Bridgton

This is where
Mainers live.

But it is
difficult to
finance projects
where rents are
low and comps
are low.



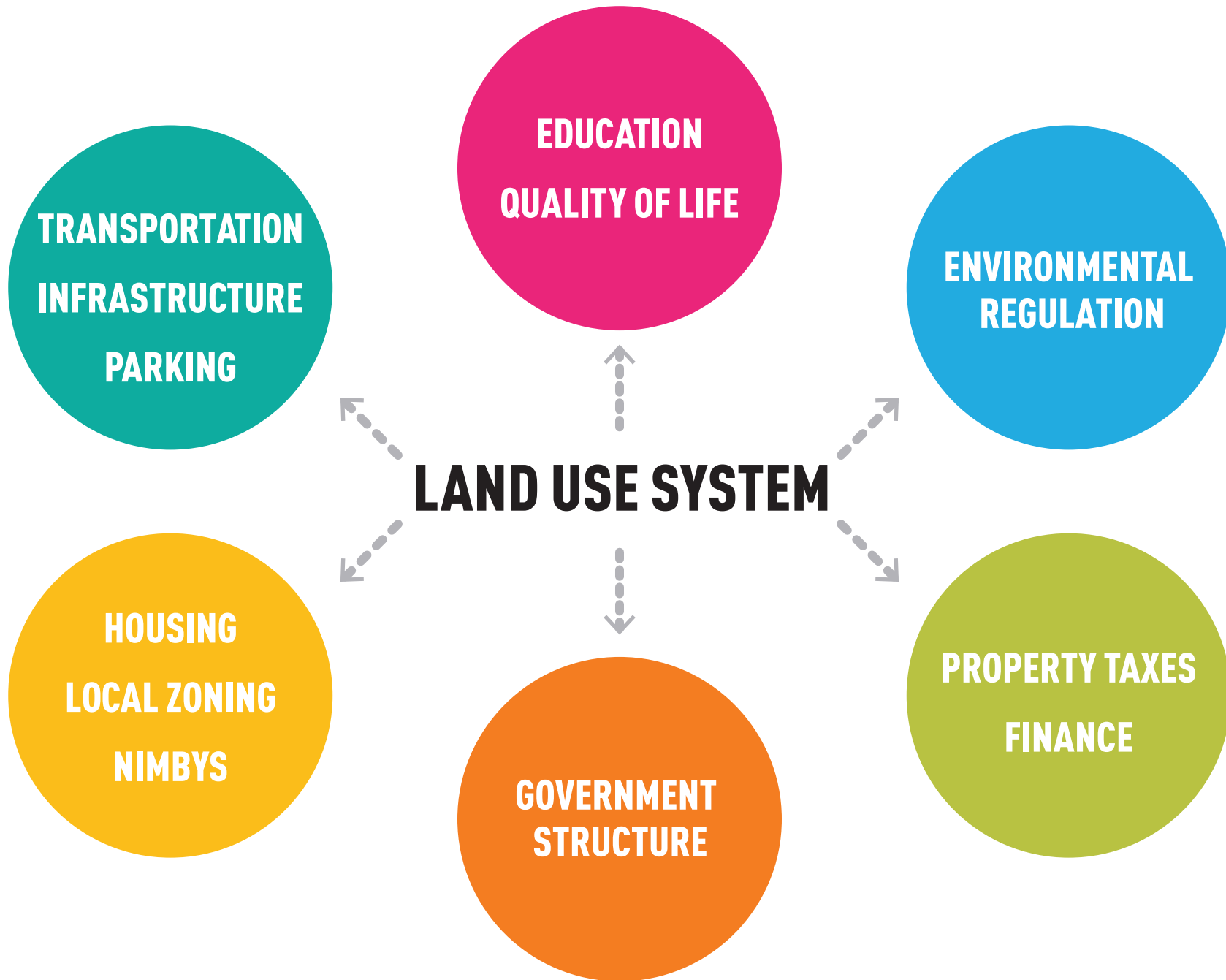


Systems Change Meetings 2019/20

Over 100 unique participants

- August 8 Systems Change
- September 19 Mapping the Domains
- September 26 Mapping the System
- December 5 Mapping the System
- December 5 Land Banks
- February 27 Review Systems
- March 5 Review Systems Map Doc
- March 12 Review Systems Map Doc
- March 22 Land Banks
- March 26 Land Banks
- April 2 Land Banks
- April 9 Land Banks
- April 16 Systems Change
- April 23 Systems Change
- April 30 Systems Change





How can we direct
resources + money into
our hearts of our
communities?



Are there better models to build rural housing?



Downtowns



Newcastle



Corridors

Windham



Villages

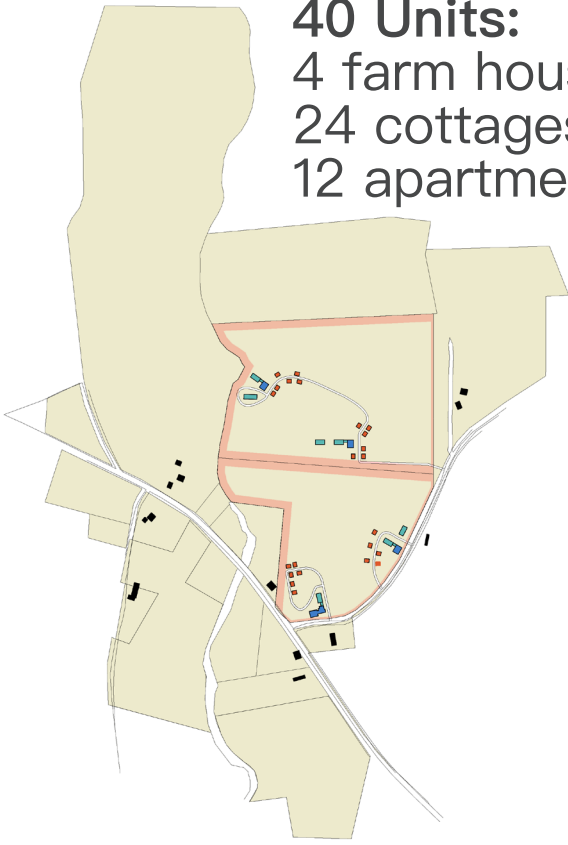


Topsham



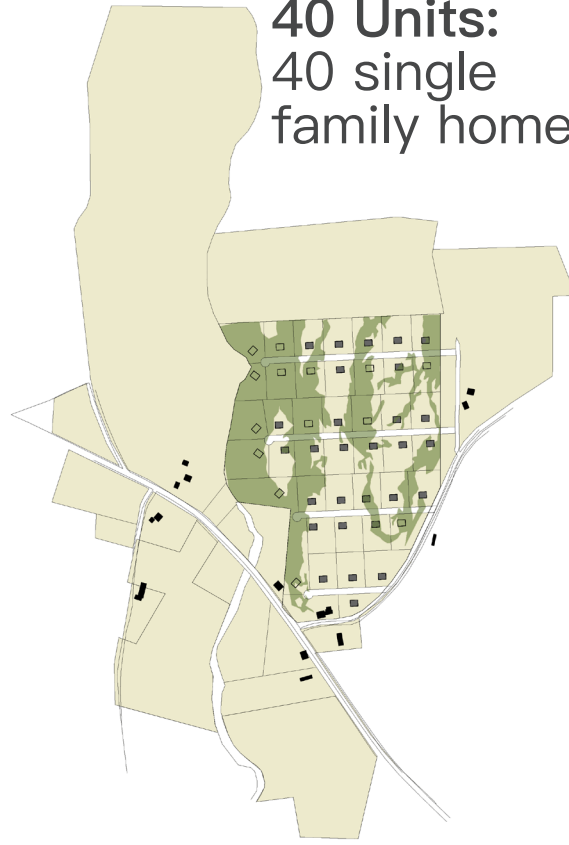
Crossroads / Farms

40 Units:
4 farm houses
24 cottages
12 apartments



OR

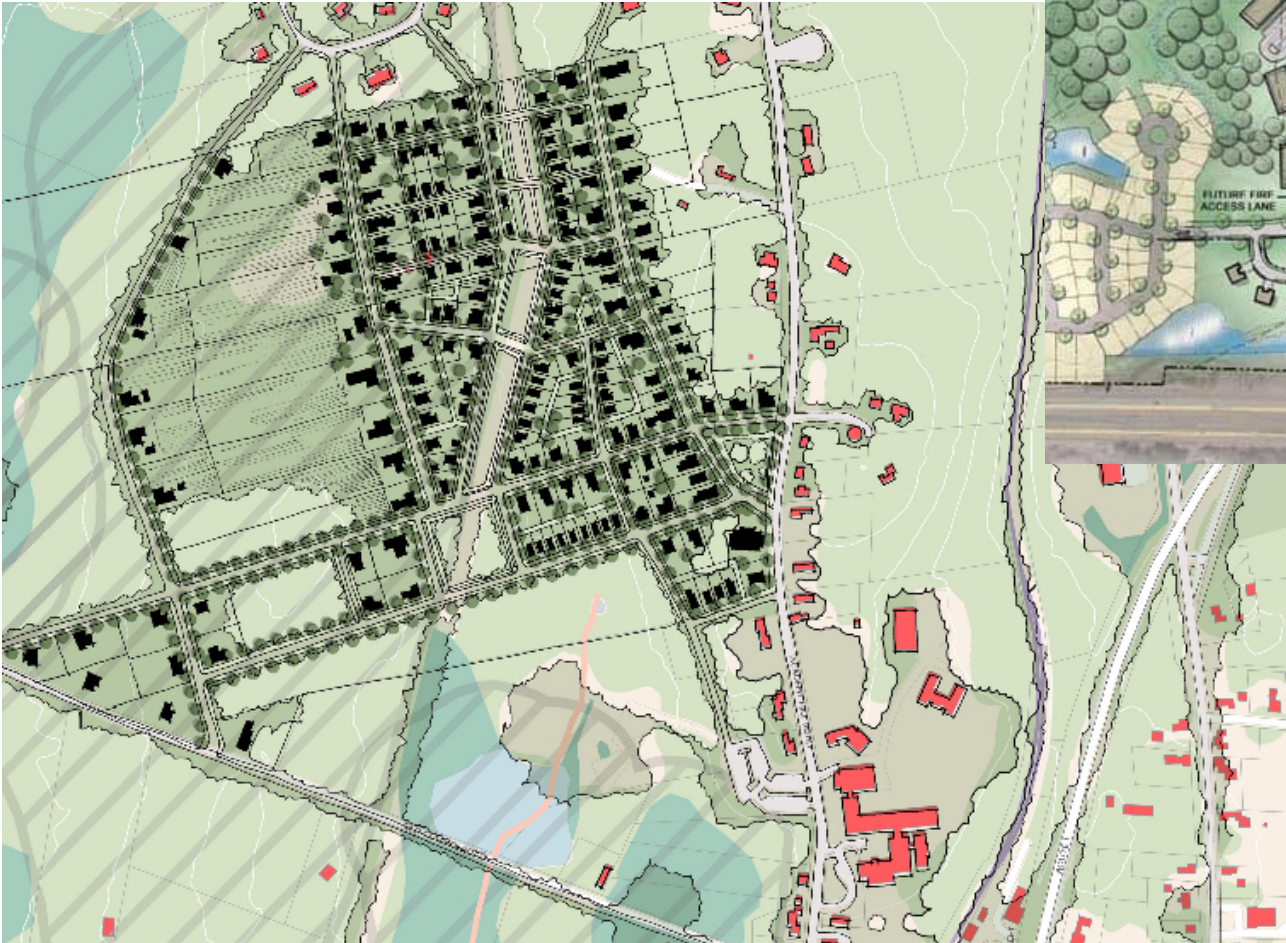
40 Units:
40 single
family homes



Leeds

New Neighborhoods

Building to support existing places.



Walking distance to remnant open spaces.

Walking distance to downtown, school, open space corridors.

Plans and building types come first. Then financing.



DEVELOPMENT SUMMARY

SANFORD, MAINE

PROJECT COSTS

Purchase Price	\$0
Soft Costs	\$73,249
Hard Costs	\$711,755
Developer Fee	\$0
TOTAL DEVELOPMENT COSTS	\$785,004
COST PER UNIT	\$196,251

VALUE GAP

Total Development Costs	\$785,004
Assessed Value	\$525,400
Appraised Value	\$520,000
VALUE GAP	\$265,004

FINANCING GAP

Building Value considered for Bank Loan	\$520,000
Bank Loan on Appraised Value (80% LTV)	\$416,000
Developer Equity (20%)	\$104,000
REMAINING FINANCING GAP	\$265,004

ANNUAL OPERATING INCOME

Gross Operating Income	\$85,500
Operating Expenses	-\$37,712
Replacement Reserve	-\$1,200
NET OPERATING INCOME	\$46,588
Bank Debt	-\$25,294
Subordinant Debt	-\$18,049
ANNUAL CASH REMAINING	\$3,246

How do we cover the gap on small projects?

- Expanded historic tax credits that work for rural Maine.
- Gap financing through organizations like Genesis Fund.
- Parcel based TIFs to help bridge the gap.
- New flexible financing tools, such as low interest loans for affordable to missing middle, attainable units. Not all communities need more affordable units right now.

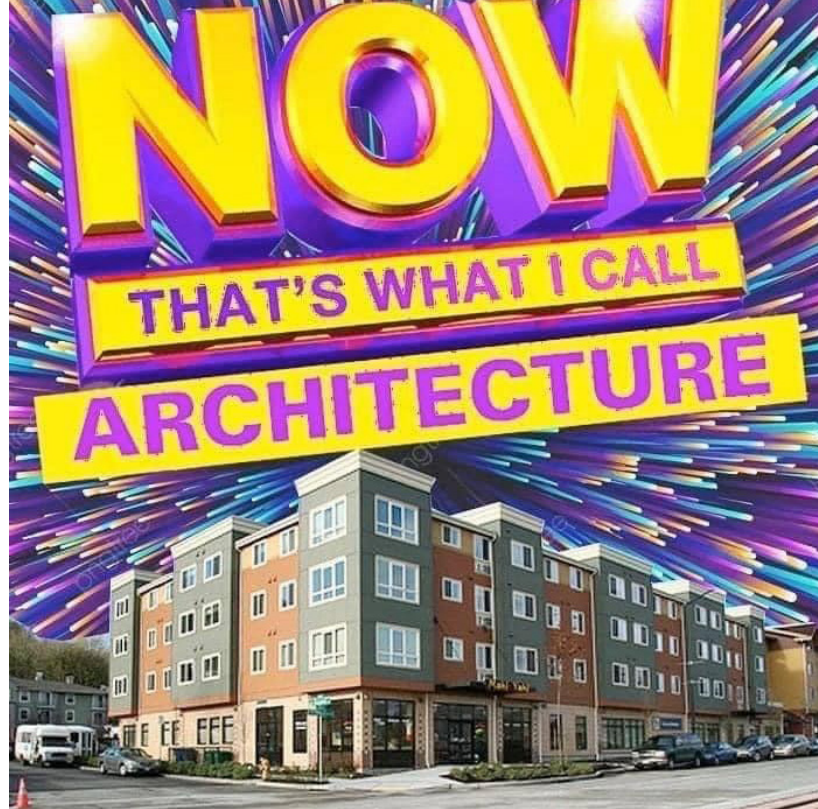


We need to improve design.

Friendly buildings don't face their backs to humans that are traveling in the public space.



Help curb
NIMBYism
with
better
design.



Can we have it all?

Yes, yes we can.

- Housing in the right places in communities across the state.
- Financing programs to help close the gap on a broader range of building types.
- More people engaged in work of building housing, including training.
- Good energy efficiency.
- Good design.

